PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Financial Statements and Directors' Report for 2010, 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.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. 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.:

We have audited the financial statements of Promotora de Informaciones, S.A. (PRISA), which comprise the balance sheet at December 31, 2010 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 directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.a to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying financial statements for 2010 present fairly, in all material respects, the equity and financial position of Promotora de Informaciones, S.A. at December 31, 2010, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

The accompanying directors' report for 2010 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 2010. 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

Fernando García Beato
March 14, 2011

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
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PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Financial Statements and Directors' Report for 2010

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 2010 AND 31 DECEMBER 2009
(in thousands of euros)

ASSETS	12/31/10	12/31/09
A) NON-CURRENT ASSETS	**5,910,223**	**5,332,726**
I. INTANGIBLE ASSETS (Note 5)	8,200	10,494
1. Computer software	7,522	8,870
2. Advances and intangible assets in progress	678	1,624
II. PROPERTY, PLANT AND EQUIPMENT (Note 6)	2,204	2,953
1. Buildings	239	246
2. Other fixtures and furniture	1,135	1,291
3. Other items of property, plant and equipment	830	1,416
III. NON-CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES (Note 7.1)	5,665,450	5,056,818
1. Equity instruments	5,464,044	4,873,003
2. Loans to companies	201,406	183,815
IV. NON-CURRENT FINANCIAL ASSETS (Note 7.1)	8,826	12,610
1. Equity instruments	-	4,425
2. Other financial assets	8,826	8,185
V. DEFERRED TAX ASSETS (Note 8)	225,543	249,851
B) CURRENT ASSETS	**357,255**	**257,375**
I. TRADE AND OTHER RECEIVABLES	87,261	107,693
1. Trade receivables for services	6,923	5,152
2. Receivable from Group companies and associates	68,775	94,033
3. Employee receivables	209	159
4. Tax receivables (Note 8)	6,715	1,947
5. Other receivables	4,639	6,402
II. CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES (Note 7.1)	149,220	145,065
1. Loans to companies	149,219	145,064
2. Other financial assets	1	1
III. CURRENT FINANCIAL ASSETS (Note 7.1)	-	935
1. Other financial assets	-	935
IV. CURRENT PREPAYMENTS AND ACCRUED INCOME	244	166
V. CASH AND CASH EQUIVALENTS	120,530	3,516
1. Cash	120,530	3,516
TOTAL ASSETS	**6,267,478**	**5,590,101**

EQUITY AND LIABILITIES	12/31/10	12/31/09
A) EQUITY (Note 7.4)	**1,277,240**	**912,084**
A-1) Shareholders' equity	1,277,240	912,084
I. SHARE CAPITAL	84,698	21,914
II. SHARE PREMIUM	409,028	112,665
III. OTHER EQUITY INSTRUMENTS	(23)	-
III. RESERVES	779,058	788,232
1. Legal and bylaw reserves	15,364	15,364
2. Other reserves	763,694	772,868
IV. TREASURY SHARES	(4,804)	(3,044)
V. PROFIT (LOSS) FOR THE YEAR	9,282	(7,683)
B) NON-CURRENT LIABILITIES	**3,427,143**	**1,779,751**
I. LONG-TERM PROVISIONS (Note 10)	258,358	154,724
II. NON-CURRENT PAYABLES (Note 7.2)	3,135,122	1,585,048
1. Bank borrowings	2,881,856	1,568,602
2. Derivatives	93,571	16,446
3. Other financial liabilities	159,695	-
III. NON-CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES (Note 7.2)	33,004	22,991
IV. DEFERRED TAX LIABILITIES (Note 8)	659	16,988
C) CURRENT LIABILITIES	**1,563,095**	**2,898,266**
I. CURRENT PAYABLES (Note 7.2)	274,655	2,239,961
1. Bank borrowings	252,602	2,232,565
2. Derivatives	9,152	-
3. Other financial liabilities	12,901	7,396
II. CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES (Note 7.2)	1,196,966	602,206
III. TRADE AND OTHER PAYABLES	91,474	56,099
1. Payable to suppliers	38	37
2. Payable to suppliers - Group companies and associates	4,007	8,541
3. Sundry accounts payable	37,753	21,682
4. Remuneration payable	3,961	4,402
5. Tax payables (Note 8)	45,073	21,145
6. Current accruals and deferred income	642	292
TOTAL EQUITY AND LIABILITIES	**6,267,478**	**5,590,101**

The accompanying Notes 1 to 16 and Appendices I and II are an integral part of the balance sheets at 31 December 2010 and 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)
INCOME STATEMENTS FOR 2010 AND 2009
(in thousands of euros)

	2010	2009
A) CONTINUING OPERATIONS		
1. Revenue		
a) Services *(Note 15)*	33,378	24,319
b) Income from equity investments *(Note 15)*	110,779	117,245
c) Gains on disposal of equity instruments *(Note 7.1)*	-	921
2. Other operating income	4,416	203
3. Staff costs		
a) Wages, salaries and similar expenses	(17,445)	(16,522)
b) Employee benefit costs *(Note 9)*	(1,798)	(2,065)
4. Other operating expenses		
a) Outside services	(39,897)	(24,963)
b) Taxes other than income tax	(1,312)	(169)
c) Impairment and other losses	-	(61)
5. Depreciation and amortization charge *(Notes 5 and 6)*	(2,706)	(2,958)
PROFIT FROM OPERATIONS	**85,415**	**95,950**
6. Finance income		
a) From loans to Group companies and associates (*Note 15*)	4,074	6,895
b) Other finance income	1,279	2,191
c) Profit on disposal of equity instruments *(Note 7.1)*	253,884	-
7. Finance costs and similar expenses:		
a) On debts to Group companies *(Note 15)*	(5,613)	(8,659)
b) On debts to third parties and similar expenses	(152,521)	(180,633)
8. Change in fair value of financial instruments	8,570	24,465
9. Exchange differences	(14)	457
10. Impairment of financial instruments		
a) Impairment and other losses (*Notes 7.1 and 10*)	(146,127)	8,478
FINANCIAL LOSS	**(36,468)**	**(146,806)**
LOSS BEFORE TAX	**48,947**	**(50,856)**
11. Income tax *(Note 8)*	(39,665)	43,173
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**9,282**	**(7,683)**
B) DISCONTINUED OPERATIONS	**-**	**-**
PROFIT/(LOSS) FOR THE YEAR	**9,282**	**(7,683)**

The accompanying Notes 1 to 16 and Appendices I and II are an integral part of the income statements for 2010 and 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.

STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR 2010

(in thousands of euros)

	12/31/10	12/31/09
A) Profit/(Loss) per income statement	9,282	(7,683)
Income and expense recognized directly in equity		
B) Total income and expense recognized directly in equity		
Transfers to profit or loss		
C) Total transfers to profit or loss		
TOTAL RECOGNIZED INCOME AND EXPENSE	9,282	(7,683)

PROMOTORA DE INFORMACIONES, S.A.
STATEMENT OF CHANGES IN EQUITY FOR 2010 AND 2009
(in thousands of euros)

(in thousands of euros)	Share capital	Share premium	Other Equity Instruments	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 December,31 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 December,31 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 December,31 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**
I. Total recognized income and expense													**9,282**	9,282
II. Transactions with shareholders or owners														
1. Capital Increases														
- Share Capital	*62,784*													62,784
- Share Premium		296,363												296,363
2. Distribution of 2009 profit									(7,683)		(7,683)		7,683	-
- Reserves									(7,683)		(7,683)		7,683	-
3. Treasury share transactions														
- Delivery of treasury shares							(510)		510		-	510		510
- Purchase of treasury shares							5,723		(5,723)		-	(5,723)		(5,723)
- Sales of treasury shares							(3,291)		3,291		-	3,291		3,291
- Provision for treasury shares							(162)				(162)	162		-
III. Other changes in equity														
- Other			(23)						(1,329)		(1,329)			(1,352)
Balance at December,31 2010	**84,698**	**409,028**	**(23)**	**4,407**	**10,957**	**13,939**	**4,804**	**1,495**	**736,583**	**6,873**	**779,058**	**(4,804)**	**0**	**1,277,239**

The accompanying Notes 1 to 16 and Appendices I and II are an integral part of the statements of changes in equity for 2010 and 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.
STATEMENTS OF CASH FLOWS FOR 2010 AND 2009
(in thousands of euros)

	2010	2009
A) CASH FLOWS FROM OPERATING ACTIVITIES		
1. Loss for the year before tax	**48,947**	**(50,856)**
2. Adjustments for	**(31,940)**	**(11,574)**
a) Depreciation and amortization charge (+)	2,706	2,959
b) Impairment of non-current financial assets (+/-)	146,127	(8,478)
Impairment losses recognised for financial assets	47,224	4,965
Period provisions for contingencies and charges	106,245	27,693
Impairment losses for financial assets reversed	(6,135)	(40,860)
Provisions for contingencies and charges used	(1,207)	(276)
c) Finance income (-)	(268,907)	(36,357)
d) Finance costs (+)	159,247	191,641
e) Gains/Losses on derecognition and disposal of financial instruments (+/-)	-	(921)
f) Dividends received	(110,779)	(117,245)
g) Income tax	39,665	(43,173)
3. Changes in working capital	**42,700**	**35,575**
a) Trade and other receivables (+/-)	20,432	(7,554)
b) Current prepayments and acrrued income	(78)	10
c) Current financial assets	(3,220)	12,335
d) Trade and other payables (+/-)	17,587	47,660
e) Change in deferred taxes (+/-)	7,979	(16,877)
4. Other cash flows from operating activities	**(92,333)**	**(2,186)**
a) Interest paid (-)	(130,062)	(152,247)
b) Dividends received (+)	110,779	122,244
c) Interest received (+)	2,174	6,967
d) Income tax recovered (paid) (+/-)	36,733	42,945
e) Other amounts received (paid) relating to operating activities (+/-)	(111,957)	(22,095)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)	**(32,626)**	**(29,041)**
B) CASH FLOWS FROM INVESTING ACTIVITIES		
6. Payments due to investment (-)	(404)	(2,097)
7. Proceeds from disposal (+)	280,069	8,379
8. Cash flows from investing activities (7-6)	**279,665**	**6,282**
C) CASH FLOWS FROM FINANCING ACTIVITIES		
9. Proceeds and payments relating to equity instruments	573,675	33,325
10. Proceeds and payments relating to bank borrowings	(666,709)	(30,614)
11. Proceeds and payments relating to borrowings from Group companies	(36,991)	22,859
12. Dividends and returns on other equity instruments paid	-	-
13. Cash flows from financing activities (+/-9+/-10-11-12)	**(130,025)**	**25,570**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/-D)	**117,014**	**2,812**
Cash and cash equivalents at beginning of year	3,516	704
Cash and cash equivalents at end of year	120,530	3,516

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Financial Statements for 2010

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)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR 2010

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 liabilities, 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 including its interests in joint ventures and investments in associates.

The Group's consolidated financial statements for 2009 were approved by the shareholders at the Annual General Meeting held on June 30, 2010.

The consolidated financial statements for 2010 were authorized for issue and approved by the Company's directors on February 17, 2011.

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

Shares of Prisa are admitted to trading on the continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia) and since November 29, 2010, on the New York Stock Exchange.

b) Performance of the Company and the Prisa Group

During 2010, the Group carried out a series of transactions aimed at restructuring its financial debt and bolstering its capital structure. This has allowed the Company to reach a

Refinancing Master Agreement with its creditor banks, which includes certain modifications to the terms and conditions of the Company's main financing agreements. Once the conditions described in the abovementioned refinancing framework agreement were met, the maturities of the Company’s bridge loan and a series of bilateral lines of credit were extended to May 19, 2013 *(see Note 7.2)*.

Among the restructuring initiatives carried out by the Company to restructure its financial situation is the capital increase approved by the shareholders at Prisa's extraordinary general meeting held on November 27, 2010, by virtue of which 224,855,520 Class A ordinary shares and 402,987,000 Class B non-voting convertible shares, which were subscribed against non-monetary contributions consisting of the Company's ordinary shares and warrants from Liberty Acquisition Holdings Virginia, Inc. *(see Notes 7.1.and 7.4)*, were issued. The Class A and B shares issued were admitted to trading on the New York Stock Exchange represented by American Depositary Shares. Cash proceeds for Prisa from the issue amounted to EURO 650 million.

2.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The accompanying financial statements for 2010, 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 the modifications included in Spanish GAAP through Royal Decree 1159/2010 of September 17, as well as with the Commercial Code, the obligatory legislation approved by the Institute of Accounting and Auditors of Accounts and other applicable Spanish legislation, present fairly the Company’s equity and financial position at December 31, 2010 and of the results of its operations, the changes in its equity and the cash flows generated by the Company in the year then ended.

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 2009 financial statements were approved by the shareholders at the Annual General Meeting held on June 30, 2010.

b) Non-obligatory accounting principles

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

c) Key issues in the measurement and estimation of uncertainty

In the accompanying financial statements for 2010 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 property, plant and equipment and intangible assets *(see Notes 5 and 6).*
- The hypothesis used to calculate 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 on the events analyzed, 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 future related income statements.

d) Comparison of information

In keeping with RD 1159/2010, dated September 17, which was modified by the new accounting principles approved by RD 1514/2007, of November 16, the 2010 financial statements present comparative information without adjustments to the new criteria.

3.- DISTRIBUTION OF PROFIT

The proposal for the distribution of the Company's profit for 2010 is the following (in thousands of euros):

	Amount
Basis of appropriation	
Profit for the year	9,282
Distribution-	
Legal reserve	928
Bylaw-stipulated reserves	928
Dividends	€ 0.014583 per Class B share
Voluntary reserves	Remaining balance

4.- ACCOUNTING POLICIES

The principal accounting policies applied by the Company in the preparation of the accompanying 2010 financial statements 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 or the amounts incurred in acquiring from third parties the licenses to use programs. Computer software is amortized using the straight-line method over a period ranging from four to six years, depending on the type of program or development, from the date on which it is brought into service.

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.

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

	Years of estimated useful life
Buildings and structures	50
Other fixtures and furniture	10
Other items of property, plant and equipment	4-10

c) Impairment losses

At the end of each reporting period, 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 to derive from the asset based on the most recent budgets approved by management.

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

Impairment losses recognized on an asset in previous years are reversed when there is a change in the estimate of its recoverable amount by increasing the carrying amount of the asset up to the limit of the carrying amount that would have been determined had no impairment loss been recognized for the asset. The reversal of the impairment loss is recognized immediately as income in the consolidated income statement.

d) Financial instruments

As the head of the Group, the Company prepares consolidated financial statements. The 2010 consolidated financial statements 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 2010, prepared in accordance with IFRSs, are as follows:

	Thousands of euros
Total assets	8,151,454
Equity	2,650,185
Loss for the year	(72,870)

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 amount of the adjustment for impairment is the difference between the carrying amount and recoverable amount, taken to be the higher of fair value less costs to sell and the present value of the estimated 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 measurement date.

Of the impairment losses recognized at December 31, 2010, EUR 250,322 thousand were recognized under "*Provisions for third-party liability" (see Notes 4-i and 10).*

Loans and receivables

These assets are recognized at amortized cost, i.e. cash delivered less principal repayments, plus accrued interest receivable in the case of loans and the present value of the related consideration in the case of receivables.

The Company recognizes the related impairment allowance for the difference between the recoverable amount of the receivables and their carrying amount.

Held-to-maturity investments

Investments that the Company has the positive intention and ability to hold to the date of maturity. They are carried at amortized cost.

Available-for-sale financial assets

This category includes the remaining assets not included in the categories above. These are almost entirely equity investments. These assets are carried on the balance sheet at fair value when this can be measured reliably. Any changes in fair value are recognized under 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-

Loans and payables

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.

Payables 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 that generated them have been extinguished.

Compound financial instruments

Compound financial instruments are non-derivative instruments that have both a liability and an equity component.

The Group recognizes, measures and presents the liability and equity components created by a single financial instrument separately.

The Group distributes the value of its instruments in accordance with the following criteria which, barring error, will not be subsequently reviewed.

a. The liability component is recognized by measuring the fair value of a similar liability that does not have an associated equity component.
b. The equity component is measured at the difference between the initial amount and the amount assigned to the liability component.
c. The transaction costs are distributed in the same proportion.

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 value of these financial instruments are recognized as finance costs or finance income for the year, since by their nature they do not qualify for hedge accounting.

For instruments settled at a variable amount of shares or in cash, the Company recognizes a derivative financial liability when measuring these financial instruments using the Black-Scholes model.

f) Foreign currency transactions

Foreign currency transactions are translated to the Company's functional currency (euros) 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

Income tax expense (tax income) represents the sum of the current tax expense (current tax income) and the 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 prepayments 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 payable or recoverable in the future which result from differences between the carrying amounts of assets and liabilities and their tax bases. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets may also arise from the carryforward of unused tax loss and unused tax credits.

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 can be utilized and the deferred tax assets do not arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit (loss) nor taxable profit or 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 and 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) Income and expenses

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

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, 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).*

The *"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 recognized at fair value at the grant date 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 2010 in the various intangible asset accounts and the related accumulated amortization are summarized as follows (in thousands of euros):

	Balance at 12/31/09	Additions	Disposals	Transfers	Balance at 12/31/10
Cost-					
Concessions, patents and other	60	-	-	-	60
Computer software	18,019	69	(121)	868	18,835
Advances and intangible assets in progress	1,624	73	(152)	(868)	677
Total cost	**19,703**	**142**	**(273)**	**-**	**19,572**
Accumulated amortization					
Concessions, patents and other	(60)	-	-	-	(60)
Computer software	(9,149)	(2,261)	98	-	(11,312)
Total accumulated amortization	**(9,209)**	**(2,261)**	**98**	**-**	**(11,372)**
Total intangible assets, net	**10,494**	**(2,119)**	**(175)**	**-**	**8,200**

The 2010 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."*

Disposals under *"Computer software"* amounting to EUR 23 million mainly correspond the sale of certain applications at their carrying amount to CSI Renting de Tecnología, S.A.U. within the framework of the agreement signed with Indra Sistemas, S.A. on December 23, 2009 which establishes the outsourcing of IT technology management systems and R&D projects for a seven-year period.

At December 31, 2010, the Company's fully amortized intangible assets in use amounted to EUR 4,830 thousand (December 31, 2009: EUR 4,714 thousand).

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

2009

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**

6.- PROPERTY, PLANT AND EQUIPMENT

The transactions performed in 2010 in the various property, plant and equipment accounts and the related accumulated depreciation are summarized as follows (in thousands of euros):

	Balance at 12/31/09	Additions	Disposals	Balance at 12/31/10
Cost-				
Buildings	310	-	-	310
Other fixtures and furniture	4,057	81	(6)	4,132
Other items of property, plant and equipment	5,551	46	(1,323)	4,274
Total cost	**9,918**	**127**	**(1,329)**	**8,716**
Accumulated amortization				
Buildings	(64)	(7)	-	(71)
Other fixtures and furniture	(2,766)	(231)	-	(2,997)
Other items of property, plant and equipment	(4,135)	(207)	898	(3,444)
Total accumulated amortization	**(6,965)**	**(445)**	**898**	**(6,512)**
Total property, plant and equipment, net	**2,953**	**(318)**	**(431)**	**2,204**

Disposals under *"Other items of property, plant and equipment"* amounting to EUR 425 thousand correspond mainly to the sale of data processing equipment at its carrying amount to CSI Renting de Tecnología, S.A.U. within the framework of the agreement signed with

Indra Sistemas, S.A. on December 23, 2009 establishing the outsourcing of IT technology management systems and R&D projects for a seven-year period.

At December 31, 2010, the Company's fully depreciated property, plant and equipment in use amounted to EUR 4,994 thousand (December 31, 2009: EUR 4,906 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.

2009

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 amortization				
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 amortization	**(6,215)**	**(751)**	**1**	**(6,965)**
Total property, plant and equipment, net	**3,540**	**(587)**	**-**	**2,953**

7.- FINANCIAL INSTRUMENTS

7.1.- FINANCIAL ASSETS

The detail of *"Financial assets"* in the balance sheets at December 31, 2010 and 2009, based on the nature of the transactions, is as follows:

Categories \ Classes	Thousands of euros							
	Non-current				Current			
	Equity instruments		Loans, derivatives and other		Loans, derivatives and other		Total	
	12/31/10	12/31/09	12/31/10	12/31/09	12/31/10	12/31/09	12/31/10	12/31/09
Group companies and associates	5,464,044	4,873,003	201,406	183,815	149,220	145,065	5,814,670	5,201,883
Loans and receivables	-	-	-	-	-	935	-	935
Held-to-maturity investments	-	-	8,826	8,185	-	-	8,826	8,185
Available-for-sale financial assets	-	-	-	4,425	-	-	-	4,425
Total	**5,464,044**	**4,873,003**	**210,232**	**196,425**	**149,220**	**146,000**	**5,823,496**	**5,215,428**

Equity investments in Group companies and associates

The transactions performed in 2010 in this category of financial assets, are summarized as follows (in thousands of euros):

	Balance at 12/31/09	Additions	Transfers	Disposals	Balance at 12/31/10
Cost					
Investments in group companies	5,058,157	649,542	-	(21,943)	5,685,756
Investments in associates	-	-	4,637	-	4,637
Total cost	**5,058,157**	**649,542**	**4,637**	**(21,943)**	**5,690,393**
Impairment losses					
In Group companies	(185,154)	(46,834)	-	6,029	(225,959)
In associates	-	(390)	-	-	(390)
Total impairment losses	**(185,154)**	**(47,224)**		**6,029**	**(226,349)**
Group companies and associates	**4,873,003**	**602,318**	**4,637**	**(15,913)**	**5,464,044**
Other equity instruments	**4,425**	**106**	**(4,637)**	**106**	**-**
Total equity instruments	**4,877,428**	**602,424**	**-**	**(15,808)**	**5,464,044**

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

In 2010, an impairment loss of EUR 45 million was recognized on the income statement for Media Capital's goodwill. This impairment was mainly due to the increased applicable discount rate resulting from the increase in country risk for investments in Portugal and the decision to cease video distribution activity.

EUR 650 million recognized under "*Additions*" arose as a result of the capital increase approved by Prisa's shareholders in general meeting on November 27, 2010, which were subscribed against non-monetary contributions consisting of the Company's ordinary shares and warrants from Liberty Acquisition Holdings Virginia, Inc. *(see Notes 1.b, 7.2 and 7.4).*

"*Disposals*" correspond to the sale of the 25% stake in Grupo Santillana de Ediciones, S.L. to DLJ South American Partners LP (DLJSAP) on April 29, 2010. Cash proceeds from the sale amounted to EUR 279 million. The shares acquired by DLJSAP are preference shares which grant the right to receive a preferential minimum yearly dividend of USD 25.8 million. The net EUR 254 million gain on this sale was recognized under "*Finance income –Gains on disposal of equity instruments*" on the 2010 income statement.

2009

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)**
Group companies and associates	**4,838,745**	**(4,575)**	**38,833**	**4,873,003**
Other equity instruments	**-**	**4,425**	**-**	**4,425**
Total equity instruments	**4,838,745**	**(150)**	**38,833**	**4,877,428**

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 gain on the transactions amounted to EUR 921 million, recognized under "Gains on disposal of equity investments" in the 2009 income statement.

Impairment tests

At the end of each reporting period, or whenever there are indications of impairment, the Company tests goodwill for impairment to determine whether it has suffered any permanent loss in value that reduces its recoverable amount to below its carrying amount.
The recoverable amount of each cash- generating unit is the higher of value in use and the net selling price that would be obtained from the assets associated with the cash-generating unit.

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

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

In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2010 the rates used ranged from 7.7% to 9.3% 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 12/31/09	Additions	Transfer to short Term	Repayment	Balance at 12/31/10
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)	-
Prisa División Inmobiliaria, S.L.U.	Participating	2013	-	916	-	-	916
Promotora de Actividades América 2010, S.L.	Participating	2011	877	-	-	-	877
Promotora de Actividades América 2010, S.L.	Financial	2011	729	211	-	-	940
Grupo Media Capital SGPS, S.A.	Financial	2012	16,554	866	(8,780)	-	8,640
Prisaprint, S.L.	Financial	2012	94,231	25,294	-	-	119,525
Group companies, total			**183,815**	**27,287**	**(8,780)**	**(916)**	**201,406**
Associates companies			-	-	-	-	-
Group companies and associates, total			**183,815**	**27,287**	**(8,780)**	**(916)**	**201,406**

The participating loans earn floating interest which is dependent upon the borrower achieving a certain volume of billings and/or earnings. The participating loans to Prisa División Inmobiliaria, S.L.U. (arising from its merger with Oficina del Autor, S.L.) and 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.

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, 2010, this heading included EUR 132,802 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 16,417 thousand.

7.2.- FINANCIAL LIABILITIES

Loans and payables

Classes / Categories	Thousands of euros													
	Non current						Short term							
	Bank borrowings		Debt securities		Derivatives and other		Bank borrowings		Debt securities		Derivatives and other		Total	
	12/31/10	12/31/09	12/31/010	12/31/09	12/31/10	12/31/09	12/31/10	12/31/09	12/31/10	12/31/09	12/31/10	12/31/09	12/31/10	12/31/09
Loans and payables	2,881,856	1,568,602	159,695	-	122,321	22,991	252,602	2,232,565	5,505	-	1,204,362	609,602	4,626,342	4,433,760
Liabilities at fair value through profit or loss	-	-	-	-	4,254	16,446	-	-	-	-	9,152	-	13,406	16,446
Total	**2,881,856**	**1,568,602**	**159,695**	**-**	**126,575**	**39,437**	**252,602**	**2,232,565**	**5,505**	**-**	**1,213,514**	**609,602**	**4,639,748**	**4,450,206**

Bank borrowings

At December 31, 2010, 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	1,393,772	257,459	1,136,313
Bridge loan	2013	1,553,396	-	1,553,396
Subordinated loan	2013	134,000	-	134,000
Credit facilities	2013	145,000	-	131,565
Leasing, interest and other	-	3,419	674	-
Loan arrangement costs	2013	-	(5,530)	(73,418)
Total		**3,229,587**	**252,602**	**2,881,856**

Syndicated loan and credit facility, bridge loan and Refinancing Master Agreement-

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 and will end in May 2013. With respect to the remaining balance of the loan at December 31, 2009, EUR 353,533 were paid in 2010, EUR 48,266 thousand of which in advance, in compliance with the terms of the Refinancing Master Agreement. The schedule for the future repayments of the remainder of the outstanding loan at December 31, 2010, is as follows:

Maturity	Thousands of euros
2011	257,459
2012	350,929
2013	785,384
	1,393,772

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.

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 Prisa Televisión, S.A.U. (previously Sogecable, S.A.U.) submitted to the CNMV.

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, the amount of the bridge loan was 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 Prisa Televisión, S.A.U.

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

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

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

On February 22, 2010, in the context of the debt restructuring process, Prisa entered into an agreement in principle with the banks that granted the bridge loan to extend its maturity until May 19, 2013. This agreement was subject to, among other conditions, the acceptance of the banks that granted the syndicated loan, which was obtained formally on April 19, 2010 under the Refinancing Master Agreement. The agreement establishes the terms and conditions for restructuring the Prisa loan with the consent of HSBC (agent bank) and other financial entities participating in the syndicated loan, credit facility and bridge loan, some bilateral lenders, counterparties to hedges and the subordinated lender. The bridge loan was initially extended until July 30, 2010; on July 29 it was extended to November 30, 2010 and on November 29 it was extended to December 3, 2010. The conditions precedent the Group had to meet to extend the maturity of the bridge loan and a series of the Company's bilateral facilities to May 19, 2013, after several amendments to the original Refinancing Master Agreement, were that the Group must sell 25% of Grupo Santillana de Ediciones, S.L. and obtain proceeds of at least EUR 450 million from the Liberty capital increase *(see Note 7.4).* The funds raised from these transactions must be used to pay off the bridge loan and the syndicated loan. After these conditions precedent were met, the maturity of the Company's bridge loan and bilateral loans was set at May 19, 2013.

During 2010, EUR 282,441 thousand of the bridge loan was paid off, as stipulated in the Refinancing Master Agreement, with EUR 1,553,396 thousand pending. Also, EUR 353,533 thousand of the syndicated loan was paid off, with EUR 1,393,772 thousand remaining, as indicated above.

At year-end 2010, the syndicated credit facility is guaranteed jointly and severally by the following Prisa Group companies: Diario El País, S.L., Grupo Empresarial de Medios Impresos, S.L., Prisa Radio, S.L. and Vertix, SGPS, S.A. The Grupo Santillana de Ediciones, S.L. guarantee was canceled on April 29, 2010 as a result of the sale of 25% of its share capital to DLJSAP.

In addition, the Company pledged its shares in Prisa Televisión, S.A.U., its shares in Prisa Radio, S.L., the shares it indirectly owns in Grupo Media Capital, SGPS, S.A. and the shares it owns of Grupo Santillana de Ediciones, S.L.

Regarding the bridge loan and as a result of the mentioned renewals, Prisa has agreed with the financial entities participating in the loan to pay a variable amount in cash, depending on the listed price of the ordinary shares from the date of the final agreement (April 19, 2010) until the loan falls due on May 19, 2013.

The syndicated loan and credit facility and the bridge loan establish that the Prisa Group must comply with certain financial ratios which were renewed on November 4, 2010 in order to adapt them to the Group's new financial position. The Group's directors consider that the covenants established in these contracts were fulfilled in 2010.

Subordinated loan-

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, 2010, the balance drawn down was EUR 134,000 thousand, which relates to the definitive amount of this credit facility after the Company requested a reduction in the limit thereof.

Credit facilities-

"*Credit facilities*" includes mainly the amounts drawn down against credit facilities used to finance the Prisa Group companies' operating requirements in Spain through cash-pooling. The total amount of borrowing facilities with maturities exceeding one year is EUR 176,436 thousand and are recognized under "*Non-current payables - Bank borrowings*" on the accompanying balance sheet at December 31, 2010. 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 pledged the shares of Grupo de Ediciones Santillana, S.L. and has provided a personal guarantees from that company and Vertix, SGPS, S.A.

Payable to Group companies and associates

The detail of *"Payable to group companies and associates"* at December 31, 2010, was as follows (in thousands of euros):

	Non-current	**Current**
Tax credit for investment	33,004	-
Other payables	-	649,540
Cash pooling	-	522,867
Income tax settlement	-	24,559
Total	**33,004**	**1,196,966**

Other payables-

Until the transaction with Liberty Acquisition Holdings Virgina, Inc. is finalized, "*Other payables*" temporarily includes the obligation arising from the transfer of EUR 650 million to Promotora de Informaciones, S.A. related to the subsequent integration agreements and capital increase and exchange of shares described in *notes 7.1 and 7.4.*

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.

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, IRSs 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.

In 2010, the Company held interest rate derivatives and share options.

Interest rate derivatives-

The interest rate derivatives arranged by the Company at December 31, 2010 and outstanding at December 31, 2010 are as follows:

					Nominal		
Company	Instrument	Expiry	Nominal value	Fair value	Outstanding 2011	Outstanding 2012	Outstanding 2013
Prisa	Swap "Leónidas"	2011	195,000	(2,315)	117,750	-	-
Prisa	Collar "Leónidas"	2011	507,000	(4,517)	306,150	-	-
Prisa	IRS	2013	134,000	(915)	134,000	134,000	134,000
Total			**836,000**	**(7,747)**	**557,900**	**134,000**	**134,000**

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 7,747 thousand at December 31, 2010 and EUR 16,446 at December 31, 2009.

Following is a detail, in thousands of euros, of the analysis of the sensitivity of the fair values of derivatives at December 31, 2010 to changes in the euro interest rate curve that the Company considers to be reasonable:

Sensitivity (before tax)	12/31/10	12/31/09
+0.5% (increase in interest rate curve)	1,832	3,128
-0.5% (decrease in interest rate curve)	(3,198)	(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 17,709 thousand.

Liquidity and interest rate risk tables-

The following table shows an analysis of the Company's liquidity in 2010 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	(2,879)	(4,843)	(25)	-

Financial liabilities arising from the settlement options as part of the obligatory conversion of the Class B shares-

At December 31, 2010, as a result of the capital increase transactions mentioned in *Note 7.4*, a non-current financial liability amounting to EUR 89,317 thousand was recognized; this corresponds to the Company's potential obligation to deliver additional shares or cash as part of the mandatory conversion of the Class B shares, if during the 20 trading sessions immediately prior to the date of conversion the weighted average price of Class A ordinary shares is below EUR 2. The Black-Scholes Method was used to determine fair value.

Other share options-

At December 31, 2010, the fair value of the cash-settled share options delivered to financial entities participating in the bridge loan, with variable amounts depending on the listed price of Prisa's ordinary shares, amounted to EUR 5,659 thousand.

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- 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 (unobservable inputs)

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

Other financial liabilities

Financial liability from the minimum Class B dividend-

In 2010, the Company carried out a capital increase, issuing 402,987,000 non-voting convertible Class B shares; their holding have the right to receive a minimum annual dividend per share amounting to EUR 0.175 from the date of their issue until they are converted *(see Note 7.4)*. Therefore, at year-end 2010, the Company recognized a financial liability net of arrangement expenses totaling EUR 165,200 thousand related to the obligation to pay the dividend with a charge to the issue premium for the Class B shares. The obligation was calculated as the present value of the payments due discounted at the interest rate which would have been applicable to Prisa if it had issued a debt instrument with similar characteristics and credit rating, but without the conversion option.

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 interest rate risk since all of its bank borrowings bear interest at floating rates. In this regard, the Company arranges interest rate hedges, basically through contracts providing for interest rate caps, in relation to the syndicated and subordinated loans described in *Note 7.2.*

7.4.- EQUITY

The detail of the transactions recognized under *"Equity"* at December 31, 2010 and in 2009 is summarized in the statement of changes in equity.

Share capital

At December 31, 2009 the share capital amounted to EUR 21,914 thousand and was represented by 219,135,500 ordinary shares of EUR 0.1 par value each, all carrying the same obligations and voting rights.

Capital increase-

At the General Shareholders' Meeting of Promotora de Informaciones, S.A. held on November 27, 2010, the decision was made to carry out a capital increase charged to non-monetary contributions by way of the contribution of Liberty Acquisition Holdings Virginia, Inc. in an amount of EUR 62,784,252, by the issue and circulation of:

- 224,855,520 Class A ordinary shares, with a par value of EUR 0.10 each and
- 402,987,000 Class B convertible non-voting shares, with a par value of EUR 0.10 each and the following rights:
- From their date of issue until they are transformed into Class A ordinary shares, they pay a minimum annual cash dividend of EUR 0.175.
- They do not bear any voting rights.
- Conversion: each Class B share will be transformed into a Class A common share under the following circumstances: (i) at any time after they are issued, at the election of its holder, (ii) obligatorily, 42 months after the date of issue. In the latter case, holders of Class B shares will have the right to receive additional ordinary shares of Prisa, with a conversion different from the 1 to 1 ratio if the price of the Prisa shares is less that EUR 2 each. If the price of Prisa shares falls below EUR 1.5 each, the holder of each Class B share will receive 0.333 additional ordinary shares. Should the price range between EUR 1.5 and 2 each, the holder of each Class B share will have a right to the proportional part of the 0.333 additional ordinary shares. Prisa also has the option to pay this right to additional ordinary shares in cash.

The issued shares formally have been subscribed and paid up by a depositary entity acting in a merely fiduciary capacity for and on behalf of Liberty's shareholders. This depositary entity issued "American Depositary shares" ("ADSs") representing the Class A and Class B shares and delivered to the shareholders of Liberty. These ADSs are listed on the New York Stock Exchange.

Warrants-

At the General Meeting held on November 27, 2010, it was agreed to distribute pre-emptive subscription rights to shareholders of record as t November 23, 2010, at a ratio of 1.1 newly-issued shares for each share of the Company held; 241,049,050 Class A shares with a par value of EUR 0.10 each were issued and put into circulation, with an issue premium of EUR 1.90, for a total issue price of EUR 2 per share.

These pre-emptive subscription rights are transferable and negotiable on corresponding official secondary markets and where applicable, by way of securitization as warrants. These warrants have been listed on the Spanish warrant platform since December 8, 2010. A total of 241,043,628 warrants were issued after the necessary adjustments and rounding.

Each new share subscribed in exercise of the pre-emptive subscription rights must be subscribed and paid in at the issue price; i.e. EURO 2 per share.

The term for exercise of the pre-emptive subscription rights is 42 months from December 2010 to July 2014. The pre-emptive subscription rights not exercised by the deadline will be cancelled. The capital increase contemplates incomplete subscription, so that capital will be increased by the amount corresponding to the par value of the shares of the Company that are effectively subscribed and paid up, being of no effect in respect of the remainder.

As a result of the abovementioned capital increase, Prisa's share capital at December 31, 2010 amounted to EUR 84,697,802 and is represented by:
- 443,991,020 Class A ordinary shares, at a par value of EUR 0.10 each and
- 402,987,000 Class B convertible non-voting shares, with a par value of EUR 0.10 each.

Share capital is fully-subscribed and paid in.

At year-end 2010, according to information published by the CNMV, the holders of a significant number of PRISA shares are the following:

	Number of voting rights		
	Direct	**Indirect**	**% of voting rights**
Rucandio, S.A. **(*)**	-	155,469,694	35.016
Bank of America Corporation	-	13,482,068	3.037
Ubs AG	26,259,510	-	5.914
Deutsche Bank AG	15,048,684	-	3.389
Berggruen Acquisition Holdings, Ltd.	16,719,420	-	3.766
Marlin Equities II ILC	16,719,420	-	3.766

(*) Rucandio, S.A.' s indirect ownership interest is instrumented through the following direct holdings:

- Promotora de Publicaciones, S.L., holder of 91,005,876 shares, representing 20.497% of the subscribed share capital with voting rights.
- Timón, S.A., holder of 7,928,140 shares, representing 1.786% of the subscribed share capital with voting rights.
- Asgard Inversiones, S.L.U., holder of 35,487,164 shares, representing 7.993% of the subscribed share capital with voting rights.
- Sabara Investment, S.L., holder of 20,709,420 shares, representing 4.664% of the subscribed share capital with voting rights.
- Rucandio Inversiones SICAV, holder of 339,094 shares, representing 0.076% of the subscribed share capital with voting rights.

Share premium

The Consolidated Text of the Corporate Enterprises Act 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.

During 2010, as a result of the abovementioned capital increases, the share premium was increased by the amount exceeding the par value of the shares issued. The share premium includes value adjustments of the financial liabilities generated by the obligation to pay a minimum annual dividend on the Class B shares, as well as the Company's potential obligation to deliver additional shares as part of the mandatory conversion of the Class B shares *(see Note 7.2)*. This share premium amounted to EUR 409,028 thousand at December 31, 2010.

The share premium corresponding to the Class B shares issued in accordance with the commitments assumed in the issue of the shares will be non-distributable so as to cover future related commitments, until they have been converted into Class A shares and the minimum associated dividend of the Class B shares have been paid in full *(see Note 7.2)*. The share premium amounted to EUR 111,113 thousand at December 31, 2010.

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, 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 at year-end amounts to EUR 10,650 thousand and has been unrestricted since January 1, 2007.

Legal reserve-

Under the Consolidated Text of the Corporate Enterprises Act, 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 by the amount exceeding 10% of the new capital after the increase.

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

Treasury shares

The changes in *"Treasury Shares"* in 2010 and 2009 were as follows:

	Thousands of euros			
	2010		2009	
	Number of shares	Amount	Number of shares	Amount
At beginning of year	**867,306**	**3,044**	**10,940,625**	**24,726**
Purchases	3,525,000	5,723	458,921	884
Sales	(1,097,306)	(3,291)	(10,273,319)	(36,204)
Deliveries	(145,000)	(510)	(258,921)	(290)
Reserve for treasury shares	-	(162)	-	13,928
At end of year	**3,150,000**	**4,804**	**867,306**	**3,044**

At December 31, 2010, Promotora de Informaciones, S.A. held a total of 3,150,000 treasury shares, representing 0.37% of its share capital. The total cost of these shares was EUR 4,804 thousand, with a gross cost per share of EUR 1.579.

In 2010 the Company sold 1,097,306 shares, giving rise to a gain of EUR 337 thousand, which is included in the accompanying balance sheet under *"Equity – Other reserves."*

At December 31, 2010, the Company did not hold any shares on loan.

Capital management policy

The principal objective of the Group's capital management policy is to optimize the cost of capital and achieve a gearing ratio that enables it achieve its strategic targets and contribute to the growth of the company. In this respect, in 2010 the Parent carried out the capital increases described in the section "*Share capital*" of this note with the aim of reducing the Group's financial gearing and adjust its level of equity and borrowings.

The net financial debt/EBITDA ratio at December 31, 2010 was 4.92 times.

8.- TAX MATTERS

As indicated under *"Accounting Policies,"* the Company files consolidated income tax returns in Spain, in accordance with the Spanish Corporation Tax Law and is the Parent of consolidated tax group 2/91. The companies included in the consolidated tax group are detailed in *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	
	2010	**2009**
Sum of individual tax bases	**1,037,874**	**108,617**
Consolidation adjustments	(140,214)	(115,028)
Offset of tax losses arising prior to inclusion in the group	(574,825)	-
Offset of Group tax losses	(48,118)	-
Consolidated taxable profit (tax loss)	**274,717**	**(6,411)**
Consolidated gross tax payable	**82,415**	**-**
Double taxation tax credits	(14,021)	-
Double taxation tax credits used in 2009	(2,953)	
Investment tax credits	(29,959)	-
Net tax payable	**35,482**	**-**
Withholdings from tax group	(127)	(533)
Income tax refundable	**35,355**	**(533)**

The consolidated tax group's tax loss amounted to EUR 274,717 thousand, after making the appropriate consolidation adjustments for a negative amount of EUR 140,214 thousand and loss carryforwards pending compensation amounting to EUR 622,943 thousand. The tax liability in this connection, after applying the tax credits and settling the withholdings, amounted to EUR 35,355 thousand at December 31, 2010 and is included under *"Tax payables"* 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 2010 and 2009 is as follows (in thousands of euros):

	2010			2009
	Income statement	**Equity**	**Total**	**Income statement**
Balance of income and expenses for the year	**9,282**	**(35,558)**	**(26,276)**	**(7,683)**
Income tax	26,527		**26,527**	(43,317)
Withholdings	44		**44**	
Adjustment of prior years' income tax	13,094		**13,094**	95
Individual permanent differences	142,980		**142,980**	10,444
Individual temporary differences	89,474		**89,474**	(2,335)
Permanent differences on consolidation	(5,033)		**(5,033)**	-
Temporary differences on consolidation	(1,375)		**(1,375)**	2,596
Taxable profit (tax loss)	**274,993**	**(35,558)**	**239,435**	**(40,200)**

The permanent differences are due mainly to: the exemption of foreign-source dividends established in Article 21 of Corporation Income Tax Law, provisions for expenses recognized for accounting purposes and which will become deductible for tax purposes in subsequent periods of the investment in Grupo Santillana de Ediciones, S.L. transferred during the year and the contributions made to not-for-profit entities.

The temporary differences are due mainly to differences in the accounting and tax treatment of impairment losses on investments for the investment portfolio.

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):

	2010			2009
	Income statement	**Equity**	**Total**	**Income statement**
Accounting profit (loss) before tax	**48,947**	**(35,558)**	**13,389**	**(50,856)**
Tax charge at 30% Individual permanent differences and permanent differences on consolidation	14,684 41,384	(10,667)	**4,017** **41,384**	(15,257) 3,119
Impact of temporary differences	26,430		**26,430**	78
Double taxation tax credits	(28,476)		**(28,476)**	(30,241)
Investment tax credit	(1,065)		**(1,065)**	(938)
Current income tax	**52,957**	**(10,667)**	**42,290**	**(43,239)**
Deferred income tax	**(26,430)**		**(26,430)**	**(78)**
Foreign withholdings	**44**		**44**	**49**
Adjustment of prior years' income tax	**(1,906)**		**(1,906)**	**95**
Total income tax	**39,665**	**(10,667)**	**28.998**	**(43,173)**

In calculating its income tax expense, the Company availed itself of the tax credit envisaged in Article 20 of Law 49/2002, of December 23, on the Tax Regime of Not-for-Profit Entities and Tax Incentives for Patronage, amounting to EUR 1,065 thousand.

The Company also took EUR 28,476 thousand of domestic and international dividend double taxation tax credits arising in 2010.

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 tax receivables and tax payables at December 31, 2010 is as follows (in thousands of euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax receivable	-	-	(35,380)	-
Deferred tax assets arising from unused tax credits	-	197,539	-	-
Deferred tax assets arising from tax losses upon tax consolidation	-	-	-	-
Deferred tax assets arising from temporary differences	-	28,004	-	-
Deferred tax liabilities	-	-	-	(659)
VAT, personal income tax withholdings, social security taxes and other	6,715	-	(9,693)	-
Total	**6,715**	**225,543**	**(45,073)**	**(659)**

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)**

Deferred tax assets and liabilities

Deferred tax assets-

Deferred tax assets amounting to EUR 225,543 thousand at December 31, 2010, 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 amount recognized as non-current corresponds to the application of tax credits under article 12.5 of Spanish Corporation Tax law regarding securities which are acquired representing a stake in the equity of entities that are not residents in Spain.

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 2010 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 on the appeal filed against the income tax settlements from 1992 to 1994. The settlements for the other years have not yet been resolved. However, the Company filed an appeal for the protection of constitutional rights at the Spanish Constitutional Court in relation to the settlements from 1992 to 1994, which at the date of preparation of these financial statements had not yet been resolved, except for the settlement relating to 1992, which was paid by the Company. Guarantees have been provided for the other settlements.

However, in accordance with the principle of prudence in valuation, the Company has recorded a provision of EUR 8,036 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 for VAT, personal income tax withholdings and repayments (employees and professionals), tax on property income, tax on income from movable capital and non-resident income tax for 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 (1999 to 2002) for income tax (which partially upheld the pleas) confirmed settlements totaling EUR 34,867 thousand (deficiency plus late-payment interest). Appeals were filed at the Central Economic-Administrative Tribunal against these decisions. The decisions handed down by the aforementioned Tribunal, partially upholding the Group's claims and adjudging the settlements relating to all those years to be null and void, were appealed at the National Appellate Court. Payment of this amount was stayed and the related guarantee was provided. At the date of preparation of these financial statements, the decisions for 1999 and 2000 -partially upholding the Group's claims- had been received, confirming the tax authorities' stance with regard to regularization of the export tax credit which, in the aforementioned years, amounted to EUR 4 million. Since the Company does not agree with the decision of the National Appellate Court, it is going to file the corresponding cassation appeals at the Supreme Court. In view of the varying interpretations that can be made of tax legislation, the outcome of the present review might give rise to tax liabilities which cannot be objectively quantified at the present time. The directors consider that the tax criteria applied by the companies were appropriate and that there are sufficient grounds for defense so as to expect a favorable decision in respect of the disputed items including, inter alia, the export tax credit, within the proceedings in progress in relation to the tax audits. Accordingly, the directors do not expect any material liabilities to arise for the Group as a result of the current tax audit that might have an effect on the consolidated financial statements.

In 2010, the tax audit of consolidated income tax for 2003 to 2005 had been completed and the corresponding preliminary assessment was issued containing a deficiency of approximately EUR 16,960 thousand which was signed on a contested basis. The corresponding pleas were submitted against the aforementioned preliminary assessment and against the settlement agreement a economic-administrative claim was filed with the Central Economic-Administrative Tribunal, currently pending resolution. 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, against which appeals have been filed at the Central Economic-Administrative Tribunal.

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. he Company's directors consider that no additional contingencies would arise from a tax review of the years open to inspection.

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 benefits costs"* in the income statements for 2010 and 2009 is as follows (thousands of euros):

	2010	**2009**
Employer social security costs	1,376	1,479
Other employee benefit costs	422	586
Total	**1,798**	**2,065**

The average number of employees in 2010 and 2009 was 128 and 140, respectively, all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	2010		2009	
	Men	**Women**	**Men**	**Women**
Executives	29	10	28	10
Middle management	10	7	12	8
Qualified line personnel	14	32	21	33
Other	2	24	3	25
Total	**55**	**73**	**64**	**76**

The number of employees at December 31, 2010 and 2009, was 128 and 137, respectively, all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	2010		2009	
	Men	**Women**	**Men**	**Women**
Executives	30	11	28	9
Middle management	9	7	12	8
Qualified line personnel	12	32	19	33
Other	2	25	2	26
Total	**53**	**75**	**61**	**76**

Fees paid to auditors

The fees for financial audit services relating to the 2010 financial statements of the various companies composing the Prisa Group and subsidiaries provided by Deloitte, S.L. and by other entities related to the auditor amounted to EUR 2,170 thousand (2009: EUR 1,877 thousand), of which EUR 486 thousand relate to Prisa; this amount includes EUR 350 thousand for the 2010 audit of the consolidated group, in keeping with PCAOB audit procedures. Additionally, during 2010, Deloitte conducted the 2007, 2008 and 2009 audits of the consolidated group in accordance with PCAOB audit procedures; the fees for this service totaled EUR 1,580 thousand.

Also, the fees relating to other auditors involved in the 2010 audit of the various Group companies amounted to EUR 383 thousand (2009: EUR 324 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 and fees paid in this connection to other auditors participating in the audit of the various Group companies are as follows (in thousands of euros):

	2010		2009	
	Principal auditor	Other audit firms	Principal auditor	Other audit firms
Other verification services	444	261	415	5
Tax advisory services	264	65	356	61
Other services	1,691	927	514	1,859
Other professional services	**2,399**	**1,253**	**1,285**	**1,925**

Fees for other professional services provided to the Company by the principal auditor and by other entities related to the auditor are as follows:

	Amount (thousands of euros)	
	2010	**2009**
Other verification services	24	202
Tax advisory services	-	82
Other services	366	9
Other professional services	**390**	**293**

10.- PROVISIONS AND CONTINGENCIES

The changes in "Provisions and contingencies" in 2010 are as follows (in thousands of euros):

	Balance at 12/31/09	**Additions**	**Disposals**	**Balance at 12/31/10**
Provision for taxes	9,439	-	(1,403)	8,036
Provisions for third-party liability-	145,285	106,245	(1,208)	250,322
Total cost	**154,724**	**106,245**	**(2,611)**	**258,358**

"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 provision amounting to EUR 80 million, which Management of the Group has decided to recognize, to cover certain risks and possible restructuring expenses for its associates and the EUR 25 million increase in the provision established to cover the negative equity of Prisaprint, S.L. at year-end 2010. These provisions were recognized under *"Impairment of financial instruments"* in the 2010 income statement.

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

11. -SHARE-BASED PAYMENTS

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

Each share conferred the right to purchase or subscribe one Company share. The options were exercisable between December 31, 2009 and March 31, 2010, inclusive. At March 31, 2010, 1,037,000 options relating to this plan had been exercised.

During the Extraordinary General Shareholders' Meeting held on November 27, 2010, it was decided to authorize a system of compensation (the "2010-2013 Share/Stock Options Delivery Plan") consisting of the delivery of shares and/or share options of the Company to the directors and managers in the Prisa Group, authorizing the Board of Directors to develop and implement the Plan. The Plan is applicable during the 2010, 2011, 2012 and 2013 financial years. If the Board does not make use of its authorization before December 31, 2011, this resolution would be rendered without effect.

At the date of the preparation of these financial statements, the Board of Directors had not implemented the plan.

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 10,000 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, 2010, the guarantees provided in this connection totaled EUR 1,179 thousand.

At December 31, 2010, the Company had provided bank guarantees amounting to EUR 64,173 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, 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. In 2010 Prisa entered into a reciprocal purchase and sale agreement with the majority shareholders of Dédalo Grupo Gráfico, S.L., companies related to the Ibersuizas Group, for the shares of Dédalo Grupo Gráfico, S.L. Under this agreement, on the one hand, Prisa has a call option, not exercisable at the date, on the additional 60% of Dédalo Grupo Gráfico, S.L. and, on the other, the current majority shareholders may exercise their put option if any of the Dédalo Group companies were to become subject to insolvency proceedings. The strike price for both the options is EUR 1.

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

13.- FUTURE COMMITMENTS

By virtue of an agreement entered into with Indra on December 23, 2009, Prisa assumed payment commitments totaling EUR 267,225 thousand with the aforementioned company for the coming seven years. In 2010, the amount corresponding to services provided amounted to EUR 14,085 thousand; therefore, pending commitments are as follows:

Year	Thousands of euros
2011	38,175
2012	38,175
2013	38,175
2014	38,175
2015	38,175
2016 and subsequent years	62,265
	253,140

In 2010, trade payables over 85 days past due for the Spanish Group companies amounted to EUR 9,617 thousand.

14.- EVENTS AFTER THE REPORTING PERIOD

On January 25, 2011, the Group announced that it was going to carry out a restructuring plan which would mean a reduction of 18% of its overall staff. The duration of the plan would be until the first quarter of 2012 and is designed to maintain a maximum number of jobs and encompasses several negotiated measures including outsourcing, voluntary redundancy packages, early retirement, etc.

At the date of the preparation of the accompanying financial statements, the Company was immersed in evaluating the economic impact of these measures, which will be definitive once negotiation with labor representatives has terminated.

On January 26, 2011, due to the capital increase against cash contributions, with recognition of pre-emptive subscription rights through warrants, which was approved by Prisa's shareholders in general meeting on November 27, 2010, a public deed was issued declaring the capital increase corresponding to the warrants' first exercise window. A total of 97,868 warrants were exercised, with a total of 97,868 new Class A ordinary shares subscribed at the price of EUR 2 each. These shares were admitted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges on February 3, 2011.

Prisa's share capital after this increase totals EUR 84,708 thousand, represented by 444,088,888 Class A ordinary shares and 402,987,000 Class B non-voting shares.

During 2011, Prisa reached an agreement with PortQuay West I B.V., a company which is controlled by Miguel Pais do Amaral, to sell 10% of Grupo Media Capital SGPS, S.A.'s share capital for approximately EUR 35 million. This agreement will be formalized during February, 2011 and will allow the buyer the option to purchase up to an additional 19.69%.

15.- RELATED PARTY TRANSACTIONS

Transactions with Group companies, associates and related parties

The transactions performed with Group companies, associates and related parties in 2010 and 2009 are as follows:

	Thousands of euros	
	2010	**2009**
Income		
Services rendered and other	32,969	24,190
Finance income	4,074	6,895
Dividends	110,779	117,245
Total	**147,822**	**148,330**
Expenses		
Finance costs	5,613	8,659
Total	**5,613**	**8,659**

Income from services rendered 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 2010 and 2009 is as follows (thousands of euros):

	2010	2009
Grupo Santillana de Ediciones, S.L.	39,298	43,000
Prisa Televisión, S.A.U.	20,000	37,344
Vertix, S.G.P.S.	16,006	16,606
Diario El País, S.L.	-	15,000
Prisa Radio, S.L.	35,475	3,164
Prisa División Inmobiliaria, S.L.	-	2,131
Total	**110,779**	**117,245**

Remuneration and other benefits of directors

In 2010 and 2009 the remuneration earned by the members of the Board was as follows:

Type of remuneration	Thousands of euros	
	2010	2009
Fixed remuneration	2,019	2,010
Variable remuneration	1,600	1,588
Attendance fees	1,579	1,811
Bylaw-stipulated directors' emoluments	990	-
Share options and/or other financial instruments	68	-
Other	2,034	1,886
Total	**8,290**	**7,295**

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 Section 229 of the Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010 dated July 2, following is a detail of the companies with the same, analogous or similar corporate purpose as that of Promotora de Informaciones, S.A. (PRISA) in which directors and their affiliates, as defined in Section 231 of this Act, have stakes and of the duties, if any, that they perform therein:

Name	Company	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
Harry Sloan	Metro Goldwyn Mayer Inc	-	Chairman
Harry Sloan	Zenimax Media Inc	-	Director

It is also hereby stated that:

i) a daughter of Director Mr. Juan Luis Cebrián is Director of the Spanish TV Film Area of Corporación RTVE (Radio Televisión Española);
ii) a son of Director Mr. Alain Minc's is the Editor of *Version Femina"* (a magazine edited by the *Lagardère Group*) and
iii) Director Mr. Nicolas Berggruen owns 45% of the share capital of LeYa, the holding company of editorial group composed of Brazilian, Portuguese and African editors, through his company Berggruen Holding LTD.
.

The above information corresponds to December 31, 2010. Subsequent to that date, Mr. Juan Luis Cebrián Echarri and Mr. Manuel Polanco Moreno accepted the position of Board Members of Gestevisión Telecinco, S.A. (ratified by the company's shareholders in their general meeting held on December 24, 2010).

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, Manuel Polanco Moreno, Gregorio Marañón y Bertrán de Lis, Diego Hidalgo Schnur and Agnés Noguera Borel.

Also, in accordance with the Section 230 of the above-mentioned Law, it is hereby stated that there is no record that any of the Board members have been engaged in 2010, or are currently engaged, for their own account or the account of others, in a business that is the same as or analogous or supplementary to the business constituting the corporate purpose of Promotora de Informaciones, S.A.

Remuneration of senior executives-

At December 31, 2010, senior executives of the Prisa Group are considered to be those persons who are members of the Business Management Committee and the Corporate Committee who are not executive directors, in addition to the internal audit director of Promotora de Informaciones, S.A., namely: Ignacio Santillana del Barrio, Fernando Martínez Albacete, Augusto Delkader Teig, Jesús Ceberio Galardi, Miguel Ángel Cayuela Sebastián, Matilde Casado Moreno, Iñigo Dago Elorza, Pedro García Guillén, Oscar Gómez Barbero, Javier Pons Tubio, Kamal M. Bherwani andrés Cardo Soria, Bárbara Manrique de Lara and Virginia Fernández Iribarnegaray. The total remuneration earned by the senior executives of Promotora de Informaciones, S.A. in 2010 and of the Group companies other than it, amounted to EUR 7,109 thousand.

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

GROUP COMPANIES										
			12/31/10 (In thousands of euros)							
INVESTEE	**REGISTERED OFFICE**	**LINE OF BUSINESS**	**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	10,135	-	10,555	2/91
Diario El País México, S.A de C.V. (*)	Avda. de la Universidad, 767 - México D.F.	Operation of El País newspaper in Mexico	32	11.18%	2,850	(2,560)	-	(21)	-
Grupo Empresarial de Medios Impresos, S.L.	Gran Vía, 32 - Madrid	Holding company for publishing stakes	77,943	100.00%	990	62,870	-	(1,734)	2/91
Grupo Santillana de Ediciones, S.L.	Torrelaguna, 60 - Madrid	Publishing	65,826	75.00%	12,018	(72,208)	(28,239)	48,141	2/91
Prisa Brand Solutions, S.L.U. (Anteriormente, Box News Publicidad, S.L.U)	Gran Vía, 32. Madrid	Contracting of advertising exclusives	43,238	100.00%	950	10,799	-	(331)	2/91
Prisa División Inmobiliaria, S.L. (*)	Gran Vía, 32 - Madrid	Lease of commercial and industrial premises	71,378	100.00%	10,200	63,161	-	(1,982)	2/91
Prisa División Internacional, S.L. (*)	Gran Vía, 32 - Madrid	Holdings in foreign companies	158,122	99.99%	10,000	146,768	-	1,356	2/91
Prisa Finance (Netherlands) BV	Gran Vía, 32 - Madrid	Holdings in and financing of companies	14	100.00%	18	(4)	-	0	-
Prisa Digital, S.L. (Anteriormente, Prisacom, S.L.) (*)	Gran Vía, 32 - Madrid	Internet services	5,456	99.99%	1,918	3,967	-	(603)	2/91
Prisaprint, S.L. (*)	Gran Vía, 32 - Madrid	Management of printing companies	(143,818)	99.99%	3,000	(121,026)	-	(25,804)	2/91
Promotora de Emisoras, S.L	Gran Vía, 32 - Madrid	Radio broadcasting services	(18,053)	100.00%	2,500	(21,137)	-	418	2/91
Promotora de Emisoras de Televisión, S.L. (*)	Gran Vía, 32 - Madrid	Operation of television channels	(6,895)	25.00%	19,060	(46,246)	-	921	2/91
Redprensa, S.L.U.	Gran Vía, 32 - Madrid	Holding company	150	100.00%	150	5,567	-	1,412	2/91
Prisa Radio, S.L. (Anteriormente, Sociedad de Servicios Radiofónicos Unión Radio, S.L.)	Gran Vía, 32 - Madrid	Services to radio broadcasting companies	109,929	73.49%	2,036	186,801	-	76,045	
Prisa Televisión, S.A.U. (Anteriormente, Sogecable, S.A.U.)	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of television activities	3,662,935	100.00%	1,105,607	(539,915)	-	720,344	2/91
Promotora de Actividades América, 2010, S.L. (*)	Gran Vía, 32 - Madrid	Production and organization of activities marking the bicentenary of American independence	(849)	100.00%	10	(891)	-	23	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	34	-	(1)	
Liberty Acquisition Holdings Virginia Inc	Gran Vía, 32. Madrid	Holding company	649,540	100.00%	747,809	(75,553)	-	(22,239)	
Vertix, SGPS, S.A	Rua de las Amoreiras, 107 - Lisboa, Portugal	Holding company	597,200	100.00%	375,041	28,958	-	17,803	-
V-Me Media Inc.			4,247	9.16%	45,601	N/D	-	(37,530)	
Total			**5,290,182**						

(*) The total holding is 100%

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

INDIRECT HOLDINGS *APPENDIX II*

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (thousands of euros) SHARE CAPITAL	SHAREHOLDERS' EQUITY
UNIDAD DE NEGOCIO EDUCACIÓN						
Aguilar A.T.A., S.A. de Ediciones	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	75.00%		1,692	3,378
Aguilar Chilena de Ediciones, S.A.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	75.00%		898	2,356
Avalia Qualidade Educacional Ltda.	Avenida São Gabriel. 201 Andar 14 Cj. 1408-1409. CEP 01435-0001. Sao Paulo. Brasil	Publishing	68.25%		596	730
Canal de Editoriales, S.A.	Juan Bravo, 38. Madrid	Retailing	74.36%	2/91	155	177
Constancia Editores, S.A.	Estrada da Outorela 118, 2795. Carnaxide Linda a Velha. Portugal	Publishing	75.00%		1,250	2,510
Distribuidora Digital de Libros, S.A.			20.00%		1,000	465
Distribuidora y Editora Aguilar A.T.A, S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	75.00%		359	1,135
Distribuidora y Editora Richmond, S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	75.00%		67	394
DLD Editora e Distribuidora de Livros Digitais S.A. (Brasil)			12.51%		294	155
Ediciones Aguilar Venezolana, S.A.	Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	75.00%		29	-
Ediciones Grazalema, S.L.	Rafael Beca Mateos, 3. Sevilla	Publishing	75.00%	2/91	60	124
Ediciones Santillana Inc.	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	75.00%		1,065	5,028
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	75.00%		5,316	5,156
Ediciones Santillana, S.A. (Uruguay)	Constitución, 1889 - 11800. Montevideo. Uruguay	Publishing	75.00%		147	902
Edicions Obradoiro, S.L.	Ruela de Entrecercos. 2 2º B. 15705. Santiago de Compostela	Publishing	75.00%	2/91	60	71
Edicions Voramar, S.A.	Valencia, 44. 46210. Pincaya. Valencia	Publishing	75.00%	2/91	60	87
Editora Fontanar, Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Municipio do Rio de Janeiro. Brasil	Publishing	56.25%		5	20
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	75.00%		29,703	45,781
Editora Objetiva Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Municipio do Rio de Janeiro. Brasil	Publishing	56.25%		1,550	7,675
Editorial Nuevo México, S.A. de C.V.	Tenayuca Nº 107. Col Vértiz Narvarte. México D.F. México	Publishing	75.00%		97	(297)
Editorial Santillana, S.A. (Colombia)	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	75.00%		1,676	12,402
Editorial Santillana, S.A. (Guatemala)	7ª Avenida 11-11. Zona 9. Guatemala	Publishing	74.99%		72	2,448
Editorial Santillana, S.A. (Honduras)	Colonia Lomas de Tepeyac. Casa No. 1626, contiguo al Autobanco Cuscatlan.	Publishing	75.00%		20	1,257
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. República Dominicana	Publishing	75.00%		118	6,130
Editorial Santillana, S.A. (Venezuela)	Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	75.00%		3,295	11,087
Editorial Santillana, S.A. de C.V. (El Salvador)	Siemens, 48 Zona Industrial Santa Elena. La Libertad. El Salvador	Publishing	75.00%		17	3,522
Editorial Santillana, S.A. de C.V. (México)	Avenida Universidad 767. Colonia del Valle. México D.F. México	Publishing	75.00%		24,019	18,050
Grup Promotor D'Ensenyement i Difussió en Catalá, S.L.	Frederic Mompou, 11. V. Olímpica. Barcelona	Publishing	75.00%	2/91	60	75
Historia para Todos, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	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.	37.50%		1,728	566
Instituto Universitario de Posgrado, S.A.	Torrelaguna, 60. Madrid	Complementary educational services	39.00%		151	(886)
Ítaca, S.L.	Torrelaguna, 60. Madrid	Book distribution	75.00%	2/91	408	613
Lanza, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Creation, development and management of companies	75.00%		13,038	19,363
N. Editorial, S.L.	Torrelaguna, 60. Madrid	Publishing	75.00%	2/91	60	(70)
Richmond Educação, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brasil	Publishing	75.00%		46	182
Richmond Publishing, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Publishing	75.00%		4	6,114
Salamandra Editorial, Ltda.	Rua Urbano Santos 160. Sao Paulo. Brasil	Publishing	75.00%		46	60
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	75.00%		465	2,497
Santillana, S.A. (Ecuador)	Avenida Eloy Alfaro. N33-347 y 6 de Diciembre. Quito. Ecuador	Publishing	75.00%		1,027	2,550
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	75.00%		162	1,084
Santillana, S.A. (Perú)	Avenida Primavera 2160. Santiago de Surco. Lima. Perú	Publishing	71.25%		3,275	5,335
Santillana Canarias, S.L.	Urbanización El Mayorazgo. Parcela 14, 2-7B. Santa Cruz de Tenerife	Publishing	75.00%	2/91	60	58
Santillana de Ediciones, S.A.	Avenida Arce. 2333. La Paz. Bolivia	Publishing	75.00%		272	1,041
Santillana del Pacífico, S.A. de Ediciones.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	75.00%		473	6,024
Santillana Ediciones Generales, S.L.	Torrelaguna, 60. Madrid	Publishing	75.00%	2/91	2,276	26,179
Santillana Ediciones Generales, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Publishing	75.00%		948	12,039
Santillana Educación, S.L.	Torrelaguna, 60. Madrid	Publishing	75.00%	2/91	7,747	128,239
Santillana Formación, S.L.	Torrelaguna, 60. Madrid	Complementary educational services	75.00%	2/91	1,000	1,204
Santillana Formación, S.L. (Colombia)	Calle 73. Nº 7-31. P8 TO B. Bogotá. Colombia	Consultancy services for the obtainment of quality certification by schools	75.00%		34	(139)
Santillana USA Publishing Co. Inc.	2105 NW 86th Avenue. Doral. Florida. EE.UU.	Publishing	75.00%		52,812	3,999
Sistemas Educativos de Enseñanza, S.A. de C.V.		Publishing	75.00%		3	3
Uno Educação, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brasil	Publishing	75.00%		46	58
Zubia Editoriala, S.L.	Polígono Lezama Leguizamon. Calle 31. Etxebarri. Vizcaya	Publishing	75.00%	2/91	60	89

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

INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (thousands of euros) SHARE CAPITAL	RESULTADO	SHAREHOLDERS' EQUITY
PRESS-PAÍS							
Agrupación de Servicios de Internet y Prensa, S.L.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media	100.00%		1,726	0	1,711
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina	100.00%		1,114	(699)	479
Diario El País Do Brasil Distribuidora de Publicaçoes, LTDA.	Rua Padre Adelino. 758 Belezinho. CEP 03303-904. Sao Paulo. Brasil	Operation of El País newspaper in Brazil	100.00%		728	(115)	(22)
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper	100.00%	2/91	15,743	11,315	35,834
Ediciones El País (Chile) Limitada.	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication, operation and sale of El País newspaper in Chile	100.00%				(31)
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	1,197	64,857
PRESS-SPECIALIZED							
Diario As, S.L.	Albasanz, 14. Madrid	Publication and operation of the Diario As newspaper	75.00%	2/91	1,400		32,831
Espacio Editorial Andaluza Holding, S.L.	Gran Vía, 32. Madrid	Holding company for publishing stakes	100.00%	2/91	8,501		16,698
Estructura, Grupo de Estudios Económicos, S.A.	Gran Vía, 32. Madrid	Publication and operation of the Cinco Días newspaper	100.00%	2/91	60		(168)
Gestión de Medios de Prensa, S.A.	Gran Vía, 32. Madrid	Common services for regional and local newspapers	54.44%		87		104
Promotora General de Revistas, S.A.	Julián Camarillo, 29B. Madrid	Publication, production and operation of magazines	100.00%	2/91	1,500		4,308

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

INDIRECT HOLDINGS

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (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	2,263
Antena 3 de Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.06%	194/09	5,052	14,102
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	72.74%	194/09	135	592
Antena 3 de Radio de Melilla, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.06%	194/09	61	783
Avante Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	72.95%	194/09	60	970
Cantabria de Medios, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	66.19%	194/09	60	(34)
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	71.31%	194/09	66	4,526
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	683
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	36.75%		215	3,230
Frecuencia del Principado, S.A.	Jovellanos 1, Gijón	Operation of radio broadcasting stations	73.49%	194/09	60	247
Gestión de Marcas Audiovisuales, S.A.	Gran Vía, 32. Madrid	Production and recording of sound media	73.49%	194/09	70	822
Gran Vía Musical de Ediciones, S.L.	Gran Vía, 32. Madrid	Music services	73.49%	194/09	3,000	11,701
Iniciativas Radiofónicas, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	68.65%	194/09	228	453
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	51.45%		61	146
La Palma Difusión, S.A.	Almirante Díaz Pimienta, 10. Los Llanos de Aridane. Santa Cruz de Tenerife	Operation of radio broadcasting stations	73.06%	194/09	360	561
Onda La Finojosa, S.A.	Limosna, 2. Hinojosa del Duque. Córdoba	Operation of radio broadcasting stations	73.49%	194/09	4	54
Onda Musical, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.27%	194/09	343	1,800
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	33.99%		70	303
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	66.19%	194/09	390	861
Radio 30, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	61.24%	194/09	60	258
Radio Club Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Operation of radio broadcasting stations	69.81%	194/09	480	3,040
Radio España de Barcelona, S.A.	Caspe, 6. Barcelona	Operation of radio broadcasting stations	72.99%	194/09	364	1,872
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	26.45%		563	1,428
Radio Lleida, S.L.	Calle Vila Antonia. Nº 5. Lleida		48.76%		15	13
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	61.24%	194/09	120	2,134
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	64.69%	194/09	183	3,291
Radiodifusora de Navarra, S.A.	Polígono Plazaola. Manzana F - 2ºA. Pamplona	Operation of radio broadcasting stations	73.06%	194/09	66	3,086
Sociedad Española de Radiodifusión, S.L. *(Anteriormente, Sociedad Española de Radiodifusión, S.A.)*	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.48%	194/09	6,959	150,013
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	54.50%		379	865
Sociedad de Radiodifusión Aragonesa, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	73.49%		62	96
Societat de Comunicacio i Publicidat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany .Andorra	Operation of radio broadcasting stations	73.49%		30	(941)
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	36.53%		230	528
Talavera Visión, S.L.	Plaza Cervantes 6 4º. Ciudad Real	Operation of radio broadcasting stations	36.75%		192	218
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	58.17%	194/09	75	66
Teleradio Pres, S.L.	Avenida de la Estación, 5 Bajo. Albacete	Management of media	54.87%		150	390
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32. Andorra	Operation of radio broadcasting stations	24.25%		249	474
Unión Radio Digital, S.A.	Gran Vía, 32. Madrid	Operation of digital radio broadcasting concession	73.32%	194/09	6,010	5,273
Unión Radio Online, S.A. (Anteriormente, Media Festivals, S.A.)		Production and organization of shows and events	73.49%		412	418
Unión Radio Servicios Corporativos, S.A.	Gran Vía, 32. Madrid	Holding company for stakes in radio broadcasting companies	73.49%	194/09	11,281	15,649
Valdepeñas Comunicación, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	36.75%		60	88

INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (thousands of euros) SHARE CAPITAL	SHAREHOLDERS' EQUITY
INTERNATIONAL RADIO						
Abril, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Dormant	73.49%		1,025	1,860
Aurora, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Dormant	73.49%		495	1,803
Blaya y Vega, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Advertising sales	73.49%		2,356	18,658
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	36.74%		851	14,156
Caracol, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.62%		11	51,611
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Operation of radio broadcasting stations	73.48%		215	3,280
Caracol Estéreo, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.61%		3	(21)
CHR, Cadena Hispanoamericana de Radio, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.61%		353	1,716
Comercializadora Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		25,466	15,294
Compañía de Comunicaciones C.C.C. Ltda.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.59%		25	1,787
Compañía de Radios, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Sale of advertising and rental of advertising space	73.49%		357	2,247
Comunicaciones del Pacífico, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation and management of television channels and broadcasting stations	73.49%		548	74
Comunicaciones Santiago, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		545	45
Consorcio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panamá	Advisory services and marketing of services and products in general and particularly to Green Emerald Business Inc.	73.48%		0	0
Corporación Argentina de Radiodifusión, S.A.	Beazley 3860. Buenos Aires. Argentina	Operation of radio broadcasting stations	73.51%		10,031	5,362
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	56.44%		0	417
El Dorado Broadcasting Corporation	2100 Coral Way. Miami. Florida. EE.UU.	Development of the Latin radio market in the US	18.37%		196	(1,303)
Emisora Mil Veinte, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	55.65%		0	233
Fast Net Comunicaciones, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Telecommunications and radio broadcasting services	73.49%		3	(1,341)
GLR Broadcasting, LLC	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami.	Operation of radio broadcasting stations	73.48%		1	10,689
GLR Chile Ltda	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		85,516	87,767
GLR Colombia, Ltda.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Provision of services to radio broadcasters	73.75%		263	303
GLR Costa Rica, S.A.	Llorente de Tibás. Edifico La Nación. San José. Costa Rica	Radio broadcasting	36.74%		1,020	1,042
GLR Midi France, S.A.R.L.	Immeuble Le Periscope, 83-87 Av. d´Italie. Paris. Francia	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	(366)
GLR Services Inc.	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami.	Provision of services to radio broadcasters	73.48%		4	19,267
GLR Southern California, LLC	3500 Olive Avenue Suite 250 Burbank, CA 91505. EE.UU.	Provision of services to radio broadcasters	73.48%		0	11,502
Green Emerald Business Inc.	Calle 54. Obarrio Nº 4. Ciudad de Panamá. Panamá	Development of the Latin radio market in Panama	25.68%		3,986	(1,954)
Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Advertising sales	73.49%		32,680	44,122
Iberoamerican Radio Holding Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Holding company and sale of advertising space	73.49%		4,345	(5,187)
La Voz de Colombia	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	55.59%		1	403
LS4 Radio Continental, S.A	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	73.50%		5,864	2,662
Promotora de Publicidad Radial, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	56.61%		1	116
Publicitaria y Difusora del Norte Ltda.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Radio broadcasting	73.49%		1,101	(444)
Radiodifusion Iberoamerican Chile S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Holding company	73.49%		14,354	27,444
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. México	Operation of radio broadcasting stations	36.74%		264	1,111
Radio Comerciales, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Operation of radio broadcasting stations	36.74%		495	(1,067)
Radio Estéreo, S.A	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	73.50%		239	71
Radio Melodía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Operation of radio broadcasting stations	36.74%		84	210
Radio Mercadeo, Ltda.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	53.06%		298	508
Radio Tapatía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Operation of radio broadcasting stations	36.74%		73	446
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	36.74%		3	(71)
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	36.74%		3	0
Sistema Radiópolis, S.A. de C.V.	Avenida Vasco de Quiroga 2000. México D.F. México	Operation of radio broadcasting stations	36.75%		17,212	20,323
Sociedad Radiodifusora del Norte, Ltda.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		315	(1,280)
Sociedad de Radiodifusión El Litoral, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Rental of equipment and advertising sales	73.49%		8	3,200
WSUA Broadcasting Corporation	2100 Coral Way. Miami. Florida. EE.UU.	Radio broadcasting	18.37%		587	(4,134)
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. EE.UU.	Advisory services on business administration and organization	35.99%		6	(799)
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. EE.UU.	Real estate development services	74.48%		2,348	2,554
Xezz, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Operation of radio broadcasting stations	36.74%		36	58

INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (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	(1,622)
Gran Vía Musical, S.A.S.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Music services	73.49%		35	35
Lirics and Music, S.L.	Gran Vía, 32. Madrid	Music publishing	73.49%	194/09	12	1,128
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	(87)
Nova Ediciones Musicales, S.A.	Gran Vía, 32. Madrid	Music publishing	73.49%	194/09	600	2,362
Planet Events, S.A.	Gran Vía, 32. Madrid	Production and organization of shows and events	51.44%		120	646
RLM Colombia, S.A.S.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Production and organization of shows and events	51.44%		60	1,532
RLM, S.A.	Puerto de Santa María, 65. 28043. Madrid	Production and organization of shows and events	51.44%		35	35
Sogecable Música, S.L.	Gran Vía, 32. Madrid	Creation, broadcasting, distribution and operation of thematic television channels	73.49%		1,202	1,897

INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (thousands of euros) SHARE CAPITAL	SHAREHOLDERS' EQUITY
PRISA TV						
Audiovisual Sport, S.L	Calle Diagonal, 477. Barcelona	Management and distribution of audiovisual rights	80.00%	2/91	6,220	47,279
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalog sales	25.00%		3,906	5,597
Canal + Investment Inc.	Beverly Hills. California. EE.UU.	Film production	60.00%		N/D	N/D
Centro de Asistencia Telefónica, S.A.	Campezo,1. Madrid	Services	56.00%	2/91	3,077	5,676
Compañía Independiente de Televisión, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management and distribution of audiovisual rights	56.00%	2/91	601	46,659
Cinemanía, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Operation of thematic channels	56.00%	2/91	601	9,075
DTS, Distribuidora de Televisión Digital, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	56.00%	2/91	126,286	991,548
Promotora Audiovisual de Colombia PACSA, S.A	Calle 70. Nº 4-60. 11001. Bogotá. Colombia	Audiovisual and communication activities	55.00%		177	177
Vía Atención Comunicación, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Digital television services	56.00%	2/91	11	9
V-ME Media INC			23.78%		45,601	8,071
AUDIOVISUAL-LOCAL TELEVISION						
Axarquía Visión, S.A.	Paseo de Reding, 7. Málaga	Local television services	69.79%		60	(769)
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	(4,145)
Canal 4 Navarra Digital, S.A.	Polígono Industrial Cordovilla. Navarra	Local television services	100.00%	2/91	2,000	2,031
Collserola Audiovisual, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Local television services	92.50%	2/91	85	(12,884)
Legal Affairs Consilium, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Local television services	100.00%	2/91	130	(10,629)
Localia TV Madrid, S.A.	Gran Vía, 32. Madrid	Local television services	100.00%	2/91	6,000	3,394
Málaga Altavisión, S.A.	Paseo de Reding, 7. Málaga	Production and broadcasting of videos and television programs	87.24%	2/91	3,465	(2,800)
Marbella Digital Televisión, S.A.	Paseo de Reding, 7. Málaga	Local television services	87.24%	2/91	174	(3,095)
Productora Asturiana de Televisión, S.A.	Asturias, 19. Oviedo	Local television services	59.99%		1,112	(1,530)
Productora Audiovisual de Badajoz, S.A.	Ramón Albarrán, 2. Badajoz	Local television services	61.45%		498	(1,337)
Productora de Televisión de Córdoba, S.A.	Amatista s/n. Polígono El Granadall. Córdoba	Local television services	99.99%	2/91	90	(1,490)
Productora Extremeña de Televisión, S.A.	J. M. R. "Azorín". Edificio Zeus. Polígono La Corchera. Mérida. Badajoz	Local television services	66.00%		1,202	673
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	71
Promotora Audiovisual de Zaragoza, S.L.	Emilia Pardo Bazán, 18. Zaragoza	Local television services	99.99%	2/91	120	(696)
Telecomunicaciones Antequera, S.A.	Aguardenteros, 15. Antequera. Málaga	Local television services	87.24%	2/91	822	(1,124)
Televisión Ciudad Real, S.L.	Ronda Carmen, 4. Ciudad Real	Production, broadcasting, publishing and distribution of media and advertising activities	99.96%	2/91	150	44
TV Local Eivissa, S.L.	Avenida San Jordi s/n. Edificio Residencial. Ibiza	Television services	100.00%	2/91	90	223
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.		Local television services	33.33%		0	0
Riotedisa, S.A.		Audiovisual productions for television	49.00%		0	0
Televisión Digital de Baleares, S.L.		Local television services	40.00%		1,200	1,162

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

INDIRECT HOLDINGS *APPENDIX II*

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (thousands of euros) SHARE CAPITAL	SHAREHOLDERS' EQUITY
AUDIOVISUAL-MEDIA CAPITAL						
Argumentos para Audiovisual, Lda. (CASA DA CRIAÇAO)	Avenida Liberdade. Nº 144/156 - 6º Dto. 1250-146. Lisboa. Portugal	Creation, development, translation and adaptation of texts and ideas for television programs, films, entertainment, advertising and theater	94.69%		20	82
Chip Audiovisual, S.A.	Coso, 100 . Planta 3ª puerta 4-50001. Zaragoza	Audiovisual productions for television programming	24.15%		600	1,656
Desenvolvimento de Sistemas de Comunicaçao, S.A. (MEDIA CAPITAL TECHNOLOGIES)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Development, maintenance and commercial operation of computer hardware and programs; management of multimedia content (images, sound, text and data)	94.69%		50	83
Editora Multimédia, S.A. (MULTIMÉDIA)	Rua Mário Castelhano. Nº 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	-369
Emissoes de Radiodifusao, S.A. (RADIO REGIONAL DE LISBOA)	Rua Sampaio e Pina. 24/26. 1099-044. Lisboa. Portugal	Radio broadcasting	94.69%		110	-284
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	710
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	116
Factoría Plural, S.L.	Calle Biarritz, 2. 50017 Zaragoza	Production and distribution of audiovisual content	48.29%		175	865
Grupo Media Capital, SGPS, S. A.	Rua Mário Castlhano nº 40. Queluz de Baixo. Portugal	Holding company	94.69%		89,584	85,279
Kimberley Trading, S.A. (KIMBERLEY)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Performance of any activity within television, e.g. the installation, administration and operation of any televison infrastructure or channel	94.69%		54,560	113,526
Lúdicodrome Editora Unipessoal, Lda.	Rua Mário Castelhano. Nº 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	211
Media Capital Música e Entretenimento, S.A (MCME)	Rua Mário Castelhano. Nº 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	1,679
Media Capital Produçoes, S.A. (MCP)	Rua Mário Castelhano. Nº 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	45,545
Media Capital Produçoes - Investimentos, SGPS, S.A.	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Holding company	94.69%		45,050	52,759
Media Capital Rádios, S.A (MCR II)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Accounting and economic consultancy services; development of broadcasting activities in radio production and broadcasting	94.69%		192	(10,095)
Media Global, SGPS, S.A. (MEGLO)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Holding company	94.69%		37,098	63,507
Multimedia, S.A. (CLMC)	Rua de Santo Amaro à Estrela. Nº 17 A. 1249-028. Lisboa. Portugal	Commercial film, video, radio, television, audiovisual and multimedia production and operation	94.69%		100	(9,812)
Plural Entertainment Brasil Produçao de Vídeo, Ltda. *(Anteriormente, NBP Brasil, S.A.)*	Rua Padre Adelino. Nº 758, 3º andar, Quarta Parada. CEP 03303-904.	Audiovisual production (dormant)	46.39%		90	(27)
Plural Entertainment Canarias, S.L.	Dársena Pesquera. Edificio Plató del Atlántico. San Andrés 38180. Santa Cruz de Tenerife	Production and distribution of audiovisual content	94.69%		75	154
Plural Entertainment España, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	94.69%	2/91	6,000	37,278
Plural Entertainment Inc.	1680 Michigan Avenue. Suite 730. Miami Beach. EE.UU.	Production and distribution of audiovisual content	94.69%		109	(1,557)
Plural Entertainment Portugal, S.A. *(Anteriormente, Produçao em Vídeo, S.A. - NBP)*	R. José Falcao. 57 - 3º Dt. 1000-184. Lisboa. Portugal	Video and cinema production, organization of shows, sound and lighting rental, advertising, marketing and representation of registered videos	94.69%		36,650	42,747
Plural - Jempsa, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	47.34%		700	349
Produçao de Eventos, Lda. (MEDIA CAPITAL ENTERTAINMENT)	Rua Mário Castelhano. Nº 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	96
Producciones Audiovisuales, S.A. (NBP IBÉRICA)	Almagro 13. 1º 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	1,307
Produçoes Audiovisuais, S.A. (RADIO CIDADE)	Rua Sampaio e Pina. 24/26. 1099-044. Lisboa. 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	67
Projectos de Media e Publicidade Unipessoal, Lda. (PUPLIPARTNER)	Rua Mário Castelhano. Nº 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	(50)
Radio Comercial, S.A. (COMERCIAL)	Rua Sampaio e Pina. 24/26. 1099-044. Lisboa. Portugal	Radio production and broadcasting	94.69%		2,255	943
RADIO XXI, Lda. (XXI)	Rua Sampaio e Pina. 24/26. 1099-044. Lisboa. Portugal	Radio production and broadcasting	94.69%		5	5
Rede Teledifusora Independente, S.A. (RETI)	Rua Mário Castelhano. Nº 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	60
Serviços de Consultoria e Gestao, S.A. (MEDIA CAPITAL SERVIÇOS)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Advisory services, orientation and operating assistance for public relations companies and organizations	94.69%		50	144
Serviços de Internet, S.A. (IOL NEGÓCIOS)	Rua Tenente Valadim. Nº 181. 4100-479. Porto. Portugal	Electronic goods and services publications and marketing. Publication, production and distribution activities in the media	94.69%		100	755
Sociedad Canaria de Televisión Regional, S.A.	Avenida de Madrid s/n. Santa Cruz de Tenerife	Audiovisual productions for television programming	37.88%		1,510	2,553
Sociedade de Produçao e Ediçao Audiovisual, Lda. (FAROL MÚSICA)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Production of storage, phonograms, audiovisual and multimedia media	94.69%		5	62
Televisao Independente, S.A. (TVI)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Performance of any activity within television, e.g. the installation, administration and operation of any televison infrastructure or channel	94.69%		65,810	114,198
Tesela Producciones Cinematográficas, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	94.69%	2/91	1,034	5,027
Uniao de Leiria, SAD. (UNIAO DE LEIRIA)	Estádio Dr. Magalhaes Pessoa. 2400-000. Leiria. Portugal	Other	19.09%		-	-

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

INDIRECT HOLDINGS

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (thousands of euros) SHARE CAPITAL	SHAREHOLDERS' EQUITY
AUDIOVISUAL-GESTEVISIÓN						
Gestevisión Telecinco, S.A.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Indirect management of public service television	17.34%		203,431	1,525,044
Grupo Editorial Tele 5, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Exploitation of rights: production and distribution of publications	17.34%		120	3,523
Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	News agency and producer of broadcast news	17.34%		902	5,552
Atlas Media, S.A.U.	Sant Just Desvern. Calle Bullidor, s/n.		17.34%		421	628
Mi Cartera Media, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Multimedia exploitation of economic and financial formats and	17.34%		61	693
La Fábrica de la Tele, S.L.	Calle Ángel Gavinet. 18. 28007. Madird	Creation, development, production and commercial exploitation of audiovisual content	5.20%		13	10,385
Producciones Mandarina, S.L.	Calle María Tobau. 3. 28050. Madrid	Creation, development, production and commercial exploitation of audiovisual content	5.20%		5	4,370
Agencia de Televisión Latino- Americana de Servicios y Noticias Pais Vasco, S.A.U.	Ribera de Elorrieta. Pab. 7-9. Vizcaya	News agency and producer of broadcast news	17.34%		420	862
Telecinco Cinema, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Television broadcasting services and intermediation in the markets for audiovisual rights	17.34%		160	-24,347
Bigbang Media, S.L.	Calle Almagro. 3. 28010. Madrid	Production, distribution and exploitation of audiovisual rights; exploitation of industrial and intelectual property rights. Management and financial intermediation of audiovisual companies	5.20%		200	1,114
Publiespaña, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Exclusive advertising concessionaire of Telecinco	17.34%		601	45,662
Publimedia Gestión, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Implementation and execution of advertising projects	17.34%		61	2,931
Conecta 5 Telecinco, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Exploitation of audiovisual content on the internet	17.34%		62	5,685
Pegaso Televisión INC (EEUU)	Brickell Avenue. 1401. Suite 3311. Miami, Florida. EE.UU.	Television stations and production of television content	7.63%		370	4,274
Mediacinco Cartera, S.L.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Intermediation and financial management	13.00%		240,000	-136,216
Edam Acquisition Holding I Cooperative, E.A.		Channelling of the investment of the Consortium formed by Goldman Sachs Capital Partners, Cyrte Fund II B.V. and Mediacinco Cartera, S.L. in Endemol N.V., a company engaging in the creation, production and exploitation of content for television and other audiovisual platforms	4.29%		1,369,500	1,369,500
Sociedad General de Televisión Cuatro, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Provision of free TV	17.34%		38,853	55,924
Premiere Megaplex, S.A.	Calle Enrique Jardiel Poncela. 4 . 28016. Madrid	Operation of cinemas (film and video distribution)	8.67%		131	48
Canal Factoría de Ficción, S.A.	Carretera de Fuencarral a Alcobendas. Km 12, 450. 28049. Madrid	Exploitation and distribution of audiovisual products	17.34%		300	584
Compañía Independiente de Noticias de TV, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	17.34%		1,442	-1,316
Sogecable Editorial, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management of intellectual property rights	17.34%		3	290
Sogecable Media, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Sale of advertising space	17.34%		3	-955

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PARTICIPACIONES INDIRECTAS

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/10 (thousands of euros) SHARE CAPITAL	SHAREHOLDERS' EQUITY
DIGITAL						
Infotecnia 11824, S.L.	Ronda de Poniente 7. Tres Cantos. Madrid	Telecommunications services	60.00%		40	245
PRINTING						
Bidasoa Press, S.L.	Calle Malilla Nº 134. 46026 Valencia	Printing of published materials	40.00%	225/04	2,047	3,232
Dédalo Grupo Gráfico, S.L.	Carretera de Pinto a Fuenlabrada, Km. 20,8. Madrid	Printing of published materials	40.00%		28,458	(116,573)
Dédalo Heliocolor, S.A.	Ctra. Nacional II. Km. 48, 500 Polígono Industrial Nº I. 19171.	Printing of published materials	40.00%	225/04	8,456	(31,256)
Dédalo Offset, S.L.	Carretera de Pinto a Fuenlabrada, Km. 20,8. Madrid	Printing of published materials	40.00%	225/04	1,000	(26,264)
Distribuciones Aliadas, S.A.	Polígono Industrial La Isla. Parcela 53. 41700 Dos Hermanas.	Printing of published materials	40.00%	225/04	2,100	9,562
Gráficas Integradas, S.A.	Calle Camino de los Afligidos S/N. Alcalá de Henares. Madrid	Printing of published materials	40.00%	225/04	601	626
Norprensa, S.A.	Parque Empresarial IN-F. Calle Costureiras. s/n 27003. Lugo	Printing of published materials	40.00%	225/04	1,800	6,194
DISTRIBUTION						
Aldipren, S.L.	Polígono Campollano. Calle de Distribución. Número 34-38. 02006 Albacete	Storage and distribution of published materials	32.50%		60	693
Comercial de Prensa Siglo XXI, S.A.	Calle Confianza, 1. Polígono Industrial Los Olivos. 28065. Getafe. Madrid	Distribution and sale of publishing products	33.66%		60	(2,090)
Cronodís Logística Integral, S.L.	Calle El Rayo. Parcela 2,4,2. Polígono Industrial La Quinta /R2. 19171. Cabanillas del Campo. Guadalajara	Storage and distribution of published materials	47.50%		500	901
Districuen, S.L.	Polígono La Cerrajera. Parcela 36. Cuenca	Storage and distribution of published materials	32.50%		6	133
Distritoledo, S.L.	Polígono Industrial de Toledo II Fase. Calle Arrollo Gadea, 9. 45007. Toledo	Distribution and sale of published materials	39.75%		12	1,021
Gelesa Gestión Logística, S.L.	Almanaque Nº 5. Polígono Fin de Semana. 28022. Madrid.	Distribution of publications	33.66%		1,307	(576)
Grupo Cronos Distribución Integral, S.L.	Almanaque Nº 5. Polígono Fin de Semana. 28022. Madrid.	Distribution and sale of published materials	50.00%		310	4,519
Beralán, S.L.	Igarategi Industrialdea. Nº 58. 20130. Urnieta. Guipúzcoa	Distribution of published materials	22.25%		218	4,902
Cirpress, S.L.	Polígono Tazaba II. Parcela 31. Logrezana - Carreño. 33438. Asturias	Distribution of published materials	24.70%		14	1,614
Dima Distribución Integral, S.L.	Calle Confianza, 1. Polígono Industrial Los Olivos. 28065. Getafe. Madrid	Distribution of published materials	33.66%		590	3,833
Distribuciones Papiro, S.L.	C/Pasteur 15. Polígono Industrial El Montalbo. 37008 Salamanca	Distribution of published materials	26.35%		37	2,120
Distribuciones Ricardo Rodríguez, S.L.	Polígono Asegra. Calle Córdoba. 18-20. 18210. Peligros. Granada	Distribution of published materials	20.30%		6	459
Distribuidora Almeriense de Publicaciones, S.L.	Sierra Cabrera, 1. Polígono Industrial La Juaida. Viator. Almería	Distribution of published materials	20.30%		264	588
Distribuidora Cordobesa de Medios Editoriales, S.L.	Calle Prolongación Ingeniero Torres Quevedo s/n. Polígono Industrial de la Torrecilla. 14013. Córdoba	Distribution of published materials	20.30%		31	220
Distribuidora de Publicaciones Boreal, S.L.	Rua Alcalde Ramón Añón. Parcela 79-81. 15199. Culleredo. A Coruña	Distribution of published materials	29.00%		113	8,777
Distribucion de Prensa por Rutas, S.L.			33.66%		6	81
Distribuidora Extremeña de Publicaciones, S.L.	Polígono Industrial Prado. Calle Valencia 14. 06800 Mérida. Badajoz	Distribution of published materials	20.30%		10	2,158
Distrigalicia, S.L.	Carretera de Catabais Km. 3,300 de Ferrol. A Coruña	Storage and distribution of published materials	29.00%		37	2,790
Distrimedios, S.L.	Agricultura. Parcela D-10 (P. Empresarial). Jeréz. Cádiz	Distribution of published materials	29.00%		100	1,193
Marina BCN Distribucions, S.L. *(Anteriormente, Marina Press Distribuciones, S.L.)*	Calle E. Nº 1. Esquina Calle 6 (Sector E). 08040. Barcelona	Distribution of published materials	30.00%		300	6,685
Prensa Serviodiel, S.L.	Polígono Tartessos 309, Calle A. 21610. San Juan del Puerto. Huelva	Distribution of published materials	20.30%		8	429
Souto, S.L.	Polígono Industrial Oceao, Calle Da Industria, 107. 27003. Lugo	Distribution of publications	29.00%		34	1,050
Suscripciones de Medios Editoriales, S.L.	Calle de la Agricultura, Parque Empresarial Parcela D10. 11407. Jeréz de la Frontera. Cádiz	Distribution of published materials	29.00%		110	266
Trecedis, S.L.	Calle Avenida de Bruselas, 5. Arrollo de la Vega. 28108. Alcobendas. Madrid	Distribution of publications	19.03%		2,811	3,003
Val Disme, S.L.	Calle Dels Argenters 4. P.I. Vara de Quart. 46014. Valencia	Distribution of published materials	23.75%		144	7,786
ADVERTISING SALES						
Prisa Innova, S.L.	Gran Vía, 32. Madrid	Management of promotional products and services	100.00%	2/91	20	818
Solomedios, S.A.	Gran Vía, 32. Madrid	Advertising management	100.00%	2/91	180	175
PRISA AND OTHER BUSINESSES						
GLP Colombia, Ltda	Carrera 9, 9907 Oficina 1200. Bogotá. Colombia	Operation and sale of all manner of advertising	100.00%		260	1,871
Prisa Inc.	5300 First Union Finacial Centre. Miami. Florida. EE.UU.	Business management in the US and North America	100.00%		1,287	(309)
Promotora de Actividades América 2010 - México, S.A. de C.V.	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600.	Development, coordination and management of all types of national and international projects marking the bicentenary of the Independence of the American Nations	100.00%		3	(332)

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

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Directors' Report for 2010

PROMOTORA DE INFORMACIONES, S.A.

DIRECTOR'S REPORT FOR 2010

1. BUSINESS PERFORMANCE

Promotora de Informaciones, S.A. (Prisa) is the head of 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.

Organizational 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 Prisa Televisión and Media Capital businesses, which in the case of the latter include the audiovisual production businesses in Spain and Portugal. Prisa, through Prisa Televisión (previously Sogecable), sold 22% stakes in Digital+ to Telefónica and to Telecinco, while Cuatro was integrated into Telecinco. As a result, Prisa, through Prisa Televisión, now owns 17.336% of the new Telecinco.

Education-Publishing comprises the Santillana business in Spain, Portugal, the United States and Latin America. During 2010, Prisa sold 25% of Santillana to DLJ South American Partners LP.

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

Press activities include the *El País*, *As* and *Cinco Días* newspapers, as well as its magazine businesses in Spain and Portugal.

Strategic agreements-

The ***strategic agreements*** entered into in 2010 were as follows:

- Prisa increased capital, with cash proceeds of EUR 650 million. As a result of this transaction, Liberty Acquisition Holdings Corp.'s investors also became Prisa shareholders. In addition, warrants on the Company's shares were granted to Prisa shareholders of record prior to November 23, 2010. The new shares issued as a result of the capital increase have been traded on the New York and Spanish stock exchanges since December. The warrants have also been traded on the Spanish exchange since December.

- Prisa refinances its debt until 2013.

- As part of the entry of strategic partners into the Group, the following transactions were carried out in 2010:

- Prisa sold **25% of Santillana** to DLJ South American Partners LP.
- Through Prisa Televisión (previously Sogecable), Prisa sold **22% stakes in Digital+** to Telefónica and to Telecinco for EUR 976 million in cash, which was mainly used to pay off Group loans.
- **Cuatro** was **integrated into Telecinco**. Through Prisa Televisión, Prisa now owns 17.336% of the new company.

Other ***significant events*** in 2010:

- **Prisa** renewed its **Board of Directors** with a majority of independents. The Group's new **Assistant CEO** and **Financial Director** were appointed.

- **Prisa** announced a **restructuring plan** by virtue of which 18% of its staff worldwide will be reduced through outsourcing and voluntary redundancy packages.

- Prisa achieves a 32.95% stake in **V-me Media Inc**, the fourth largest Spanish-language TV operator in North America.

Results and profitability-

Prisa's results are directly related to 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's EBITDA totaled EUR 596.33 million in 2010, with profit from operations (EBIT) of EUR 336.15 million. The net loss for the year was EUR 72.87 million euros. The results obtained by the Group in 2010 demonstrate, despite the difficult economic climate, the leadership of the Group companies.

Financing activities-

During 2010 the Group carried out a series of transactions aimed at restructuring its financial debt and bolstering its capital structure. This has allowed the Company to reach a framework refinancing agreement with its creditor banks, which includes certain modifications to the terms and conditions of the Company's main financing agreements. Once the conditions described in the abovementioned refinancing framework agreement were met, the maturities of the Company's bridge loan and a series of bilateral lines of credit were extended to May 19, 2013

2. PRINCIPAL RISKS ASSOCIATED WITH THE BUSINESS

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

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

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

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

The Annual Corporate Governance Report 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, 2010, Prisa, S.A. held a total of 3,150,000 treasury shares, representing 0.37% of its share capital. The total cost of these shares was EUR 4,804 thousand, with a cost per share of EUR 1.579.

At December 31, 2010, the Company did not hold any shares on loan.

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 24% of total revenue in 2010. Also, it has demonstrated that international presence and leadership position has enabled it to outperform the general market.

Prisa has solid businesses that are not affected by the economic cycle, such as Educational-Publishing, which in 2010 represented 23% of the Group’s total revenue (compared with 19% in 2009). This business continues to boast strong growth prospects, above all in Latin America. The entry of a strategic partner with a good knowledge of the Latin American market would further strengthen the potential for growth in this geographic area and in the development of new business lines.

The strategy initiated during the year by Prisa Televisión in the pay TV business and the addition of partners that can add value, had generated extremely positive expectations for the future growth of DIGITAL+. The potential of the Spanish pay TV market to achieve similar penetration to that of other European countries has increased now that a strategic decision has been made that the subscribers not only can access the best Premium content available, but also enjoy more advanced TV services such as high definition, 3D, or the iPlus set-top box. Sales of these products and services to customers using platforms other than satellite platforms will significantly boost the growth of this business.

The Group was capitalized during 2010, thanks to the agreements reached, which will permit it to focus its efforts on business development and transforming its traditional model by integrating the various units through digital technology. The creation of a multimedia platform will improve the Group's offer of products and services, providing consumers with access to new products.

This business model, together with the consolidation of the cost-containment policy implemented in previous years, the scope to tap existing synergies across the business units and the restructuring plan announced at the beginning of 2011 and which will run to the beginning of 2012, will enable the Group to respond flexibly and efficiently to the changes in the industry, at a time when the trend towards global economic recovery is beginning to take hold.