Annual Report 2009

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Year in review

1. Second Annual International Literary Forum Lecciones y Maestros, held in Santillana del Mar.
2. Isabel Polanco, Sogecable CEO
3. The group El Canto del Loco perform at the 40 Principales 2008 Gala
4. The King congratulates the winner of the First International Don Quijote de la Mancha Award, Brazilian president, Luiz Inácio Lula da Silva.
January

11th :: The publishing world pays tribute to Jesus de Polanco. His daughter, Isabel Polanco, collects the Antonio Sancha Award, sponsored by the Madrid Publishers’ Association, on his behalf.

30th :: Jesús de Polanco is awarded the Gold Medal for Merit in the field of Work by the Council of Ministers for his important legacy of “stability and solidarity and his tireless work that contributed to the restoration of democracy in Spain”.

February

13th :: Caracol Radio makes the top 100 list of Companies with the best reputation in Colombia according to 2008’s Merco Ranking.

26th :: Cadena Dial hands out awards to those performers it considers true ambassadors of Spanish music. Gloria Estefan, Juanes and La 5ª Estación are among the prize winners.

March

1st :: The report Fútbol sin focos (Football without Floodlights), broadcast by the Canal+ program Informe Robinson, is awarded the journalism prize Premio Tiflos de Periodismo de la ONCE 2007 for “fomenting integration and support for people with disability and the elimination of mental and physical barriers.”

29th :: Isabel Polanco, CEO of Grupo Santillana, dies, aged 51. Editor and pedagogue, she was the daughter of the late Grupo PRISA founder, Jesus de Polanco.

April

3rd :: For the eight year running, PRISA heads the list of the top 100 companies ranked according to corporate reputation, according to the study MercoEMPRESAS 2008. The study also recognizes Ignacio Polanco as one of the country’s top 100 business leaders.

8th :: 40 Principales donates the proceeds – 192,671 euros in total – from the Premios Principales Awards Gala to the charity Ayuda en Accion. The money went towards the project Music to Rebuild Peru.

9th :: PRISA makes it onto the new index for corporate social responsibility, the FTSE4Good. The company meets all the index criteria on social, economic and environmental responsibility, as measured by the Spanish stock exchange (BME) and the index providers, the FTSE Group.

9th :: Cuatro receives two Promax Europe Awards for its promotional slot campaign and two further prizes at the New York Festivals for its campaign against climate change, titled Se ecoísta.

14th :: The Fundación Santillana opens a new headquarters in Sao Paulo, Brazil. The institution supports those working in the field of culture, teachers and educators.

25th :: El País revamps its finance and business supplement El País Negocios. The new look and format is part of an ongoing transformation of the newspaper, which launched its new format in October 2007.
1. Tribute concert for Nelson Mandela on the occasion of his 90th birthday.
2. Enciclopedia del Español en los Estados Unidos (Encyclopedia of the Spanish language in the US).
3. Luiz Inácio Lula da Silva chats with Mexican writer Carlos Fuentes, accompanied by King Juan Carlos I and Spanish Prime Minister José Luis Rodríguez Zapatero, at the International Don Quijote de la Mancha Award’s ceremony.
4. The As Awards honor the best sports people of 2008.


**MAY**

5th :: The 25th Annual Ortega y Gasset Awards for Journalism 2008 go to journalist Sanjuana Martínez, Cuban blogger Yoani Sánchez, Mexican magazine *Zeta* and photojournalist Gervasio Sánchez.

9th :: PRISA completes its takeover of Sogecable, with 97.71% of the shares, and exercises its right to a squeeze-out.

13th :: The International Newspaper Marketing Association (INMA) awards first prize to *El País* for its ad campaign to renew and attract new readers, *Querer Comprender*, launched in October 2007.

13th :: For the second year running, Elpaís.com receives an EPpy award for best Spanish-language online newspaper.

**JUNE**

2nd :: The Fundación Santillana launches, in collaboration with the Guadalajara International Book Fair (Feria International del Libro de Guadalajara – FIL), the Isabel Polanco International Essay Prize, in honor of the late CEO of Grupo Santillana. Over her 12 years at the helm of the company, she had been instrumental in developing the company in the Ibero-American world.

5th :: Sogecable acquires the Spanish audiovisual rights for the World Cup, to be held in South Africa in 2010.

17th :: TVI wins the international AMADE Human Rights Award 2008 for the report *Tráfico infantil* (Child Trafficking). The prize is given to TV programs which promote and foster those values championed by both UNESCO and AMADE (Association Mondiale des Amis de L’Enfance).

18th :: The writers Mario Vargas Llosa and Arturo Pérez-Reverte take part in the second Lessons and Masters series of talks to be held in Santillana del Mar (Cantabria), organized by the Fundación Santillana and the Universidad International Menéndez Pelayo (UIMP).

19th :: Cuatro’s TV series obtain 13 nominations at the Teen Choice Awards 2008, in which US and Canadian teenagers cast their vote.

26th :: Prisacorn’s new travel web portal, *El Viajero*, is launched, strengthening the entertainment and information content offered by Elpaís.com.

27th :: 40 Principales broadcasts live – on radio, online, and on TV – the tribute concert to Nelson Mandela on the occasion of his 90th birthday.
1. The 22nd annual Guadalajara International Book Fair (Feria Internacional del Libro de Guadalajara – FIL) pays tribute to Carlos Fuentes. From left to right: Joaquín Estelania, Ignacio Polanco, Carlos Fuentes, Gabriel García Márquez and Juan Luis Cebrián.

2. Front page of finance and business supplement El País Negocios after its revamp.

3. Cuatro airs free-to-view the Euro 2008, held in Austria and Switzerland.

4. PRISA president Ignacio Polanco addresses the Extraordinary General Shareholders’ Meeting.
**July**

1st :: Cuatro makes history with the broadcast of the European Cup Final match between Spain and Germany. 14,482,000 viewers tuned in, making it the most-watched match in Spanish TV history.

2nd :: The Spanish Television Academy names Cuatro’s show Callejeros the best information and best directed program, for the second year running.

**September**

2nd :: PRISA, in collaboration with the Colombian government, launches the initiative America 2010, which awards scholarships to those higher education students who pose the best 200 questions on Colombia’s independence.

15th :: Elpais.com wins the Online News Association’s (ONA) prize for excellence for the “brilliant example of showing how the traditional media can flourish in the online world”.

22nd :: TV shows broadcast by Canal+ sweep the board at the Grammy’s. John Adams and Mad Men are the big winners at the world’s most prestigious television awards.

**October**

1st :: Elpais.com takes home another three design awards. The 5th outing of the NH Press Design Awards for Spain and Portugal honors three different online reports.

7th :: Caracol Radio wins five awards at the 33rd Annual Simon Bolivar Journalism awards.

13th :: Awards ceremony for the International Don Quijote de la Mancha Prize, awarded by the regional government of Castilla-La Mancha and the Fundación Santillana, honors Brazil’s president Luiz Inácio Lula da Silva, in the category for institutional endeavors, and the Mexican writer Carlos Fuentes for his professional career.

13th :: The Instituto Cervantes and Santillana ELE present the Enciclopedia del español en los Estados Unidos, an exhaustive and comprehensive analysis of the current state of Spanish language and culture.
1. The Ortega y Gasset Award for Journalism 2008 goes to Yoani Sánchez for her blog Generación Y.
2. Alfaguara publishes a commemorative edition of Carlos Fuentes’ La Región Más Transparente (The Most Transparent Region).
3. Cadena SER’s sports-coverage team collect the Premio Ondas award.
4. Angels Barcelo, interviews Argentinian president Cristina Fernández de Kirchner, for Cadena SER’s program Hora 25 Global.
**November**

14th :: Cadena SER launches *Hora 25 Global*. Led by Ángels Barceló, the program is broadcasting through 500 radio stations and the internet in Colombia, Mexico, Chile, Argentina, Panamá and The USA (Miami), with an estimated audience of more than 20 million listeners.

17th :: The *XIII Monograph Week on Education* is held. Organized by the Fundación Santillana and sponsored by the OIE, this year’s theme was *Reading in the Information Age* and the congress was opened by the Spanish education minister.

20th :: The 55th Annual Premios Ondas awards ceremony. Among the winners were El Canto del Loco, Amaral, *El Hormiguero* and Cadena SER’s sports coverage team.

21st :: 40 Principales teams up with the environmental group, Fundación + árboles, to plant 400 trees in the Hispanidad Park in Leganés, near Madrid.

27th :: The “Jesús de Polanco” memorial chair for Ibero-American studies is launched. The initiative, which grew out of the collaboration between the Fundación Santillana and Universidad Autónoma de Madrid (UAM), had its debut with a seminar on the quality of democracy in Spain and Latin America. The new educational institution is an academic forum aimed at fomenting the development of culture in a free environment and is in honor of the late president of PRISA.

**December**

3rd :: The As Awards, voted by the public, for the best sports people of 2008 go to Contador, Nadal and the Spanish football team.

5th :: PRISA holds an Extraordinary General Shareholders’ Meeting with the goal of approving PRISA’s merger with Sogecable and asking shareholders and investors to give the Board of Directors the mandate to tackle the group’s recapitalization and the restructuring of its debt.

15th :: Awards ceremony for the Cinco Días Awards for Business Innovation 2008, created to mark the 30th anniversary of the business and finance daily and sponsored by the Banesto Fundación Sociedad y Tecnología, Indra and Alquimia.

12th :: Alfaguara publishes a commemorative edition of Carlos Fuentes’ first novel *La Región Más Transparente* (The Most Transparent Region). The book was edited by the Royal Spanish Language Academy (Real Academia Española (RAE) and the Asociación de Academias de la Lengua Española.

12th :: 40 Principales gathers 18,000 music fans together for its awards gala. The group El Canto del Loco was the clear favorite with listeners from Spain and Latin America who took part in the voting. The proceeds from the gala went to the charity Ayuda en Accion.

17th :: The Guadalajara International Book Fair (Feria International del Libro de Guadalajara – FIL), in collaboration with the Fundación Santillana, launches the Isabel Polanco International Essay Prize in honor of the late Santillana CEO. The jury is headed by the renowned Mexican writer Carlos Fuentes, with the prize worth 100,000 dollars.
PRISA: a global group

- Vision, mission and values
- Responsibility and commitments of a Global Communications Group
- Strategies and objectives
- Corporate governance
- Corporate governance report and relations with stakeholders
- Application and scope of this report
PRISA is the world’s leading Spanish and Portuguese-language media group in the fields of education, information and entertainment. Present in 22 countries, it reaches more than 50 million users through its global brands *El País*, 40 Principales, Santillana and Alfaguara. Its presence in Brazil and Portugal and among the growing Hispanic community in the US has given the group an Ibero-American dimension and has opened up a potential global market of 700 million people.

In the fiscal year 2008, PRISA had an operating income of 4,001.35 million euros with an EBITDA of 948.34 million euros (up 21.6% over the previous year). The group employs 13,701 people throughout Europe and America.

PRISA operates in five main business areas: Education-Publishing, Press, Radio and Audiovisual plus the group’s digital arm which works across each of these main areas. There are, furthermore, departments which deal with Distribution, Advertising, Real Estate, Corporate and Printing.
A commitment to society is at the very core of PRISA. From the very beginning, the founders and promoters of El País have been committed to Spanish society, to defending and expanding democratic liberty, equality and civil rights for all. Three decades after the first issue of El País, this commitment remains as strong and vital as ever.

**El País Editorial Code.**

“El País is an independent newspaper with a clear international vocation and a defender of plural democracy based on liberal and social principles. It is committed to the defense of the democratic and legal order established by the Constitution. Within this framework, it embraces all tendencies, with the exception of those seeking to achieve their ends through violence (…) the paper is dedicated to providing daily accurate, complete and high quality information of interest to the public, thus enabling the reader to comprehend reality and form their own opinion of the world”.

“El País should be a liberal, independent, socially responsible, national and European newspaper, attentive to the changes taking place in Western society”.

“Liberal, to my understanding, means two things: to be willing to understand and listen to those holding different views and to reject the idea that the end justifies the means. In our times, liberal also implies the belief in popular sovereignty, that is, in the equal rights of each and every individual citizen”.

“We must therefore defend plural democracy, exercised through universal suffrage, as the least bad mechanism invented for the exercise of this sovereignty. We must recognize the fundamental rights of all people, while denouncing all types of totalitarianism, as the inescapable consequence of these beliefs”.

“El País must also be an independent newspaper, not party to or mouthpiece for political, financial or cultural organizations or groups, and, while it defends free enterprise and depends on revenues from its advertisers, the newspaper rejects all conditions from economic pressure groups”.

::: Vision, mission and values
“El País must also champion solidarity, as in today’s world, at least in Western countries, every member of society is a participant in the general welfare. For this reason, it must defend the establishment and proper administration of a Social Security system and a fair and just sharing of wealth through the proper imposition of taxation without inhibiting individual growth. It must also defend the environment, as the patrimony of all humanity; it must defend civic virtues, and endeavor to combat all corruption, fraud or abuse, and private and state monopolies. The solidarity of all Citizens before the law is also its mission, for which reason we consider the independence of the judiciary to be fundamental.”

José Ortega Spottorno,
March 5th, 1977.

This vision is shared by all those who work in our organization and is evident in the work and in the day-to-day operations of all those who work for PRISA.

:: Independence and rigor in our role as informers, educators and communicators
:: Responsibility, intellectual honesty and transparency
:: Respect for all ideas, cultures and people
:: Defense of freedom, peace and the protection of the environment.
:: Self criticism aimed at achieving personal and business improvement
:: Creativity and innovation in the development of business
:: Attention to the demands and concerns of society at all times.
:: Responsible, efficient and sustainable management, which generates added value for both the shareholder and society as a whole

By remaining committed to society, our teams of professionals have been able to build a business group that shows true global leadership. It means that we have often prioritized our commitment to our values over pure business opportunities.

Our goal is to be the global leader in information, education and entertainment in Spanish and Portuguese, while responding to the needs and expectations of a free and responsible society founded on respect, solidarity and sustainability.
:: Responsibility and commitments of a Global Communications Group

PRISA is the world’s largest business group in the fields of education, information and entertainment in the Spanish and Portuguese-speaking markets. Which is why the group takes its role seriously when it comes to corporate responsibility to employees, shareholders, clients, suppliers and the wider social milieu.

The group’s responsibility is patent not just in how it conducts itself in business but also in our content, through which we hope to increase awareness and inform our public about the issues that affect society.

:: Informing responsibly

The chief social responsibility of any media group is to defend and practice honestly and vigorously the right to information and freedom of expression. In this way we contribute to the growth and development of a democratic society everywhere we operate and where our media outlets are clear leaders.

Our credibility and prestige are among our greatest assets but this is not the only reason why every day millions of people read, watch, tune in, or log on to our services in search of information and news. Since the very outset, PRISA has played the role of responsible opinion leader and watchdog, working in defense of pluralist democracy, creating awareness around the issues that affect us. Our media have spoken loudly and eloquently – either through special coverage or by providing free advertising spaces for NGOs – on a number of campaigns and in defense of human rights.
:: Committed to Education

As the largest educational publishing group in Spanish and Portuguese, PRISA plays its role of leadership responsibly. We believe that education is a vital tool for the social, political and economic development of the societies in which we operate.

As well as our commitment to quality, innovation and service, we have contributed over the decades to improving educational practice and have facilitated public debate on the future of the education systems in Europe and America. PRISA is also committed to promoting Spanish language and culture worldwide.

PRISA also recognizes, promotes and fosters literary creativity, and creativity the media, film and music industries through the three most prestigious prizes in Ibero-America: the Ortega y Gasset Journalism Prize, the Alfaquara Prize, and the Ondas Prize, awarded by prominent figures in Spanish radio.

:: Responsible Entertainment

Every day, 43 million people in Europe and Latin America choose our TV channels, read our books, and tune in to our radio stations for leisure and entertainment.

All too aware of the influence of our content on children, teenagers and adults, PRISA, has set itself certain criteria governing integrity, quality and adaptation of content.

We have shown that raising awareness of social and environmental issues can go hand-in-hand with entertainment, through programs that educate and inform, while also providing entertainment at the same time.

:: Responsible management of the value chain

Providing guarantees to our stakeholders with respect to our duties and obligations as a business is an important part of our responsibility as an organization.

We believe that our relationship with our suppliers is a key factor in acting responsibly. All along our network of suppliers, wealth, and socioeconomic and technological value is created and distributed. Using our Guide to Relations with Suppliers, we evaluate not only economic, geographic and product and service-related factors, but also the suppliers’ integrity and their degree of commitment to tax, labor, human rights and environmental obligations.
::: Strategies and objectives

The corporate commitments presented in this Report are the result of years of work and constant debate and no doubt mark a milestone for the Group.

At PRISA, we believe that the greatest contribution we can make to society is to promote and spread, honestly and rigorously, awareness of the implications and consequences of the Sustainable Development. PRISA is committed to doing its part in encouraging a change in global attitudes in benefit to the planet as a whole.

Our commitments in this area have led us to broaden our global strategy to include sustainable development. In this way we hope to become leaders in the fields of information, communication, education and sustainability.

To reinforce the launch of our new 2008-2010 strategy, over the past year we have made considerable headway with the Sustainability Indicators and Communication Management Plan, which is set to continue over the coming years. Our progress in this respect is reflected in this Annual Report 2009. The development of this Plan has permitted the structuring all the companies of the Group within a Management System, guaranteeing the following objectives:::

:: To define responsibilities at all levels of the organization for all questions related to the management of our Social Responsibility.

:: To establish internal and external communication channels in order to ensure the accurate transmission of our commitments, policies, plans and strategies as well as to determine the concerns and interests of our stakeholders.

:: To promote awareness throughout our organization of the sustainability commitments and strategies of Grupo PRISA, encouraging interest and involvement among all our personnel.
In 2008, Grupo PRISA signed up to the United Nations Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption, as outlined by Kofi Annan in 1999.

Meanwhile, PRISA has also been recognized by investors as a company that upholds responsible business practices, which is why the company has been included on the international index for corporate social responsibility, the FTSE4Good. FTSE4GOOD is a package of indices aimed at measuring the efforts of companies to meet globally recognized corporate responsibility standards.
:: Corporate governance

:: CHAIRMAN
  Ignacio Polanco Moreno

:: CHIEF EXECUTIVE OFFICER
  AND CHAIRMAN OF THE EXECUTIVE COMMITTEE
  Juan Luis Cebrián Echarri

:: EXECUTIVES
  Matías Cortés Domínguez
  Javier Diez de Polanco
  Diego Hidalgo Schnur
  Alfonso López Casas
  Gregorio Marañón y Bertrán de Lis
  Emiliano Martínez Rodríguez
  Ramón Mendoza Solano
  Agnès Noguera Borel
  Borja Pérez Arauna
  Francisco Pérez González
  Manuel Polanco Moreno
  Juan Salvat Dalmau
  Jesús de la Serna y Gutiérrez-Répide
  José Buenaventura Terceiro Lomba
  Adolfo Valero Cascante
  Manuel Varela Uña

:: SECRETARY GENERAL
  Íñigo Dago Elorza
Executive Committee

:: CHAIRMAN
Juan Luis Cebrián Echarri

Matías Cortés Domínguez
Diego Hidalgo Schnur
Gregorio Marañón y Bertrán de Lis
Agnès Noguera Borel
Manuel Polanco Moreno
Adolfo Valero Cascante

Audit Committee

:: CHAIRMAN
Matías Cortés Domínguez

Ramón Mendoza Solano
Agnès Noguera Borel
Borja Pérez Arauna
Juan Salvat Dalmau

Corporate Governance, Appointments and Remuneration Committee

:: CHAIRMAN
Gregorio Marañón y Bertrán de Lis

Diego Hidalgo Schnur
José Buenaventura Terceiro Lomba
Adolfo Valero Cascante
Formal policy on Good Governance

The principal objectives of Corporate Governance for Grupo PRISA are efficient administration and timely information, allowing the Group to respond to the needs of investors and analysts as well as to comply with legal disclosure requirements for regulated securities markets.

The Group has established professional management structures of proven effectiveness and experience. It has developed a corporate communications policy providing market agents with the tools and information necessary for analysis and investment decision making.

:: Internal regulations

The company is governed according to its Articles of Association and the following regulations, which are available on our webpage:

General Shareholder’s Meeting Regulations

These regulate the principal norms for the convocation and conduct of General Shareholders’ Meetings, establishing that the “General Shareholders’ Meeting is the supreme sovereign body of the company and compliance with its decisions is obligatory for all shareholders”.

Board of Directors Regulations

The purpose of these regulations is to determine the principles on which the actions of the Board are based, the rules of its organization and the functions and norms of conduct of its members.

Internal Code of Conduct for Securities Market Issues

This establishes the Codes of Conduct for issues related to securities markets. It includes regulations for the timely and accurate communication of company information to the markets, in order to avoid the improper use of inside information and resolve possible conflicts of interest.

These Codes of Conduct are applicable to members of the Board of Directors and top management and may also be applied to corporate department heads and other managers or employees of the Group who may have access to privileged information.

The Secretary General of the Group will oversee compliance with the Codes of Conduct included in this Regulation.
:: Corporate Governance Recommendations

Through the Annual Corporate Governance Report (ACGR), the company reports on the degree of compliance with corporate governance recommendations. Since the 2007 report, the company has taken on board the recommendations outlined in the Unified Code on Good Corporate Governance issued by the Comisión Nacional del Mercado de Valores (CNMV) in May 2006.

:: Criteria for actions by the Board of Directors

As indicated in the Board of Directors Regulation, the actions of the Board must be subject to the following criteria: compliance with Social Responsibility (CSR) objectives, defense of the long-term viability of the company and the enhancement of its real value, safeguarding the identity and professional, ethical and editorial principles of the Group’s media.

:: Reorganization of the structure of Corporate Governance in 2008

At the meeting of the Board on December 5, 2008, and with the green light from the Corporate Governance, Appointments and Remuneration Committee, it was agreed to restructure the corporate governance of the company with the goal of improving company management.

Thus, the CEO was recognized as the primary executive of the company and subsequently chairman of the Executive Committee.

The role of the Chairman of the Board was redefined so as to separate its functions from those of the management teams, better enabling him to focus on management control and supervision and thus enabling the different commissions to operate more efficiently.

The board asked the CEO to oversee the plan to be taken over the next few years that will enable a smooth and orderly succession in the management of the company and the eventual generational hand-over within our teams.

The board also decided to create an International Advisory Board, made up of the company’s greatest talents and which will help the company president in many of his day-to-day responsibilities and which will help define the company’s global strategy throughout the 22 countries where it operates.

The Chairman of the Board outlined these changes at the Extraordinary General Shareholders’ Meeting held on the same date.

:: Culture of Corporate Social Responsibility in the governance bodies of the company

:: Corporate Social Responsibility Policy

The management of each business unit (publishing, press, radio, audio-visual and Internet), will adopt the necessary measures to ensure fluid communication with the plurality of social interests and concerns. The Group’s media outlets will keep channels of communication permanently open to these interests.

Various members of the administrative and management organs of the company hold executive functions which involve them directly in the company’s media organizations. This puts them in a position of constant communication with stakeholders.

In recent years, increasing amounts of information about the company’s Corporate Social Responsibility policies have been made
available. This will continue to be the case, as we provide the public with improved and more complete information about PRISA’s CSR policies.

In 2008 the Board gave its approval for the Report on Corporate Social Responsibility, created with the participation of a consulting firm specialized in this field.

Appointments and Resignations

:: Specific procedures regulating executive appointments.

Company executives are appointed by the CEO who is granted this authority under Article 11 of the Board of Directors Regulations.

:: Formal procedures regulating appointments, reelection, evaluation and removal of board members.

The Board of Directors shall be made up of the number of directors determined at the annual shareholders meeting, being no less than three and no more than 21.

The Board is currently made up of 18 members, including six executives, seven directors representing controlling shareholders and five independents.

Company executives come from a wide variety of academic and professional backgrounds. Their CVs may be viewed on the company website (www.prisa.com).

The Board has a chairman (Ignacio Polanco Moreno), a CEO (Juan Luis Cebrián Echarri) and a secretary general (Íñigo Dago Elorza). The chairman and the CEO assume all powers that the Board can legally delegate to them.

:: Executive Committee and Board of Director Committees

PRISA’s Board has established a number of commissions and committees: an Executive Committee, an Audit Committee and a Corporate Governance, Appointments and Remuneration Committee.

Details of the composition and responsibilities of the Executive Committee and of the other committees, as well as meetings held over the course of 2008, are available in the ACGR.

The Audit Committee and the Corporate Governance, Appointments and Remuneration Committee have both published reports describing their functions and activities over 2008.
Appointing and removing board members

Chapter VI of the Board Regulations details the procedures for the appointment and removal of Board members:

Motions for the appointment of directors are submitted by the Board of Directors to the shareholders meeting shall be subject to a favorable opinion issued by the Corporate Governance, Appointments and Remuneration Committee. In the case of external, independent directors, it is the Corporate Governance, Appointments and Remuneration Committee that proposes their appointment.

Proposals for the re-appointment of directors that the Board of Directors submits for consideration at shareholders meetings are subject to a formal drafting process, which includes a report issued by the Corporate Governance, Appointments and Remuneration Committee evaluating the performance and commitment of the candidates over the previous term of office (article 19).

Directors shall be appointed for a term of five (5) years, and may be re-appointed.

Directors shall end their term of office when the period for which they were appointed has expired or when so decided by shareholders at a shareholders meeting in the exercise of the powers that are conferred upon them by statute or bylaws.

Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in the following cases:

a) When they are subject to any of the legally-established prohibitions or grounds for disqualification.

b) When based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanor proceeding.

c) When they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors.

d) When the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director looses his respective status as such.

e) When in the course of a year they fail to attend more than three meetings of the Board of Directors without just cause.

The Board of Directors shall not propose the removal of any independent director before completing the term of office set forth in the bylaws for which he was appointed, unless
the Board deems that there is just cause for doing so and after seeking the opinion of the Corporate Governance, Appointments and Remuneration Committee. In that regard, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post.

Committee members shall leave their posts when they cease to be directors.

:: Evaluation of the performance and composition of the Board of Directors

Evaluation of the performance and composition of the Board of Directors is approved by the Board, after a report from the Corporate Governance, Appointments and Remuneration Committee (articles 5.3 and 25 of the Board Regulations).

:: Information

The company’s Annual Corporate Governance Report (ACGR) provides detailed information on the shares held by the board members in the company, the posts they hold in the different PRISA companies, as well as posts and stakes held in other companies, analogous or complementary to the Group’s mission. The ACGR also provides information on the Board members’ overall remuneration and the source of this.

Transparency

:: Remuneration Policy

The Board of Directors and the Corporate Governance, Appointments and Remuneration Committee approves the annual remuneration policy of the Board of Directors and the Management team.

Remuneration policy, integrated within the Management Report accompanying the annual accounts, will be subject to approval at the General Shareholders’ Meeting.

The Annual Corporate Governance Report will provide information regarding the remuneration of executives and the management team. Furthermore, the Company complies with Article 200 of the LSA (Law of Limited Liability Companies), establishing that the Report must include the “global remuneration” of executives.

:: Transparency of Information

Providing relevant information to the markets

The company will provide the securities markets, through CNMV, with relevant information immediately and prior to its communication by any other means. This information will also be posted on the PRISA website.
Furthermore, quarterly and annual financial reports will be submitted to the markets, after review by the Audit Committee and approval by the Board of Directors.

Corporate website

The corporate website posts all the information the Company puts at the disposal of its shareholders and the general public. The site constitutes a key tool in improving the communication of the Group with market agents.

The corporate website provides complete information about the activities and geographical presence of the Group as well as the social and cultural action projects being carried out. Press releases and news items related to the Group are also posted.

The corporate website also includes a special section for shareholders and investors. This section provides Company financial information and presentations to analysts, indicating the share performance and payment of dividends. Furthermore, the website contains the information submitted to the CNMV, Corporate statutory norms and regulations, information about the Board of Directors, the Executive Committee, the Audit Committee, and the Corporate Governance Appointments and Remuneration Committee. Information about Shareholders’ Meetings, as well as the Corporate Governance Reports issued by the Company are also available online.

In September, 2008, the Group unveiled its new corporate website (www.prisa.com), set to become the authoritative point of reference for all information on the company and its businesses. The revamp has given the site a look with a truly global appeal, in line with the Group’s corporate strategy, and includes information on all the companies and markets where the company operates. The site’s architecture was overhauled and the content broadened to make the whole web experience more dynamic and user-friendly. The site’s new structure enables users to access information quickly and provides an intuitive navigational system, with links to all the other websites of the Group.

Investor Relations Department

This department, integrated within the Finance and Administration Departments of the Group, is responsible for attending to the needs and receiving analysts and investors, explaining the evolution of the Group and providing other relevant information. Over one hundred private investors are received in the department’s offices each year.

The department is also responsible for issuing the quarterly public reports, visiting investors in the principal global markets (London, New York, Paris, Milan, etc.) and attending conferences held by investment banks.
In compliance with the Board of Directors Regulations, mechanisms have been established to provide regular, although not privileged, information to institutional investors through presentations and reports submitted to the CNMV, and via the corporate website.

The Investor Relations Department maintains a permanent relationship with analysts following Grupo PRISA, providing them with relevant and detailed information. One goal of the department is to increase the number of experts, currently at 25, who are following the share price. The aim is to achieve more exhaustive coverage, in clear benefit to the investors who have placed their confidence in PRISA.

Investor Relations Department

This Department, reporting to the General Secretary, is responsible for contacts with individual shareholders, attending to their inquiries and providing information either in person at company offices, by telephone or via mail, e-mail or fax. This department will also attend to the general public, providing information about the Group.

Participation

:: Legal and/or statutory restrictions on the exercise of the right to vote and legal restrictions on the acquisition or transfer of company shares

There are no specific restrictions on the exercise of the right to vote or legal restrictions on the acquisition or sale of company shares. Such actions are subject to the general legal code governing shares and securities.

Risk management

Grupo PRISA has an organizational structure and established procedures for the management of risks inherent in its business activities. The analysis and control of risk is organized within the Group’s management procedures and, as such, involves all members of the organization within a properly supervised framework, complemented by preventive actions designed to ensure the achievement of corporate objectives.

PRISA carries out an ongoing assessment of the most significant risks that might affect the company’s chief businesses. To this end, the Group has designed a Risk Map – a tool providing graphic representation of risks and used to identify and evaluate the risks
to which the different business areas are exposed. The parameters assessed for each risk, and thus place it on the Risk Map, include both the likely impact and the probability of it occurring. The identification of these risks, and the operative processes through which they are managed, is the responsibility of the Group’s Internal Audit Department, which reports periodically to the Audit Committee on the results of their work.

Within the framework of risk management, the principal risk factors are classified into the following categories:

a) Strategic risk
b) Operational risk
c) Risk related to financial management
d) Risk related to reliability of financial information
e) Technological, IT and infrastructural risk

The control systems in place to assess, mitigate or reduce risks to the Group are:

a) Control of strategic risks

The day-to-day management of the company is the responsibility of the CEO, subject to the supervision of the Board of Directors and its Executive Commission, and he has all the powers to do so, delegated in him by law.

The Board, under the authority of the CEO, designs the Group’s strategic Plan, in which are defined the objectives set for each of the different business areas and the proposed development and growth in accordance with the markets, both nationally and internationally. The Group’s general strategies and policies are subject to prior authorization by the Board of Directors. Furthermore, the Strategic Plan, as well as the management objectives and annual budget and investment policy, must also be approved by the Board.

Compliance with the Strategic Plan and the budget is reviewed periodically, analyzing the extent to which the goals are being achieved, while evaluating deviations and imposing corrective measures. This process involves managers from all business units, as well as the general and functioning committees that forward their reports to the Executive Commission.

b) Operational risks

For business development, the Group has a decentralized structural organization with coordinating bodies such as the Executive Committee, the Management Committee and the Corporate Committee, which carry out tasks of analyzing and monitoring both business evolution and the environment
and operational problems of the different business units.

Risks in business transactions (operational, commercial, legal, fiscal and so on) are monitored by their respective organizations, by means of supervisory mechanisms at the corporate level. For example, the Fiscal Management department monitors the tax law in each of the geographical areas where the Group operates and assesses the different potential risks posed by varying interpretations by the local authorities of the prevailing tax system. Likewise, the risks inherent in the radio and television markets, which are often subject to the concession of broadcast licenses by the authorities, are monitored by the appropriate director generals, reporting at a corporate level to the Secretary General. New investment and dis-investment risks are evaluated by an Investments, Debt and Profitability Committee, while commercial risks, related to advertising and offering the appropriate services and products to our customers, are continuously monitored by the Group’s Sales Management Department, by a content committee, by a committee specialized in promotional policy and by a publicity monitoring committee. It is worth noting that the Group’s revenues are less dependent than those of other companies in this sector on the ups and downs of the advertising cycle. This is due to the input from the publishing arm, Santillana, and, above all, on the revenues acquired by the pay-per-view audiovisual businesses. Subscription revenues, derived from pay-per-view digital television, made up 38.7% of the group’s operating revenues in 2008. Meanwhile, the Group’s other business units frequently coordinate to evaluate and participate in new business opportunities, by creating specific committees.

c) Risk control related to financial management.

- Finance Risks

In 2008, the Group strengthened its presence in the audiovisual sector, chiefly through the acquisition of all of Sogecable’s shares and the concentration on audiovisual production. These operations have had a significant impact on the scope of the Group and particularly on its financial structure.


The Group’s level of debt brings with it certain financial obligations such as servicing the interests and principal, as well as operational limitations as laid out in the financing contracts signed. In order to meet these obligations, the Group has set up a centralized treasury management system and makes periodic projections, in this regard, which enable us to optimize our available resources in order to service the debt.

The Board of Directors, for its part, has been invested by the Extraordinary General Meeting of Shareholders (December 5, 2008) with the power to seek out new sources of capital, to issue fixed-rate bonds, both simple and convertible, warrants, promissory notes, preference shares and other financial instruments in order to comply with and renew its financial commitments.

- Exposure to exchange rate risks

The Group is exposed to exchange rate fluctuations mostly through the financial investments it has made in Latin American companies and the returns on those investments. In 2008 the revenues and consolidated results from Latin
America made up 12.03% and 18.86% respectively of the Group’s overall figures.

Prisa is also exposed to exchange rate fluctuations since it maintains debts with financial entities in different countries. As of December 31, 2008, the weight of currencies other than the euro in the Group’s debt was less than 1%.

The objective is always to reduce this risk, and the Group, in line with its forecasts and budget, follows the practice of taking out exchange rate cover (chiefly by insurance, by buying a forward contract in order to hedge against exchange rate variability).

- Exposure to Risks Related to the Cost of Paper

The Group is exposed to the possibility of variations in its results due to fluctuations in the price of paper, the essential raw material in some of its production processes. The Group has set up a strategic coverage program through which, by means of long-term contracts, it can cover the price of a given percentage of the volume of paper to be consumed over a certain period of time.

d) Risk control related to reliability of financial information

The process implemented to manage and control financial and accounting information is based on:

1- An adequate organizational structure that maintains a separation of functions in administrative and accounting procedures, which provides the basis for preparing financial and accounting information, as a means to mitigate risks of manipulation or fraud. Mention should be made of the function of the Group’s Financial Management, which assigns responsibilities and authority in the different areas involved in generating this type of information.

2- Continual updating of financial information rules and systems. Noteworthy in this respect is the initiative currently being carried out to integrate and homogenize all the information systems by means of a single information system for all the Group’s business units. In 2008 the Group’s companies in Spain, Argentina and the US participated in this system and the system has been successfully rolled out in Colombia as well. The system will integrate all the other companies in the Group over the next few years.

Also in 2008, the Group’s Spanish companies have changed over to the new Spanish Generally Accepted Accounting Principles (Plan General de Contabilidad).

3- A system to review economic and financial information regulated by manuals, instructions and internal rules (manuals for evaluation and accounting policies, instructions concerning procedures for closing accounts, annual calendar of economic and financial information, corporate accounting plan, rules for intra-group operations and consolidation), and compliance with internal control systems through in-house and external audits. The adoption of a single financial information system, outlined previously, and a unified accounting procedure is aimed at facilitating the integration and reporting of financial information and its subsequent analysis and assessment, thus enabling all the companies to share a common financial language, so to speak.

e) Risk control related to technological, IT and infrastructural systems.

In 2008, the Department for Corporate Security and safety has overseen the overall security of the Group, integrating the different security and safety-related areas
— particularly physical and IT — and collaborating on data protection and work safety with the Secretary General and Human Resources Department.

This global management system includes advising on physical safety and IT systems security and the adoption of coordinated measures aimed at reinforcing the protection of privacy, integrity and availability of information and the Group's systems, as well as the safety of personnel, assets and installations. The Group has established a framework of procedures for continual risk management and has set up systems for monitoring safety and security with a view to ensuring the optimum levels of quality throughout all the security-related processes to an internationally certified standard. Among the Group's risk-prevention measures are those in the area of competitive intelligence.

In 2008 a number of initiatives have taken place with the aim of improving security and safety levels both in terms of the Group's common infrastructures and those of each individual business unit. These include the creation of a Corporate Security and Safety Management System which is aimed at a convergence of the different security-related issues (physical, IT, work safety, environmental) and which will improve safety and security and enable a more efficient and corporate management of the same. The Corporate Security and Safety Management System will continue to operate throughout 2009 and in future years as other projects emerge that will enable us to complete and improve the system: management tools, measurement tools and an integrated control center.

From a technological point of view, a number of projects have been carried out in the area of communications security, incident management, safety and security audits, IT contingency plans, risk assessment and early-warning systems. 2009 will see the implementation of initiatives such as the so-called “balanced scorecard”, a multidimensional approach to measuring performance, as well as an automated early-warning system. In terms of physical safety and integrity, a number of risk analysis studies have been carried out on Group assets and in 2009 a contingency plan will be drawn up in this area.

Prisa also has a Technology Monitoring Observatory which foresees risks and any business opportunities which may arise due to technological advances.

**Internal auditing**

The Company has an Internal Audit Department whose function is to provide the Management of Grupo PRISA and the Audit Committee with a reasonable degree of security that the internal operational control systems within the Group have been correctly designed, implemented and managed.

The functions of this Department include:

a) The evaluation of internal control systems to improve efficiency in the management and control of risks inherent in the activities of the Group.

b) The revision of operations in order to verify that the results achieved concur with the established objectives and that operations and programs are implemented and executed as planned.

c) Providing an independent opinion on the interpretation and application of legal accounting codes.

d) The evaluation of efficiency in the use of the resources of the Group.
e) The revision of measures implemented to safeguard assets and their verification.

f) The revision of the accuracy and integrity of the operational and financial information of the companies within the Group and the means employed to identify, evaluate, classify and communicate said information.

The Audit Department designs an Annual Internal Auditing Action Plan for the identification and evaluation of the risks inherent in the activities of the business areas of Grupo PRISA, establishing priorities for Internal Audits and ensuring concurrence with the goals of the organization.

The Annual Internal Auditing Action Plan will identify all the Internal Audit actions planned for the year. The Plan will describe the activities and projects to be performed, their nature and scope and the resources available to the Internal Audit Department.

The Audit Committee will designate the head of the internal audit service, supervise the internal audit services and be cognizant of financial information processes and the internal control systems of the Company.

Independence of the External Auditor

:: Designation of the External Auditor

One of the key functions of the Audit Committee is to propose an external accounts Auditor to the Board of Directors, to be approved in the General Shareholders’ Meeting. The Audit Committee must also propose and report to the Board of Directors on the contractual conditions, professional scope and revocation or non-renewal, as the case may be, of External Auditors, in addition to supervising their compliance with the Auditing contract.

:: Relations with the External Auditor

The External Auditor and the Audit Committee will communicate on questions which may compromise the independence of the external auditor or any other issues related to the Auditing of company accounts. The External Auditor will attend meetings of the Audit Committee, reporting on the most relevant aspects of the work performed by the External Auditor.

:: External Auditor fees

As established in the Board of Directors Regulations, the Board will not propose the designation or renovation of an Auditing firm in the case that the total fees charged to Company constitute more than five percent of the firm’s annual income, taken as an average of the last five years.

The Board of Directors will make public the total fees paid to the Auditor by the Company, distinguishing between fees for accounts auditing and other services.
Stakeholders

:: Membership of Professional Associations

Many of the companies of the Group actively participate in different organizations in their respective sectors in order to encourage the exchange of ideas regarding their corresponding business areas and to keep their finger on the pulse of stakeholder concerns.

In Europe, PRISA is a member of the European Publishers Council, an important association of publishers representing the interests and points of view of the sector to the authorities of the European Union.

In the Americas, PRISA has been a key promoter of the Foro Iberoamérica, which brings together the principal leaders of the media sector in Ibero-América to discuss common problems and concerns within this cultural and geographical region.

In Spain, and specifically in the area of education, Santillana is a member of the Spanish Book Publishers Association and other organizations dedicated to promoting excellence and responsibility. In radio, SER is a member of the Spanish Commercial Radio Broadcasting Association. The audio-visual interests of the Group, through Sogecable, are represented in the Television and Audiovisual Content Union (UTECA). PRISA’s print media participate in AEDE while in Portugal, Media Capital is a member of the Confederación Portuguesa de Medios de Comunicación Social, representing over 600 press, radio and television media companies.

Prisacom, meanwhile, is a member of the recently established Asociación Medios, which regulates online media.

:: Membership of associations and partnerships

PRISA collaborates actively with Fundación Santillana and also with a number of cultural educational and scientific organizations, including the Spanish Royal Academy, the Cervantes Institute, Fundación Biblioteca Virtual Miguel de Cervantes, Fundación Teatro Real, Fundación Carolina, Fundación Cultural Hispano-Brasileña and Fundación Príncipe de Asturias. In the area of scientific research, development and innovation, the company collaborates with Fundación Pro CNIC and Fundación COTEC. PRISA maintains close ties with various universities in Spain and the Americas, including the Universidad Autónoma of Madrid, the Carlos III University, the Menéndez Pelayo International University and is also associated with the Universidad Autónoma of Barcelona, the University of Alicante and the Carlos III University through the Instituto Universitario de Posgrado.
The media organizations of Grupo PRISA have provided tireless support to campaigns in favor of human rights and development promoted by non-governmental agencies such as Intermón Oxfam, Ayuda en Acción, Unicef and ACNUR. This support has come in the informative role of the media as well as through promotion and sponsorship agreements.

:: Channels of communication open to shareholders and society at large

Grupo PRISA’s media outlets have institutional channels which are permanently open to the suggestions, criticisms and complaints of different social groups. They organize tours of facilities, and are constantly open to the concerns of diverse interest groups and stakeholders, encouraging the exchange and debate of ideas, and thus enriching society as a whole.

Stakeholders and interest groups can transmit their inquiries, suggestions and complaints to the corporate centre through the Communication Department and the Investor and Shareholder Relations Departments. Additionally, the corporate website (www.prisa.com) provides investors and shareholders with relevant information about the Company.
This Annual Report provides a faithful and transparent overview of the degree of development of the actions and commitments of Grupo PRISA in economic, social and environmental areas over the course of 2008, much in the line of previous similar reports.

The data presented here are a broad summary of all the activities and operations of the Group in all the countries where it is present. Further, the data provided are either an aggregate of all the information at a Group level or broken down by company, depending on the nature of the said information and certain criteria which will make it more amenable to the reader.

Just as last year, in producing this Report, we have followed the recommendations of the Guide for the Creation of Sustainability Reports from the Global Reporting Initiative®, a key international organization in Sustainability Reporting. The GRI-G3 Technical Protocols have been taken into consideration in the evaluation of data for our calculations, leading us to reformulate and combine some indicators found in the Guide, to improve clarity and adapt them to our activity.

The information and results provided here refer to 2008, although in some specific cases, information from previous years has also been provided, as it indicates the Group’s evolution over time. It is to be hoped that this Report will satisfy all its readers and open up new channels for suggestions and comments that will enable us to improve.
Guiding principles behind the Report

This Report provides reliable and balanced information on PRISA’s endeavors to meet the challenges raised by social responsibility.

In keeping with the guidelines as set out by the Global Reporting Initiative\textsuperscript{TM}, the contents of this report reflect the following principles:

**Materiality.** The information should cover topics and indicators that reflect the organization’s significant economic, environmental, and social impacts, or those that would substantively influence the assessments and decisions of stakeholders.

To meet this objective the relevant data for the Group has been identified and categorized according to the established thresholds and the risks these pose for each of our companies.

**Stakeholder Inclusiveness.** Stakeholders are entities or individuals that can reasonably be expected to be significantly affected by the Group’s activities. The company should endeavor to satisfy the demands and concerns of these groups through the improvement and maintenance of the quality of its products and services.

**Timeliness.** This current report provides continuity to those presented in previous years. Worth mentioning is that there has been an ongoing interchange of information among the different companies of the Group over the course of the year.

**Clarity.** The report should present information in a way that is understandable, accessible, and usable by the organization’s range of stakeholders. Information should be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities. Graphics and consolidated data tables can help make the information in the report, such as management and control mechanisms, as well as plans of action and commitments, accessible and understandable.

**Reliability and transparency.** Information used in the preparation of a report have been reliably and comprehensively gathered, recorded, compiled, analyzed, and disclosed in order to reflect the real situation of Grupo PRISA.
Leading in education, information and entertainment

:: Main figures
:: Leadership, expansion and growth
:: Distribution of global brands
:: Companies and brands
:: Business Areas
Grupo PRISA closed 2008 with EBITDA up 21.6% at 948.34 million euros. The company also enjoyed its highest ever gross earnings – up 1.1% at 292.2 million euros – while operating income passed the 4,000 million mark, up 8.3%.

Investment in fixed and non-current assets reached 2,072 million euros in 2008, with most of this due to the increased stake in Sogecable which reached 100% after the takeover bid, worth 2,056.9 million, in December 2007.

Gran Via Musical acquired 70% of the companies RLM, S.A. and Merchandising on Stape, S.A., as well as another 19% of Planet Events for 11.3 million euros, bringing its stake up to 70%.
Income. Contribution by business %

Distribution by business area
in millions of Euros

- Education and publishing
- Audiovisual production
- Printing
- Revenue on fixed and non-current assets
- Newspapers and magazines
- Special promotions
- Other

Revenue on fixed and non-current assets

Advertising

Subscription revenues

Operating results EBIT in millions of Euros

Operating results EBITDA in millions of Euros

Contribution by business area

EBIT and EBITDA margin evolution

Equity in millions of Euros

Number of Employees
PRISA’s position of leadership in Spain, in terms of audience and financial results, provides the foundation and engine of the Group’s international expansion and growth in Spanish and Portuguese-speaking markets around the world.

The newspaper *El País* is the top-selling general newspaper in Spain (EGM audit 2008). Cadena SER tops the ranking for general-interest radio broadcasting, with a 38.4% market share, and 40 Principales is the country’s most-listened to theme-based (music) station, with a 23.8% share. The Digital+ magazine is the most widely read monthly publication in Spain.

Grupo Santillana has consolidated its position in the Americas and shows huge potential for further growth. What’s more, its solid position has allowed it to make significant inroads into new business areas and given an added boost to the expansion of our global brands.

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**Press**

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Number of readers</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>El País</em></td>
<td>2,048,000</td>
</tr>
<tr>
<td></td>
<td>2,058,000</td>
</tr>
<tr>
<td></td>
<td>2,234,000</td>
</tr>
<tr>
<td></td>
<td>2,218,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Number of copies</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>El País</em></td>
<td>431,034</td>
</tr>
<tr>
<td>ABC</td>
<td>323,378</td>
</tr>
<tr>
<td>La Razón</td>
<td>201,858</td>
</tr>
<tr>
<td>Público</td>
<td>152,116</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68,454</strong></td>
</tr>
</tbody>
</table>
Specialist press

**Cinco Días**

**Evolution of circulation**

Number of copies

(Source: OJD)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>30,425</td>
<td>33,997</td>
<td>40,552</td>
<td>40,077</td>
</tr>
</tbody>
</table>

**As**

**Evolution of circulation**

Number of copies

(Source: OJD)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>209,585</td>
<td>211,651</td>
<td>233,529</td>
<td>230,492</td>
</tr>
</tbody>
</table>

Radio

**Spanish radio**

**Evolution of audience**

Audience by station in thousands

(Source: BSM, third quarter)

<table>
<thead>
<tr>
<th>Station</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Máxima FM</td>
<td>458</td>
<td>429</td>
<td>560</td>
<td>1.693</td>
</tr>
<tr>
<td>Radiolé</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M80</td>
<td>3,586</td>
<td>1.693</td>
<td>3,586</td>
<td>4,705</td>
</tr>
<tr>
<td>40 Principales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Publishing

**Grupo Santillana**

**Sales by country**

January-December 2008

<table>
<thead>
<tr>
<th>Region</th>
<th>2008 Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain and Portugal</td>
<td>61,03%</td>
</tr>
<tr>
<td>Brazil</td>
<td>22,61%</td>
</tr>
<tr>
<td>Mexico</td>
<td>10,46%</td>
</tr>
<tr>
<td>Argentina</td>
<td>8,46%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>4,69%</td>
</tr>
<tr>
<td>Colombia</td>
<td>2,22%</td>
</tr>
<tr>
<td>Rest of the Americas</td>
<td>1,22%</td>
</tr>
</tbody>
</table>

**Sales by business area**

<table>
<thead>
<tr>
<th>Business Area</th>
<th>2008 Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Text books</td>
<td>35,06%</td>
</tr>
<tr>
<td>General</td>
<td>23,45%</td>
</tr>
<tr>
<td>Language-learning</td>
<td>11,29%</td>
</tr>
<tr>
<td>Training</td>
<td>3,75%</td>
</tr>
<tr>
<td>Other</td>
<td>3,22%</td>
</tr>
</tbody>
</table>
::: Distribution of global brands
::: Companies and brands

:: PUBLISHING, EDUCATION AND TRAINING

GRUPO SANTILLANA

<table>
<thead>
<tr>
<th>EDUCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santillana, Canarias Santillana, Grazalema</td>
</tr>
<tr>
<td>Santillana, Grup Promotor Santillana, Illes Balears, Santillana, Obradoiro Santillana, Voramar Santillana, Zubia Santillana, Moderna</td>
</tr>
</tbody>
</table>

| GENERAL PUBLISHING | Alfaguara, Alfaguara Infantil y Juvenil, Aguilar, Alamah, Altea, Taurus, El País-Aguilar, Punto de Lectura, Suma de Letras, Fontanar |

| LANGUAGE-LEARNING | Richmond Publishing, Santillana Français, Santillana ELE |

<table>
<thead>
<tr>
<th>TRAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instituto Universitario de Posgrado, Santillana en Red (50% Santillana, 50% Prisacom)</td>
</tr>
</tbody>
</table>

| BOOK RETAILING | Crisol |

| DISTRIBUTION | Itaca |

:: PRESS

<table>
<thead>
<tr>
<th>GENERAL-INTEREST PRESS</th>
<th>EL PAÍS</th>
</tr>
</thead>
<tbody>
<tr>
<td>El País, El País México, El País Argentina and El País Brazil Distribuidora de Publicações</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPECIALIST PRESS</th>
<th>GMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>As, Cinco Días</td>
<td></td>
</tr>
<tr>
<td>Dominical Sunday Supplement (50%)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MAGAZINES</th>
<th>PROGRESA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car, Cinemania, Claves, Gentleman, Rolling Stone (Spain and Mexico), Revista 40, Trade magazines, Dominical Sunday Supplement Mediacapital Edições (Portugal) Lux, LuxWoman, Maxmen, Revista de Vinhos, Casas de Portugal, Briefing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTERNATIONAL PRESS</th>
<th>Le Monde (15,01%) (France)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily National Press (PQN), Société des Rédacteurs du Monde (SRM), Printing, Advertising, Regional Daily Press (PQR), Magazines and Books, La Razón (Bolivia)</td>
<td></td>
</tr>
</tbody>
</table>
## RADIO

### SPANISH RADIO
- UNIÓN RADIO
- Cadena SER
- 40 Principales
- Cadena DIAL
- M-80 Radio
- Radiolé
- Máxima Fm

### INTERNATIONAL RADIO
- UNIÓN RADIO
- Grupo Latino de Radio (GLR)
- Caracol
- Radio Caracol, W Radio, 40 Principales,
- Bésame, Tropicana, La Valleneta, Radio Activa,
- Radio Recuerdos, Oxígeno, Candela Stéreo,
- Radio Broker (Colombia)
- Radiópolis
- W Radio, 40 Principales, Bésame, Kebuena,
- Estadio W, Radio Gallito, La Consentida (Mexico)
- Iberoamericana Radio
- 40 Principales, Corazón, ADN 91.7, Concierto,
- FMDos, Futuro, Radio Imagina, Pudahuel
- FM, Rock&Pop, Radio Uno, Radio Activa, W Radio
  (Chile)
- Radio Continental, 40 Principales (Argentina)
- 40 Principales, Bésame, La Nueva 90.7 (Costa Rica)
- W Radio, 40 Principales (Panama)
- W Radio 690 LA, Radio Caracol 1260 Miami
  (USA)
- Media Capital Radio
- Rádio Clube, Rádio Comercial, Cidade FM, Best
- Rock FM, Romântica FM, M80, Cotonete (Portugal)

### PROGRAM PRODUCTION AND DISTRIBUTION
- GLR Networks (USA)

### EVENTS
- Gran Vía Musical
- Planet Events, Media Festivals, RLM (Rosa Lagarrigue Management), MOS (Merchandising on Stage)

### EDITORIAL RIGHTS
- Nova Ediciones Musicales, Lyrics & Music
## :: AUDIOVISUAL

### PAY TV

<table>
<thead>
<tr>
<th>Company</th>
<th>Details</th>
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<tbody>
<tr>
<td>SOGECABLE</td>
<td>Digital+, Canal+</td>
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<tr>
<td></td>
<td>Theme-based channels: Compañía independiente de Televisión, Cinemanía, Sogecable Música, CNN+ (50%)</td>
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### FREE-TO-AIR TV

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<tr>
<td>SOGECABLE</td>
<td>Cuatro</td>
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<td>Media Capital (Portugal)</td>
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<td>TVI</td>
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### SPORTS PRODUCTION AND RIGHTS MANAGEMENT

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<tr>
<td>SOGECABLE</td>
<td>Audiovisual Sport (80%), Real Madrid Gestión de Derechos, S.L. (10%)</td>
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### FILM PRODUCTION AND RIGHTS MANAGEMENT

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<th>Details</th>
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<tr>
<td>SOGECABLE</td>
<td>Sogecine</td>
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<tr>
<td></td>
<td>Sogepaq</td>
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<td></td>
<td>Canal+ Investment Us Inc. (60%)</td>
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### ADVERTISING

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<td>SOGECABLE</td>
<td>Sogecable Media</td>
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### SERVICES

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<tr>
<td>SOGECABLE</td>
<td>Centro de Asistencia Telefónica (CATSA)</td>
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<tr>
<td></td>
<td>Canal Club de Distribución Ocio y Cultura (25%)</td>
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<tr>
<td></td>
<td>Sogecable Editorial</td>
</tr>
<tr>
<td></td>
<td>Vía Atención Comunicación</td>
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### AUDIOVISUAL PRODUCTION

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<td>MEDIA CAPITAL (Portugal)</td>
<td>Plural Entertainment</td>
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<td>Tesela</td>
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### INTERNET

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### ENTERTAINMENT

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<td>Castelo Lopes Multimedia</td>
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### :: DIGITAL

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<tr>
<td>EDUCATION</td>
<td>PRISACOM SantillanaenRed.com (50%), Kalipedia, Parasaber.com</td>
</tr>
<tr>
<td>INFORMATION</td>
<td>PRISACOM Elpais.com, Cadenaser.com, Cincodias.com, As.com</td>
</tr>
<tr>
<td>ENTERTAINMENT</td>
<td>PRISACOM Los40.com, Radiolé.com, Cuatro.com, Plus.es, El Boomeran(g)</td>
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<tr>
<td>TELECOMMUNICATIONS</td>
<td>Iberbanda”</td>
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### :: SALES AND MARKETING

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<td>GLP (Colombia)</td>
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<td>Box News</td>
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<td>Solomediños</td>
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<td>PROMOTIONS</td>
<td>PRISA Innova</td>
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### :: OTHER ACTIVITIES

<table>
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<td>REPRESENTATION</td>
<td>Oficina del Autor</td>
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<td>PRINTING</td>
<td>Dédalo”</td>
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<tr>
<td>PRESS DISTRIBUTION</td>
<td>Redprensa</td>
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<tr>
<td></td>
<td>Grupo Cronos Distribución Integral, Gelesa Gestión Logística, Cronodis Logística integral, Distritoledo, Aldipren, Districuen</td>
</tr>
<tr>
<td>REAL ESTATE</td>
<td>PRISA División Inmobiliaria</td>
</tr>
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(“) Joint Venture
Grupo PRISA is organised into five large business areas with an additional digital unit, operating transversally to the entire organisation.

PRISA has over 50 million readers, listeners, viewers and Internet users throughout the world. The Group’s brands are expanding internationally and now hold a leading position in the Ibero-American market.
Grupo Santillana

Santillana posted record results in 2008, continuing the rising trend of recent years: with a net operating income of 608 million euros (8.5% up over 2007), it achieved EBIT of 77 million euros, 2.6% higher than the previous year.

The robust performance shown by all the companies of the Group received a significant contribution from the education sectors of two countries: Spain and Brazil. In Spain, Santillana was the only publishing company to enjoy significant market growth, allowing it to consolidate its leadership across first and second-level education.

Editora Moderna, Santillana’s educational publishing arm in Brazil, has strengthened its lead in the private market, enabling it to boost sales by 30% in this sector. A total of 26 million textbooks were supplied to state learning centers through the Brazilian Ministry of Education’s purchasing program – a 26% market share.

As well as sales to the Brazilian Ministry of Education, Grupo Santillana enjoyed significant volumes of sales to private and public institutions throughout Latin America – up 55% across the board.

2008 was also a good year for language-learning books. Sales are up 11% over last year’s figures at 62 million euros.
In terms of EBIT, figures are also very positive with a 5% climb with respect to last year. This figure is due to the positive performance of the company’s regular campaigns, particularly in Latin America, where there has been an 11% increase over 2007, despite the pronounced fluctuations in the currency markets. Under the Richmond brand, Santillana is the leading language-learning publisher in the Latin American market. And in Spain, we are clear market leaders in French-language learning textbooks, with a 38.6% share of the secondary school market.

Richmond has continued to work to consolidate its international image, initiating projects in Italy and Poland. Good commercial relations are also maintained with clients in South Korea, Taiwan, Germany, France, Thailand, Turkey and Morocco.
General-interest publishing

Despite the international economic downturn, general-interest publishing has continued to grow in line with recent years, generating income of 135 million euros in Spain and throughout the Americas. That’s a 12% increase over last year and a clear sign of consolidation in the sector.

2008 was notable for the international success of Alfaguara Infantil y Juvenil, publisher of books for children and young people, and its saga Twilight (Crepúsculo): more than 2.5 million copies of the four books in Stephanie Meyer’s gripping series of novels about vampires and teenage love were sold. The phenomenon enthralled young people everywhere, no doubt guaranteeing a new generation of readers for the future.

Alfaguara continued with its commitment to offering the best of Spanish and international literature. It kicked off the season with Arturo Perez-Reverte’s blockbuster Un día de cólera and the 11th annual Alfaguara Literary Prize, which went to Cuban writer Antonio Orlando Rodríguez and his novel Chiquita. The year continued with El otro nombre de Laura (The Silver Swan: A Novel), by Benjamin Black – John Banville’s pseudonym; Un grito de amor desde el centro del mundo (Cry out for love) from the Japanese author Kiochi Katayama, La hija del sepulturero (The Gravedigger’s Daughter) by Joyce Carol Oates. The year also saw new books hitting the shelves from authors Julio Llamazares, Manuel Rivas, Rosa Montero, Francisco Martín Moreno, Jorge Volpi, Joao Ubaldo Ribeiro and Tomás Eloy Martínez. An eventful year closed with Nobel-prize winner José Saramago’s El viaje del elefante. There was also a commemorative edition of Carlos Fuentes’ novel La región más transparente, published with the collaboration of the Real Academia Española and the Asociación de Academias de la Lengua Española, on the occasion of the Mexican writer’s 80th birthday.

Aguilar continued its successful series of co-editions with TV channel Cuatro, publishing books to tie in with TV programs such as El encantador de perros, El líder de la manada and Frases célebres de niños, all of which have topped the bestseller lists. The publishing house capped a great year with works by some of the best writers in their catalogue, including Alex Rovira and Eduardo Punset; there were topical hits too, such as Infierno verde, the harrowing tale by Luis Eladio Pérez, who was held captive for seven years by FARC, and the lively book on the Queen’s life, Doña Sofía. La Reina habla de su vida.

Suma has consolidated its position in the popular fiction market with titles such as El laberinto de la rosa, El castillo de cristal, La artillera and Aunque seamos malditas. And the company enjoyed huge success in Brazil with El juego del ángel, Ruiz Zafón’s latest novel.

Taurus kept its finger on the pulse of world events with George Soros’ latest work on the current world economic crisis. And the publisher also explored history with Vida y tiempo de Manuel Azaña by Santos Juliá, a biography of Spain’s republican-era president. Taurus is also set to publish the book by the winner of the Isabel Polanco International Essay Prize, which was created
by the Fundación Santillana in collaboration with the Guadalajara International Book Fair (Feria Internacional del Libro de Guadalajara – FIL). The prizewinner will be announced in September 2009.

For Punto de Lectura, specializing in paperbacks, 2008 was a year of sweet success thanks to the novel Sabor a Chocolate (Taste of Chocolate) winner of the University of Seville’s prize and one of the year’s small-format surprise hits. El País-Aguilar was also tempting our taste buds in 2008, signing up the famous chef Martín Berasategui to its stable of cookery titles. The company also kept up its historic lead in the guide-book market.

2008 was also a great year for our special promotions and collectibles. In Argentina and Brazil, Objetiva saw its highest revenues ever. Meanwhile, Santillana Ediciones Generales took the decision to enter into the Portuguese market, thus completing its presence in every Ibero-American country.

Instituto Universitario de Posgrado

In the field of higher education, the postgraduate center, Instituto Universitario de Posgrado (IUP), specialized in masters and postgraduate degrees through online learning, reached 7,000 students in 45 countries. The prestigious online program is of the highest academic standards and enjoys a reputation for focussing on professional excellence.

The IUP, whose degrees are issued jointly by three Spanish universities: Universidad Autónoma of Barcelona, Universidad of Alicante and Universidad Carlos III of Madrid, has continued to consolidate its position and, despite the market downturn, has outperformed its budgetary forecasts. 2008 saw both greater student numbers and greater revenues. In the executive and corporate market, IUP has added new clients such as IberCaja, Caja Rioja y Caja-Círculo de Burgos, to its already large base in the financial sector (including Banesto, Grupo Banco Popular, Caja Mediterráneo). As well as concluding its program Plan de Desarrollo Directivo del Grupo PRISA (with 50 executives from 25 companies in 11 countries), it has initiated an important program in management for business personnel from the Ibero-American company Ingeniería Abengoa.

Another project that got underway in 2008 is a partnership with the Organization of Ibero-American States for training in new technologies throughout Latin America.
2008 saw the newspaper consolidate its process of transformation. The business and finance supplement Negocios followed the newspaper’s lead and was relaunched in spring with a revamped look and thorough overhaul of its content. From the very first issue, it set the tone of current debate with the lead story “Is the crisis comparable to that of 1929... or is it set to be worse?”, thus anticipating the financial storm about to break. Negocios thus set out its priorities on its first new cover, introduced editorial opinion, strengthened its sections on Companies, World Economy, Money and Human Capital, and launched a new section, with contribution from leading experts, called Think Tank.

Travel supplement El Viajero also underwent change. There was a clean, new graphic design, and the content of the travel and food sections took on a more practical bent, enabling readers to more easily choose destinations. There were also more literary contributions from authors, more reviews plus new sections allowing readers to contribute ideas, stories, photos and tips.

As the 2008 crisis hit the very business model of the print press, El País used these changes to adapt, to move forward and to consolidate its position as market leader. It took steps to create greater synergy between the print and online editions and to create new and attractive content with a greater appeal to broader audiences.

Studies carried out between January and May, 2008, by the market-research body Instituto de Investigación de Mercados (CIMOP) showed that readers valued “a more modern newspaper, one that provides a more accessible read”. Study groups revealed that participants found the paper “of higher quality and a better, if more involved, read”. The Sunday paper was assessed positively, as was the new supplement El País Semanal.

In 2008, the newspaper confirmed its absolute lead among the Spanish general-interest press. Despite the crisis El País strengthened its lead, with an average daily circulation of 431,034 copies, beating its closest rival by an average of 107,656 copies, according to figures from the auditing bureau OJD (Oficina de Justificación de la Difusión). El País also topped the circulation rankings, according to auditing bureau EGM, with an average daily readership of 2,218,000 readers between February and November.
It was the second time in the newspaper’s history that it passed the 2.2 million mark (the first was in 2007) for the accumulated annual figure. Over the past three years, according to EGM, readership has grown by 8%. At key news moments over 2008, Spanish readers turned in huge numbers to El País: the paper saw figures up by 160,000 for the March general elections in Spain and 60,000 for the election of Barack Obama.

ElPaís.com witnessed robust growth in 2008 and ended the year with 28% unique users. The average numbers of readers reached and then passed 1 million daily, and the monthly accumulated figure went from 10,621,319 in February 2008 to 14 million by February 2009. (Source: Omniture). The figure shot up to 2 million for the Christmas lottery results and was over 1.5 million during the US and Spanish elections and for exclusive video coverage of the Spanair plane crash in Madrid.

In 2008, El País brought out 60 promotions. The paper was the first in Spain to sell a brand-new, previously unreleased album, with the exclusive launch of Diego El Cigala’s Dos Lágrimas. Other notable promotions included the complete Frank Sinatra songbook, Herbert Von Karajan and Ana Belen and Victor Manuel.

El País also sold a series of great cinema classics, in collaboration with Cahiers de Cinema, plus a further two series on Woody Allen and Oscar-winning actor Javier Bardem. There was also a successful series of the top 20 anthologies of 20th-century poetry, edited by José Caballero Bonald, as well as bestsellers, painting, and cookery with Spain’s top 15 chefs.

Through the initiative El País Dialogues, the paper also participated in events such as the Malaga Film Festival, art fair ARCO, the Hay Festival in Segovia – where the paper spoke with Mario Vargas Llosa on journalism and literature – and the Guadalajara International Book Fair, Mexico.
BOX NEWS

Box News Publicidad is Spain’s leading media sales agency to integrate both press and internet in terms of market volume. It holds the top-ranking position among agencies not managing TV stations, with an 8.1% market share, placing it in sixth position in the general ranking.

It has offices in Madrid, Barcelona, Valencia, Andalucia, the Basque Country and Galicia.

Box News Publicidad’s portfolio

Media outlets managed by Box News have a total of 22 million readers and users every month. These include:

Press

The newspapers managed by Box News have a combined accumulated figure of 12,677,00 readers a month, giving the agency the largest geographical coverage in the country:

- 3 national papers (El País, As and Cinco Días).
- 30 regional papers in 9 Spanish regions.

Internet

Sites managed by Box News have 9,367,000 unique users a month, placing the company just after browsers and search engines.

- Radio station sites: SER, Los40, Cadena Dial, M80, Radiolé y Mánima FM.
- Web pages of Cuatro y Digital+.
- Two cultural sites: Kalipedia y Para-saber.com.

International

Box News also manages all of its portfolio at an international level.
1. El País headquarters.
2. El País Annual.
GMI

Specialist press in Spain and Portugal

GMI continued to grow over 2008 with the incorporation of the Portuguese magazine publisher Media Capital Ediçoes in August. MCE publishes important titles in the Portuguese market such as Lux, Woman, Maxmen and Vinhos de Portugal.

GMI’s best player is sports paper As which, despite the situation in the Spanish newspaper market, practically maintained its 2007 figures, with 230,465 copies. It saw readership climb in the third quarter to 1,266,000 according to EGM data. As remains market leader in Madrid, for both readership and kiosk sales. And for the second year running As held the As Sports Awards which honored the most outstanding sports personalities of the year at a spectacularly attended gala ceremony at Madrid’s congress center.

Business and finance daily Cinco Días sold an average of more than 40,000 copies, with its readership experiencing constant growth – now at 90,000 readers according to third-quarter EGM figures. To mark the paper’s 30th anniversary, the paper hosted the Cinco Días Awards for Business Innovation 2008, which honored Banesto, Indra and Alquimia. The ceremony, held at Madrid’s Museo del Prado, was attended by leading figures from the Spanish business and finance world. Also on the occasion of the paper’s 30th anniversary, the number of economic and business talks – Foro Cinco Días – was increased. The guest speakers were the presidents of Spain’s regional governments and the talks were held throughout different Spanish cities.
Magazine publisher PROGRESA saw its titles, including 2007’s launch CAR, revalidate their market positions. Sunday supplement Dominical, published by Eje de Editores Media, enjoyed figures of 948,000 copies. The supplement is marketed along with El País Semanal and is distributed with 18 regional newspapers.

EXECUTIVE TEAM
Chief Executive Officer for Press: Jesús Cebeno
Chief Executive Officer of GMI and Managings of EL PAÍS: José Ángel García Olea
Editor of EL PAÍS: Javier Moreno.
Editor of As: Alfredo Relaño
Editor of Cinco Días: Jorge Rivera
Radio

Dynamic, creative, personal

Unión Radio is the largest Spanish-language radio group with over 24 million listeners and over 1,250 owned and associated stations throughout Spain, the United States, Mexico, Colombia, Costa Rica, Panama, Argentina and Chile.

In 2008, a management model was further developed to favor the development of global brands with a clear focus on content. By reinforcing commercial synergies within the organisation, Unión Radio is fast becoming the leading Spanish language radio group worldwide, developing new formats and standards for general-interest and music radio programming. Unión Radio, while a global broadcaster with a global presence, also maintains its local focus, allowing the optimum exchange of content and creation of value.

In April, 2008, an agreement was signed allowing venture capital investment fund 3i a share purchase in Union Radio, through a mixed formula involving the purchase of part of the stake as well as a series of increases in Union Radio’s capital. The initial cost was 100 million euros in return for a 8.14% stake. The agreement also foresees an additional investment of 125 million euros, giving 3i a 16.2% stake in line with the company’s investment plans over the next two years.

Thus, as of December 31, 2009, PRISA will have a 73.49% stake, Grupo Godó, 18.7% and 3i, the remaining 8.14%.

Unión Radio’s flagship in Spain is SER, with 499 owned and associated stations offering general interest content (Cadena SER), five music stations: 40 Principales, Cadena Dial, M-80, Radiolé and Máxima FM, and one sports broadcaster, Ona Catalana.

Cadena SER closed 2008 as absolute market leader for the 15th year running, with 4,705,000 listeners daily, Monday to Friday, according to EGM data. It strengthened its lead across all time slots, 24 hours a day, widening its lead over its rivals and outstripping them all combined with its most popular programs.

After the loss of Carlos Llamas in October 2007, Angels Barceló took over at the helm of Hora 25 in January. The biggest novelty was the launch, in November 14, 2008, of Hora 25 Global, the first news program to go out at 9pm on Fridays (Spanish time) and broadcast by Cadena SER in Spain, Caracol Radio and W Radio in Colombia, W Radio in Mexico, Radio Caracol in Miami, ADN Radio in Chile, Radio Continental in Argentina and W Radio in Panama, and anchored by Angels Barceló. For one hour a week, the program deals with current affairs with contributions and analysis by former Spanish prime mi-
nister Felipe González, Chile’s former president Ricardo Lagos, the writers Tomás Eloy Martínez, Jorge Volpi, Carlos Monsivais and Jorge Edwards, and international analyst Moisés Naim, among others.

One notable example of the cooperation between Cadena SER and Unión Radio’s stations was the unprecedented, for the Spanish-speaking world, coverage of the US presidential elections.

The year saw two programs celebrating their 20th anniversaries: night-time sports slot El Larguero, with 1,244,000 listeners, and A vivir que son dos días, the morning weekend magazine program, with 1,672,000 listeners on Saturdays and 1,541,000 on Sundays.

2008 was the year of the European Cup and the Olympic Games and SER gave both events unprecedented coverage as the station followed the players and athletes. The station assembled a great team of professionals for the occasion, led by José Ramón de la Morena, Paco González and Manolo Lama, and their efforts were rewarded at the Premio Ondas awards.

40 Principales consolidated once again its lead among music radio stations in Spain in 2008. With 3,586,000 listeners, it is the second-most listened to station overall, after Cadena SER. Its morning program ¡ Anda Ya! is beaten only by Cadena SER’s Hoy por Hoy. In second place, among music radio stations, is Cadena Dial, with 1,693,000 listeners daily.

Notable events in SER’s year included the Premios Ondas awards, honoring radio, TV and music professionals in Spain and Latin America. The 40 Principales Prizes, the most important in the Ibero-American music world, are the only awards to be decided by a popular poll among listeners. The Cadena Dial awards honor singers in Spanish from Spain and Latin America and are one of the highlights of the Spanish musical calendar.

In 2008, Unión Radio has consolidated its position in Chile, with the complete integration of Iberoamericana Radio Chile, acquired in July 2007, and the Consorcio Radial de Chile (CRC), after the structures of both organizations were suitably adapted.
Radio Caracol is the clear leader in Colombia and is one of the most prestigious stations in Latin America. It is crucial to Unión Radio’s strategy in this area, both because of its experience – the station celebrated 60 years on air in 2008 – as well as its economic solvency. Caracol produces and distributes up to 10 different radio formats of talk and music radio.

In the US, the radio group operates through two Spanish-language broadcasters, one in Los Angeles and throughout southern California, where 30% of the US Hispanic population lives, and the other in Miami, where it is the leading Spanish-language station. The group also owns GLR Networks, a production and distribution company for programs and commercials for 144 affiliated stations.

In Mexico, Unión Radio operates through Radiópolis, 50% owned by Televisa and managed by Unión Radio. Radiópolis, through its 121 stations, either owned directly or affiliates, broadcasts in three main radio segments: W Radio for talk radio, and Bésame, Ke Buena and Los 40 Principales, for music radio.

In Argentina, Unión Radio is continuing to grow as it creates a network of stations with a countrywide coverage. In 2008, it began broadcasting in the cities of Salta, Rosario and Santa Fe, and it improved its coverage in Buenos Aires by means of an agreement with an FM broadcaster which broadcasts some of its talk radio programming.

With a view to taking greater advantage of the common ground shared by the radio and music businesses, Unión Radio bought PRISA’s stake in Gran Via Musical. This will allow for a global and integrated management of the music business, increasing gains all along the value chain.

In March, Unión Radio launched a new talk radio format, ADN Radio Chile, aimed at being an open, pluralist, participative and modern station in touch with the news and information needs of Chilean listeners. The program schedule includes current affairs, sports and news. Grupo Iberoamericana is now the indisputable leader in Chile.

Over the course of 2008, Unión Radio’s management strategies have been focussed on developing a greater coordination among its different products as well as a greater multimedia presence.

This can be seen in the global evolution of 40 Principales, which has gone from a mere radio brand to a multimedia firm with a presence in TV (40TV y 40Latino), in a print magazine format (Revista 40), via the world’s leading online music portal in Spanish, www.los40.com and a WAP site (Zona 40).

40 Principales is now a truly international music brand, broadcasting throughout Spain, Mexico, Colombia, Chile, Argentina, Costa Rica, Panama, Guatemala and Ecuador. It’s a format that promotes and fosters local talent while taking full advantage of international synergies.

Online, meanwhile, the success of www.los40.com, has shown that the company is all too capable of meeting the global challenges of the digital age. Los40.com not only consolidated its lead as the number one music portal, it continued to develop, and now allows users to listen to or consult the music catalogue across a wide range of channels, offers the latest on video games, and has a firm commitment with all its users to offer them the services they require. Users can personalize the site for their country or view the universal site, making this site the world’s leading platform for the Latin music world.
The 40 Principales brand goes beyond music broadcasting. The 40 Principales affinity card, for instance, is one of the most popular in Spain, with 600,000 users; 40 Viajes is an online travel portal which sells travel products; there are cell phones too and even beauty products, with the H20 Selección 40.

40 Principales is part of a portfolio of 32 local brands (Tropicana, Ké Buena, Máxima, Dial, Bésame, etc.) present in all the countries where Union Radio operates and where we are clear market leaders.

Before being incorporated into Unión Radio, in February 2008, GVM acquired a majority stake (70%) in Spain’s leading music management and booking agency, Rosa Lagarrique Management (RLM) which has some of Spain’s leading singers on its books, including Alejandro Sanz, Miguel Bosé, Ana Torroja, Mecano, Raphael, etc, and in the company Merchandising On Stage, a company which manages performer rights as well as entertainment and leisure brands. These two acquisitions strengthen the ties between GVM and RLM, begun in 1999, in Planet Events, a company organizing and promoting international tours and bookings for Spanish performers and in which we now hold a 70% stake.

These incorporations, coupled with activity in the area of rights and production through the companies Nova and Lyrics & Music, mean that GVM is one of the main players in the Spanish and Latin American music markets.

Planet Events was behind some of 2008’s biggest tours, including those of Carlos Baute, Julieta Venegas, Gloria Estefan, Juan Luis Guerra, Alejandro Fernández, Juanes and Franco Battiato, as well as the David Bisbal concerts in New York and Portugal. Planet Events also organized world-class festivals such as Cultura Urbana and Eclectic and the Fama (Fame) tour hot-on-the heels of the successful Cuatro TV show.
SOGECABLE

Created in 1989, Sogecable is Spain’s leading provider of pay TV, the third largest such provider in Europe and a pioneer in the introduction of digital, high-definition and interactive television in the Spanish market. The Digital+ platform is the most important in Spain, with more than two million subscribers. Since November 2005, Sogecable has also owned a free-to-view channel, Cuatro, which in its third year garnered an average audience share of 8.6% making it one of the most successful second-generation TV broadcasters in Europe. Sogecable is also involved in the area of film production and distribution through the companies Sogecine and Sogepaq.

For the second year running, Sogecable has had an exceptional year. With a turnover of 1,860 million euros in 2008, Sogecable had its best year ever in terms of profits (75 million euros as opposed to 62.1 million in 2007).

Excellent results have not been confined to the economic – all Sogecable’s brands and channels have been hugely successful. Cuatro, the general-interest channel, smashed all its own sports audience-figure records in 2008, when 14,482,000 viewers (80.9% share) tuned into the Euro 2008 final between Germany and Spain in June. It was the most-watched match in Spanish TV history. Another record was broken in the final minute of the game, with 17,690,000 viewers watching.

These are true milestones for Sogecable, ones we expect to repeat in 2010 thanks to the acquisition of the World Cup rights.

With an average 8.6% share of the audience in 2008 (up a point over 2007), Cuatro’s daring and innovative program schedule has been amply rewarded. Reality show Pekin Expres was a huge hit, as was Farma, which took the evening schedules by storm. Other programs such as Callejeros and El Hormiguero have consolidated both their audience figures and reputation with the public and critics alike, and both have won a number of awards.

In the area of pay TV, Sogecable opened a successful new chapter in 2008, complete with technological innovations. Canal+, the company’s flagship channel launched in 1990, capped 18 years as indisputable market leader in Spanish pay TV. In 2008, two new High Definition channels were
launched: Canal+ DeCine HD y Canal+ Deportes HD.

The programming on offer from Digital+, which has always been to the forefront of technological innovation, has thus responded to the growing number of households with HD television sets (21% of subscribers). The TV package also included a number of new channels, including the three private general-interest channels – Antena 3, Telecinco and La Sexta – which join the state-run channels from RTVE already offered by Digital+. Other new channels offered over the course of 2008 included Biography, Decasa, Hogarútil, Animax, Sony TV and Baby First. Digital+ also offered state TV’s special Olympic coverage in HD.

2008 also saw Sogecable sign a number of important agreements with telecommunications companies allowing, for example, users of Orange to access Digital+Movil. There were also new possibilities in the area of ADSL and TV: Tacom+ – a package including ADSL, phone calls plus TV – and Vodafone ADSL & Digital+, a package of TV and ADSL services.

In November, Canal+ launched Plus TV, a new web portal which allows viewers to watch entire programs online through the site: www.plus.es/plustv.

Sogecine, the company’s film production arm, premiered José Luis Cuerda’s Los girasoles ciegos. Based on the novel by Alberto Méndez, and starring Maribel Verdú, Javier Cámara, Raúl Arévalo and José Ángel Egido, it obtained 15 Goya nominations.

Sogecable also financed two productions made in 2008, which are set for general release in 2009: Agora, directed by Alejandro Amenábar and starring Rachel Weisz, Max Minghella, Ashraf Barhom and Oscar Isaac; and Mal Ajeno directed by Oskar Santos and starring Eduardo Noriega and Belén Rueda.

Sogepaq continued its operations in the field of film distribution and added new films to its wide and varied catalogue, including the above mentioned Los girasoles ciegos; 8 Citas, directed by Peris Romano and Rodrigo Sorogoyen; and Una palabra tuya, directed by Ángeles González-Sinde.
CUATRO

Audience-figure records, a dramatic rise in number of viewers and the huge success enjoyed by new program formats were the three key features of 2008 for free-to-view channel Cuatro.

Cuatro continued to grow over the course of 2008 and ended its third full year on air with an 8.6% audience share, up almost a full percentage point on 2007. Audience figures were up 12% and the channel beat all its own records with results that are unprecedented for a second-generation channel. The Euro 2008 football championship and the hit show Fama were the two big successes stories of the year and the driving force behind the channel’s success in 2008. But also worth mentioning were the hit US TV series, led by House, as well as the popular Las mañanas de Cuatro, and the increased share enjoyed by news and information programs El hormiguero and Callejeros, as well as Password, Pekin Express, Cuarto Milenio and movies.

Thanks to scheduling successful programs across all genres, Cuatro has improved its ratings in all time slots, and among all target audiences and in all geographic regions.

2008 was a historic year for Spanish sport, with a string of successes climaxing in Spain’s Euro 2008 final victory. It was also a historic year for TV in terms of audience figures – with records smashed and a 41% audience share (an average of 5,932,000 viewers) during the broadcast of the football championship. In all, the channel was audience leader for a total of 44 hours during Euro 2008.

With over 100 hours of coverage, Cuatro was the most-valued station in terms of sports broadcasting, according to the poll Estudio de Imagen Geca 2008.

Thanks to Euro 2008, June was Cuatro’s best month ever, with an average audience share of 13.1%. Spain’s final against Germany attracted 14,482,000 viewers (80.9%). Another record was broken in the final minute of the game, with 17,690,000 viewers watching. The day of the game (June 29) was the best day for any channel in the past six years in terms of share – Cuatro enjoyed a rating of 35%. For prime time, the figure was 72.2%, the second-highest figure for any channel in history. The most-watched goal came when Silva scored against Russia in the semifinal, with 17,150,000 viewers (an 84.1% share). The penalties between Spain and Italy rank first in absolute terms with a share of 77.5%, or 15,372,000 viewers. And after that match, the ads for Coca-Cola and Audi TT enjoyed an almost 40% audience share (almost 15 million viewers), another historic record.

Cuatro tops the ranking for live, evening-slot reality shows, Monday through Friday. Fama enjoyed a 12.1% share with 1,449,000 viewers, growing to 15% for the last episode.

Cuatro is the channel to have seen most growth during Sunday prime time – up 62.9% to 11.4% (in other words, up 4.4 points). This is in large part thanks to Pekin Express, a reality-show format road show,
with a 12.5% share and 2,216,000 viewers, making it Sogecable’s most successful entertainment program ever and the most successful debut of 2008. Also a big hit on Sunday evenings is Cuarto Milenio, which ended the year with an 11.3% share having spent a number of months above the 12% mark. The program, with Iker Jiménez, is one of the channel’s flagships, and thus consolidates its positive trend (with audience growth up half a point over 2007’s figure) for the third year running.

El hormiguero saw audience climb 1.4% in 2008 to reach a 10.3% share. It’s the most valued comedy program on TV, according to the poll Estudio de Imagen GECA, and comfortably beats La Sexta’s El intermedio. Also, according to the survey, Pablo Motos is the presenter to have seen his popularity grow the most in 2008.

Among news and current affairs programs, Las mañanas de Cuatro, anchored by Concha García Campoy, clocked up an 8% share in 2008, 22.5% up compared to 2007, making it the morning magazine program to enjoy highest growth. The two weekday news slots, Noticias Cuatro, enjoy more than 900,000 viewers, an improvement over 2007. Presented by Iñaki Gabilondo and Silvia Intxaurrondo, the news program has a 7% share and was particularly popular during the Spanish general election campaign at the beginning of last year. Noticias Cuatro 1, with Javier Ruiz and Mónica Sanz, had a 8.5% share, and was over 9% (and a million viewers) for some months. Sports news slot Los Manolos had a share of 9.2%.

Noticias Cuatro 1: Fin de semana, the weekend news program, had a 7.4% share and was the channel’s news program to enjoy highest growth over the course of 2008 (+1.4points). Anchored by Miguel Ángel Oliver and Marta Reyero, the figure passed the 8% mark during a number of months and reached its highest ever figure, 9%, in February.

House remained one of the channel’s biggest success stories in 2008, with a 17.2% share and 3,365,000 viewers – making it Spain’s second-most popular foreign TV series. As well as being number one among Cuatro’s programs in 2008, House also led the national ranking on a number of occasions over the course of the year, beating off stiff competition from home-grown entertainment. Grey’s Anatomy (9.9% and 1,868,000) and Ghost Whisperer (10.0% y
1,868,000) were also among the successful foreign shows broadcast by Cuatro.

Since the very outset, Cuatro has been committed to the so-called coaching genre of programs, which are generally broadcast on Fridays and are followed by current affairs programs. It’s a hugely successful formula and Cuatro is the channel to have enjoyed the highest growth during Friday prime time – up to 9.8%, a 30% increase over 2007.

_Callejeros_, Cuatro’s investigative report program, continues to see its figures climb and in the second half of 2008 cornered a 12.2% share and 1,979,000 viewers, its best figures ever and up almost two full points over the first half of 2008. It’s the most positively evaluated program according to the most recent poll by Estudio de Imagen GECA and, for the second year running, won the Premios Ondas award for best Current Affairs Program.

In the area of multimedia, the channels’ web page —www.cuatro.com— has seen a 29.33% growth in unique users and a 13.8% growth in traffic in 2008. Activity has hit peaks of 50 million page views/month (Omniture). 2008 also witnessed the launch of www.cuatro.mobi, an internet portal adapted to cell phones which allows users to view program schedules, video content, the news, sports and other premium content such as games and music. Cuatro.mobi was launched on June 7 to coincide with Euro 2008 and is thanks to a commercial agreement between Sogecable Media and Nokia, the latter being responsible for the ad sales opportunities through its sales division Nokia Interactive Advertising.

Finally, The activities of Cuatro’s derivative and ancillary products, under the brand Decuatro, achieved EBIT of 3.8 million Euros in 2008, an indication of the growing importance of this area, which represents an income stream independent from conventional advertising revenue. Over the course of the year, Decuatro launched a wide variety of products, including DVD collections (Cuestión de sexo, Grey’s Anatomy, The Dog Whisperer, Euro 2008 and Desafío extre­mo), CDs (Fama ¡a bailar!), books (Ajuste de cuentas, The Dog Whisperer, Euro 2008) magazines (X Factor) and toys such as the ants Trancas and Barrancas, from the program _El Hormiguero_, which were a runaway hit last Christmas.
DIGITAL+

Digital+, Sogecable’s satellite Pay TV platform has consolidated, once again, its commanding market lead in the Pay TV sector, maintaining its number of subscribers (2,065,000 as of December 31, 2008) and generating an operating profit of 238 million euros, compared to 176 million the year before.

From a scheduling point of view, Digital+ has incorporated a wide variety of new channels over the course of 2008, thus significantly increasing the quality of programming content.

Its offer in High Definition was given a huge boost in 2008. In 2007, Digital+ was the first TV provider to launch a HD channel in Spain – Canal+ HD – and in 2008, the platform has responded to a growing public appetite for further HD products (21% of subscribers possess HD TV sets) with the launch of Canal+ DeCine HD and Canal+ Deportes HD, geared towards cinema and sports. Canal+ DeCine HD broadcasts the latest cinema blockbusters, 24 hours a day, while Canal+ Deportes HD offers the best sports events that Sogecable holds the rights to.

The launch of these new channels is part of Sogecable’s commitment to the latest, most advanced technology. Digital+ has the necessary infrastructure to meet the challenges of HD. We broadcast by satellite (ASTRA and HISPASAT), and have the capacity to produce and broadcast content in HD. What’s more, we already market a HDTV receiver – the iPlus – which according to surveys has been enthusiastically received by users (92% would recommend it).

In terms of new content, Digital+ has added a number of general-interest analog channels over the course of 2008 – Telecinco, Antena 3 and La Sexta – and has also renewed its agreement with state broadcaster RTVE to continue broadcasting its general-interest and thematic channels.

Meanwhile, Digital+ has added to its portfolio of international news channels with the addition of CNN International, CNBC, Sky News, and has added content to its Lifestyle channels with Hogarútil (from Arguiñano), and Decasa (a Multicanal production). From the same producer comes the channel Biography, which joined Digital+ on January 1, 2009. The platform also incorporated two
Sony Networks channels – Animax and Sony TV.

Finally, children’s programming received a boost with the addition of Baby First TV and the multiplex +1 channels Cartoon Network and Nickelodeon.

Specifically noteworthy TV events over 2008 included the 24-hour broadcast of channels covering the country’s most popular reality shows, including Supermodelo, Fama, GH, and OT. And in the year Spain won the Euro 2008 and triumphed at the Beijing Olympics, Digital+ broadcast specialized channels: Canal+ Eurocopa 2008 24 horas and Canal Juegos Olímpicos en HD edited by RTVE.

Digital+ has remained committed to bullfighting coverage and offered the April and San Isidro Fairs, plus those of Bilbao, Pamplona and El Pilar, complete with exclusive features.

In the area of new technologies, in May Digital+Móvil was offered to Orange users. The service, which offers content via cell phone, was already available to Vodafone users. The same month, Ya.com and Digital+ launched Ya.com+, a package that includes ADSL, calls and TV. And in November a similar package came online, this time with Vodafone, called Vodafone ADSL & Digital+, and also offering ADSL and TV.

In November Canal+ unveiled Plus TV, a new Canal+ website which allows users to enjoy their favorite programs at [www.plus.es/plustv].

Other hits included Informe Robinson, Cinexprés, Fiebre Maldini, Jugones, De par en par, plus concerts and cinema and sports specials, all of which were organized in thematic channels: Cine, Documentales, Series, Zona Corta, Fútbol, Otros Deportes, Humor, Programas and Música. And with Canal+Retro, viewers can dip into the best programs broadcast over the past 18 years.

Plus TV also allows access to the best live broadcasts available through video on demand at [www.plus.es], such as the Champions League, the European Cup, golf tournaments and bullfighting.
All of these novelties and initiatives meant that Digital+ ended the year with its best figures ever, reaching a 39% share of total viewer time, up 13% over the same period the previous year.

Also relevant is the fact that Digital+ is tailor-made for each kind of viewer. Each subscriber will find a wide and varied menu, with channels for all tastes. Popular with children are Playhouse, Disney Channel, Jetix and Boomerang; with young people Fama 24h, Paramount Comedy and 40TV. Women enjoy the TV series offered by Fox and AXN as well as cinema. Men tend to watch sports and documentary channels such as Discovery, National Geographic and Odisea. Finally, older viewers opt for news and regional and local channels. And of course, there’s something for everyone on Canal+, making it, once again, the clear leader among all of Digital+ channels.
PLURAL ENTERTAINMENT

Created within Grupo PRISA almost a decade ago, Plural Entertainment is currently one of the Spanish-speaking world’s most important audiovisual producers.

From its centers in Spain (Madrid, Zaragoza, the Canaries and Asturias), the US (Miami) and Argentina (Buenos Aires) the production company creates and manages a wide range of audio-visual content.

Television Production

Plural has a wide and varied client portfolio, which includes nationwide general-interest channels (Antena 3, Cuatro, La Sexta), regional channels (Aragon, Asturias, the Canaries, Extremadura, Castilla-La Mancha), local television networks and others (ad agencies and corporations).

During 2008, the company supplied programming in a variety of formats, including talk shows, reality shows, TV series, game shows, debate programs, public-service broadcasting, sports, gala concerts, news and comedy.

Some of these programs are original ideas generated by the company’s creative teams, while others are adaptations of international formats. Either way, all of programs are notable for the originality of their scripts, the contemporary look and feel, high production standards and their competitive costs.

Among the 6,500 hours of programs produced in 2008 are:

- For the third consecutive season, Plural produced Cuatro’s two most popular magazine-format programs.
  
  Cuarto Milenio, presented by the journalist Iker Jiménez.

  Las Mañanas de Cuatro

- For the prime-time slot on La Sexta, Plural produced ¡No te olvides de la canción!, adapted from Fox’s Don’t Forget the Lyrics.

- The Gran Quiz, adapted for Cuatro from BBC One’s The National Lottery People’s Quiz.

- Tal cual... lo contamos, an afternoon magazine-format program for Antena 3 TV.

- El octavo mandamiento, broadcast by the Localia network.

In the US, Plural has worked with the leading Spanish-language TV group, Univision, to produce Moda al rescate, an original coaching format program broadcast by Galavisión.

- From the company’s Miami center, Plural produced Colombian channel Caracol’s most successful show, El cartel de los Sapos.
- US channel Vme broadcasts, on a weekly basis, the news program *Páginas del New York Times en español*, produced by Plural and presented by respected journalist Marian de la Fuente.

- Plural broadcast live the second division of the Spanish football league, as well as the As awards gala ceremony.

- Once again, Plural hosted a highly successful New Year’s gala for the people of Aragón.

- Plural added to its catalog of documentaries with *SEX MUNDI: La aventura del sexo*.

At the end of 2008, Plural began shooting *Hay alguien ahí*, a new series in the mystery/horror genre.

### International distribution

At the beginning of 2007, Plural created an International Distribution division, which as well as marketing its own products and those of other European and American production companies, is enabling it to develop a network to obtain content and production agreements throughout Europe, Asia and Latin America. This new division’s team is also well placed to pick up on successful foreign formats.

Plural currently distributes a wide and diverse catalog of formats (documentaries, series, entertainment) from a number of sources:

- In-house: documentaries, programs for third parties, co-productions (five films with Televisa).

- Other companies belonging to the Group: TVI, Cuatro, Localia, Canal Viajar, and Canal Caza y Pesca.

- Third parties: Avatar, Microgénesis, Huckleberry Films, Filmanova, etc.

In order to strengthen its marketing drive, Plural has attended the following international fairs: Miptv, Natpe y L.A. Screenings, Discop, Sunny Side, Brazil TV Forum and Mipcom.

The company is currently in negotiations to represent a number of European catalogs in Latin America, and vice versa.

With the incorporation of Plural into Media capita, the distribution division began distributing its soap operas at a worldwide level. Agreements have been made on:

- *Olhos de Agua* in Venezuela: Teves (Venezuela)

- *Ilha dos Amores* in Romania: Antena 1 (Romania)

- *Morangos com Açúcar*: PJSC New Channel (Ukraine)

- *Ninguém com tu*: Localia (Spain)

An agreement has also been signed with V6 to sell the series Ecuador worldwide.

### Regional television management

Socater, a Canaries-based company in which Plural has a 40% stake, won the public contract to manage the islands’ regional TV channel in 2000. The contract lasted till June, 2008.

In Aragon, through Chip Audiovisual (a 50% stake), Plural has managed content provision to the regional channel since 2004.
Film

Tesela, a film production company, in which Plural has a majority stake, has established itself as one of the most important in the sector in Spain, thanks largely to its commitment to quality projects and excellence in direction and acting.

Over the past 12 months, Tesela premiered a number of critically acclaimed and financially successful projects: 8 citas, Una palabra tuya and Los Girasoles Ciegos.

Also in 2008, Tesela produced two further feature-length films which are set for release in 2009: After and Gordos.

In 2008, in collaboration with argentinian partners, Plural set up the company Plural-Jempsa geared towards Latin American film production.
PRISA strengthens its position in the Portuguese-speaking market

Media Capital (MC) is one of Portugal’s main media groups and is one of PRISA’s most promising audiovisual projects. It owns free-to-view channel TVI, audience-share leader for the fourth year running (with 36% in 2008). And, jointly with production company Plural Entertainment, it constitutes one of the most important content provision companies in the Spanish and Portuguese-language markets.

As part of its strategy for growth and global expansion in the area of audiovisual content, one of Media Capital’s chief priorities is to gain access to new markets. Results so far have been extremely promising in Portuguese-language markets as well as in eastern Europe.

MC’s broadcasting interests in the Portuguese radio market are represented by Media Capital Radio (MCR), a portfolio which includes the mainstream station Rádio Clube and the music stations Rádio Comercial, Cidade FM, Best Rock FM, Romântica FM and M80. It is also involved in music production and distribution through FAROL, Portugal’s leading record label, as well as in film and DVD distribution through the company CLMC.

Media Capital is present in the online world through IOL. Together, the company’s web pages clock up more than 104 million page views a month and have an average monthly figure of 2.1 million unique users.
Consolidation of online business

Over the course of 2008, more than 23 million users a month (32% up on the previous year) visited the web portals of Grupo PRISA. These are managed and developed by Prisacom, which for the third year running reported a positive operating result.

2008 saw Prisacom bring to conclusion a complete overhaul and revamping of all its sites with the launch of the new-look Cincodías.com and Los40.com. The year also saw the incorporation of new tools enabling a greater degree of participation, widgets, social networking, and the latest technological advances.

Prisacom has a wide and varied portfolio of products covering everything from general-interest and specialized news to entertainment and leisure, as well as education and classified ads. And all content is being developed for use online as well as for mobile phone networks, PDA and iPhone.

The company remains as committed as ever to multimedia and user-generated content, giving PRISA’s online information channels the added value required if the group is to become a key global player.
Information

Elpais.com

In 2008, Elpais.com strengthened its position as the world’s leading Spanish-language news source, with more than 1 million readers a day, 30% of whom reside outside Spain. The paper ended the year with a spectacular 28% increase in the number of unique users and found itself, once again, the online Spanish-language media source to have won more awards than any other. In September it became the first non-English language site to receive the General Excellence award in the Large Site category, given by the US Online News Association. “The site is a shining example of how traditional media can blossom in the digital arena,” said the jury. The site also garnered the EPpy digital journalism award for 2008’s best Spanish-language news page, from the specialized publications Editor & Publisher and MediaWeek, as well as a number of other awards from the Society for New Design (SND).

The combination of journalistic rigor and timeliness, as well as the rich multimedia content, offered by Elpais.com was appreciated by readers who followed big events such as the air crash at Madrid airport, the Olympics, the general elections in Spain and the race for the White House. The peak in web traffic was reached during the Spanish Christmas lottery, with two million users viewing the site in a single day.

Elpais.com significantly added to its content with the launch of new sections on music and film, which regularly offer exclusive videos of interviews with leading figures from both these industries, short films and exclusive premiers of record launches.

In keeping with its commitment to new services and the latest technologies, the site launched around 30 widgets, enabling users to access content without visiting the site. Another novelty was the creation of the first online media channel for the personalized start page Netvibes; and the paper also signed up on Twitter and Facebook.

2008 also saw the launch of a new dictionary service, in conjunction with Santillana, a weather section, giving detailed ten-day forecasts for over 8,000 Spanish locations, and a new television schedule, all of which were among the most popular changes with readers.

Elpais.com has also responded to the growing public appetite for information provision through mobile-phone networks and in 2008, the company redesigned its WAP and PDA portals and developed a special edition for iPhone.
Cincodías.com

Cincodías.com, the leading financial-news portal, has focussed once again on providing extensive coverage of financial and market news. The site was revamped, became more user friendly and visually attractive, incorporated new multimedia elements and adopted new, more powerful market-analysis tools.

The site also included a new mobile phone alert system allowing users to learn first hand how their own stocks and the markets are behaving at the end of each trading day in Spain.

The site now provides more exhaustive coverage of economic and financial news, including market reports from the New York stock exchange; and financial tips and the finance agenda are provided by means of the new sections Recomendaciones de los Analistas and the Agenda Financiera del Día. The portal also provides a search engine for stocks and shares as well as a tool to customize the main page to show your previous searches.

Cadenaser.com

Cadenaser.com ended the year with almost 2 million unique users a month. Among this year’s novelties are the incorporation of video content and the streaming of important studio interviews. User participation was also encouraged through new products such as SER Periodista, and the sections for user photos and comments, Fotos de los Oyente and Frases.

Content is up across all formats, especially in audio, text and images. Photo galleries, video and audio content greatly enhance the information published 24 hours a day. There’s also more space for sport, and the interaction between radio and internet mean that the site contributes significantly to Cadena SER’s market lead.
As.com

2008 was a great year for Spanish sport, and so it was too for As.com. The sports paper’s website threw itself wholeheartedly into the year’s big events, most notably the Euro 2008 and Olympics. Maximum use was made of new internet channels, enabling participation, providing multimedia content and multi distribution as well as presence in social networks.

2008 also saw further advances in the process of renovation, begun in 2007. The website focussed on audiovisual content, and on both in-house production as well as content shared with the other media outlets of Grupo PRISA. The site’s presence was boosted on the mobile phone networks with the launch of new applications, and users were able to follow matches live on their mobile phone or PDA. In short, the foundations were laid which will allow further expansion in the area of new communications in the coming years.

Leisure and entertainment

Los40.com

Prisacom launched the new website los40.com in 2008, a very different product to that which had been available previously. As well as consolidating its clear lead in the music information world, los40.com set out to establish itself as the site where young people will listen to music and share their musical tastes with other people throughout the Latin world.

One of the most popular new features among users was the selection of new music channels (jazz, pop, rock, soul, etc.), which allows the user to listen to their favorite type of music.

What’s more, Los40.com was one of the first sites to offer a specialized social network. The online community, which can be personalized for Spain and various Latin American countries, allows users to make friends, meet people with similar musical tastes and even upload and share videos and photos of concerts.
Parasaber.com

Prisacom’s practical online “how-to” guide reported growth of 900% in its first year, reaching almost half a million unique users (data: Omniture). The explanatory videos, photo galleries, Q&A sections and thematic blogs are slowly but surely making Parasaber.com the reference and knowledge site of first call in the Spanish-speaking market.

Parasaber.com now boasts 32 guides, compiled by experts in widely different areas such as pregnancy, digital photography, keeping fit, practical cookery, bringing up children and wine.

El viajero

In 2008, El Viajero became Grupo PRISA’s online travel portal. The new website is the result of team work among a number of different companies in the Group: El País, El País-Aguilar (Santillana) and Canal Viajar (Sogecable).

The new site includes travel guides, travel videos, Cadena SER programs, etc. But there’s also plenty of space for travel fans who can set up their own travel blog, and share tips and opinions on destinations.

El Viajero is constantly evolving and growing and has incorporated Google maps and information on 1,500 hotels and 1,500 restaurants in Spain.
Education

Santillanaenred

Call too aware of the enormous impact of new technologies on information and education, Santillana en Red (Santillana Online) has made great headway in 2008 in the development of digital education. These advances may be divided into two general areas. Firstly, there are activities aimed at the use of digital content in the classroom. And secondly, educational services and products aimed at responding to educational needs outside the classroom. In both cases, projects have been carried out in both the Spanish and Portuguese-speaking worlds.

Santillana en Red continues to command a leading role in promoting projects in partnership with public administrations in Spain through the program Plataforma Agrega, and has created new content for primary and secondary schools, all of which is available to the education community through Agrega. We have also developed didactic material to be used for teaching information technologies in the classroom.

Kalipedia.com

One of the chief priorities in 2008 was to provide solutions for the growing demand for high-quality educational resources and content to be used by students outside the classroom. Over 2008, Kalipedia has grown beyond its original brief as an online encyclopedia to become a truly global educational resource, one that is free and participative, in the Spanish-speaking world. Kalipedia has thus become an exceptional teaching aid for many students and teachers alike.

Since its launch in 2007, Kalipedia has enjoyed a huge growth in traffic, reaching 1,850,000 unique users in November 2008, in both Spain as well as in Latin America, where the site has spread rapidly.

In Latin America the site has expanded throughout ten countries over 2008, with the goal of ensuring locally relevant content in Mexico, Argentina, Peru, Chile, Colombia, Venezuela, Bolivia, Uruguay, Ecuador and Puerto Rico.

Kalipedia’s mission is to become the benchmark for online educational reference and study resources, to maintain its commanding lead in the education sector and to see its position strengthen in the Spanish-speaking world.
GDM

GDM is the largest multimedia sales center in the Spanish advertising market, simultaneously marketing over 60 media outlets, radio and television networks and internet sites both in Spain and abroad.

GDM has developed a number of business services in the areas of merchandising and promotional marketing in an effort to find new alternatives to traditional commercial media channels. The company offers the possibility of carrying out simultaneous marketing campaigns, designed by GDM, across the wide range of media outlets in its portfolio or with third parties, to coincide with special events and celebrations, according to the needs of the advertiser and the brand.

In addition to its offices in Madrid, Barcelona, Valencia, Sevilla, Santiago de Compostella and Albacete, it has commercial representatives in Castilla y León, Murcia and the Basque Country.

Solomedios is a GDM subsidiary offering the same services at a Madrid level, through local press, radio and television.

In 2008, GDM and Solomedios managed an advertising portfolio worth 268 million euros, 4.4% down over 2007’s figure. That said, the fall – due to the economic downturn – was 65% less than that suffered by the advertising industry as a whole (12.5% down).

Distribution of advertising managed by GDM

- Television 17%
- Radio 59%
- Print media 17%
- Internet 6%
- Import/export 1%
The GDM portfolio

In December 2008, the multimedia sales center made its print and online media available to the company Box News Publicidad, also owned by PRISA. Among the outlets were Cinco Días, As (national and central regions), El País Madrid, On Madrid and all of its portfolio of local and regional papers owned by third parties.

Online media included Elpais.com, Los40.com, Cincodias.com, As.com, Plus.es and Cuatro.com

Radio

For over 15 years, GDM has managed sales to all those radio stations in Spain to enjoy more than half of the commercial radio audience in Spain (according to EGM figures, 3rd wave 2008). Every day, more than 10 million people tune in to one of these stations: Cadena SER, 40 Principales, M 80, Máxima FM, Dial and Radiolé.

The multimedia sales center has put in place a new business model for radio which includes non-conventional advertising such as sponsorship for performer and band tours and associated merchandising through Planet Events, Spain’s leading tour promoter and rights management agency for Spanish and Latin performers.

Television

GDM, which managed sales to Canal Sur and Canal 2 Andalusia in 2008, won the bid to manage ad sales to regional radio and TV in Galicia, television in Castilla-La Mancha, and Aragón, the latter by means of a joint venture with Meta Gestión & Medios, which manages the ad portfolio for regional paper Heraldo de Aragón.

The combined audience share for these five channels in the GDM portfolio account for 43% of the share nationally.

GDM also has a special projects division which develops television content specially designed for advertisers. One example of this initiative is the comedy miniseries Estación Central, developed for the milk and dairy group Grupo Leche Pascual, and into
which the company’s products were seamlessly and naturally placed.

These special programs are broadcast across the different channels in GDM’s portfolio as well as on third-party stations. Estación Central enjoyed a 23% audience share when it was broadcast on Canal Sur.

**The youth audience**

Universo 40 is GDM’s multimedia organisation geared primarily towards younger audiences, among whom it enjoys figures of more than 8.5 million viewers, listeners, readers and users (EGM Data, 3rd 2008). It consists of 40 Principales (radio), 40 tv, 40 latino (TV), los40.com and the magazine Revista 40, where GDM have developed highly successful ad campaigns.

50% of Universo 40’s audience are young people between the ages of 25 and 44, a lucrative target group for whom GDM has developed what we call transversal content. This involves both conventional and non-conventional advertising applied to video games, events, competitions and, in short, anything related to the tastes and lifestyle of this segment of the population.

GDM, well aware of the commercial potential of the global brand 40 Principales with its launch throughout Latin America, has integrated its multimedia initiatives into radio broadcast channels in Costa Rica, Panama, Ecuador, Mexico, Colombia, Chile and Argentina.

**International**

GDM is responsible for the commercial representation of a number of major international organizations, including Media Capital, the largest multimedia communications group in Portugal, and part of Grupo PRISA; CNN International and the in-flight magazines of large airlines such as SAS, KLM among others.

**Special Projects**

The Special Projects area of GDM has centered its activity on the areas of sports, music and cinema, seeking innovative marketing and communications alternatives, both conventional and non-conventional, and which are sold on to PRISA’s different media outlets as well as to third parties.

Special promotions and prize draws were developed for a number of advertisers and were marketed across the different sites managed by GDM. A comprehensive
service was offered that included the development of micro sites, databases and licenses. There was a tie-in with the international paddle tennis championships, the Circuito Profesional Pádel Pro-Tour, held in Ciudad Real and Salamanca, in which the world’s best players participated, including Juan Martín Díaz and Fernando Belasteguín.

In the music and film worlds, sponsorship and promotion deals were struck with Pignoise, whereby concert tickets were raffled; and movie openings and premiers for over 40 films were also promoted commercially across GDM’s media outlets.
PRISA Innova

Prisa Innova, a member of Grupo PRISA, is specialized in brand extension and promotional marketing projects. Its objectives include the promotion of culture and entertainment nationally and internationally, with a strong presence in Europe and the Americas.

Founded in 2005, the company has a growing international presence and has been behind 50 promotion campaigns for 25 newspapers in 10 countries in Latin America and 7 European countries.

Notable successes of 2008 included two initiatives: Philosophy and Cahiers de Cinema; and expansion in three markets: Greece, Belgium and Luxembourg.

Philosophy and Cahiers de Cinema were initially developed by PRISA Innova for the newspaper Le Monde. It is the largest reference collection on works of philosophy, drawing on all currents of thought and presented in a lavish format. In light of the collection’s enormous success, it was then developed for two Portuguese newspapers, Diario de Noticias and Jornal de Notícias. In all, more than 2 million copies have been distributed.
The advertising campaign that PRISA Innova developed for the collection on philosophy won the award for best ad campaign of the year in France.

The collection *Cahiers de Cinema* brings together, for the first time, 30 of the most significant film directors, allowing readers to enjoy the films that made cinema history. *Cahiers de Cinema* is lavishly illustrated with movie stills and photos of the directors, and comes complete with commentary by some of the world’s most prestigious film critics. The collection has been a huge success worldwide and has now been sold in France, Belgium, Spain, Portugal and in a number of Latin American countries.

In terms of new markets, the *History of Opera* collection was an immediate hit in Greece, where it was sold with the paper TO BHMA. It was also successfully sold in Belgium and Luxembourg and remains, to date, PRISA Innova’s best seller, with over 15 million copies distributed. The initiative, designed in full by PRISA Innova, enjoys the support of the Teatro Real, the Gran Teatre del Liceu, the Teatro Sao Carlos and the tenor Josep Carreras, through his Leukemia Foundation. It has been sold with 10 newspapers, including *El País*, *La Vanguardia*, *Le Monde*, *Diario de Noticias*, *Jornal de Notícias*, TO BHMA, *Le Soir*, *El Mercurio*, *El Nacional* and *Tageblatt*.

Finally, Portugal stands out as a crucial area of operations for PRISA Innova. Once again, Portugal’s leading newspapers have placed their trust in the company for their promotional activities, with successful collections such as *Philosophy*, *Cahiers de Cinema* and *James Bond*. 
A winning team of professionals

:: Our professionals
:: Employment and Hiring
:: Improving the professional and personal performance of our staff
:: Workplace environment and communication with staff
:: Health and safety
04 A winning team of professionals

Working at PRISA means joining a team of professionals in an environment that favors innovation, creativity and teamwork. Through integrated and effective management of people, we foster both the personal and professional development of our employees.

Our Human Resources policy is a reflection of our conviction that our human capital is our best tool to meet our commitments to society. We believe that:

- There is only one way to inform, educate and understand people and that is through people.
- There is only one way to be world leaders in communication, and that is by developing leaders among our team members.
- There is only one way to be responsible in society, and that is by having independent and socially committed professionals.

We would never reach our business objectives without the efforts and dedication of our professionals who together make up a diverse and multidisciplinary team who share the following profile:
PRISA is composed of 13,701 professionals in different areas of expertise, who together make up a solid, varied and highly specialized team, clear leaders in the fields of communication, education and entertainment.

During 2008, Grupo PRISA saw a 2% growth in the number of professionals on staff, as the company maintained its commitment to seek out new talent and its guarantees on equal opportunities and respect for diversity.

::: Our professionals

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*Other includes: GDM, PRISA Innova, GLP Colombia, Distribution, PRISA Individual, PRISA Real Estate, OFA, etc.

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*Other includes: GDM, PRISA Innova, GLP Colombia, Distribution, PRISA Individual, PRISA Real Estate, OFA, etc.
PRISA Employees by Employment Category

- Management personnel 4%
- Middle management 13%
- Qualified technical personnel 43%
- Other personnel 40%

PRISA Employees by Sex

- Women 6,117 (45%)
- Men 7,584 (55%)

PRISA Employees by Geography

- National 6,910 (51%)
- International 6,791 (49%)

PRISA Personnel by Area

- Administration and Management 21%
- Content 36%
- Production and Logistics 19%
- Sales and Marketing 24%
During 2008, Grupo PRISA added 269 people to its professional staff. Company policy is to award permanent fixed contracts (87%) as opposed to temporary contracts (13%).

Employee selection processes are based always based on rigorous professional criteria and are geared towards finding the best person for the job. Our policies guarantee equal opportunity for all in the selection, contracting and promotion of our professionals. The Group believes in strict respect for basic labor rights for all employees, especially in issues related to equality and non-discrimination on the basis of sex, ideology or beliefs, as recognized by the International Labor Organization and its respective agreements.

PRISA actively participates with different institutions, both public and private, for the seeking out and contracting of qualified personnel. We favor the incorporation of young people and first-time job seekers into the job market through over 100 partnership agreements with universities, professional and business schools and special employment centers in contracting personnel. Many of the young people contracted in this way remain with the Group after their period of apprenticeship has come to an end.

In 2008, PRISA maintained its commitment to and support for the Law for the Social Integration of Persons with Disability (Ley de Integración Social delMinusválido – LISMI) by contracting persons of different capacities and through collaboration with Special Job Centers (Centros Especiales de Empleo – CEE).

PRISA is also actively committed to upholding and safeguarding the principles behind the Effective Equality between the Sexes Law (Ley Orgánica 3/2007, de 22 de marzo, para la Igualdad Efectiva de Mujeres y Hombres).
Among PRISA’s chief goals are:

- To promote and foster the defense and effective practice of the principle of equality between the sexes, ensuring the same rights to access to work and professional development at all levels.

- To achieve a balanced representation of women within the company.

- To increase women’s chances of gaining posts of greater responsibility within the company, thus reducing inequalities.

- To prevent discrimination on grounds of sex by means of a special protocol for taking action where necessary.

- To establish measures that favor the balance between personal and professional responsibilities of our employees.
At PRISA, our professionals are our greatest asset. That's why we are wholeheartedly committed to a policy of continuous training and promotion, both of which are aimed at improving and developing the skills and abilities of our teams in each and every area of the business.

The multi-business nature of PRISA coupled with our global presence, allows us to offer career opportunities across all our different business divisions and throughout the 22 countries where we operate.

We’re fully aware that providing a business project filled with the opportunities that will satisfy the professional ambitions of our employees is our responsibility. That’s why we provide the appropriate channels to ensure development that will work to the benefit of our teams, the company and the wider society that reads us, listens to us, and watches us.

- We run programs that identify talent from within the Group, the goal being to guarantee a constant supply of professionals with up-to-date training who are ready to rise to the challenges that PRISA might encounter.

- We design development and career guidance programs for our professionals based on performance appraisal which is being extended throughout the companies in the Group.

- We are in favor of functional, geographical and business-sector mobility within the Group, thus fostering PRISA’s global vision and outlook.

- We implement the Management Development Program Visiona, our principal tool for identification, training and managerial potential follow-up. More than 200 professionals have now taken part in one of our four Advanced Corporate Training Courses. 2008 saw an innovative new training initiative which enabled semi-distance learning. New technology allowed executives from 11 countries to participate in the 2008 advanced training course, organized by the Human Resources department and the Instituto Universitario de Posgrado, a joint initiative by three Spanish universities: the Universidad de Alicante, the Universidad Autónoma de Barcelona and the Universidad Carlos III.

::: Improving the professional and personal performance of our staff
::: Workplace environment and communication with staff

PRISA is behind a number of initiatives aimed at measuring the degree of worker satisfaction, and evaluating the workplace environment. This allows the Group to make constant improvements, and to foster internal communications, both at a corporate level as well as between the different business units of the company.

At a Group level, Management Teams take surveys every two years to determine the level of satisfaction and determine what improvements might be made.

In addition to these initiatives, companies have established their own internal mechanisms for the evaluation of employee satisfaction.

Grupo Santillana, for example, uses the company intranet system as well as email to gather employee opinions. As well as suggestion boxes, there is an annual meeting where all these suggestions are discussed. In Brazil, for instance, in 2008 workers took part in informal meetings so as to assess the workplace environment.

At El País, the Professional Committee carries out regular employee-satisfaction surveys among reporters and writers. There is also an intranet suggestion box available to employees.

Unión Radio has two tools for assessing worker satisfaction: the Intercenter Committee and the Collective Agreement Guarantee Commission. The Intercenter Committee, made up of 72 people, including shop stewards, meets five times a year. The results of the meetings are discussed and negotiated with Human Resources. The Collective Agreement Guarantee Commission is a body with equal representation of management and staff and meets when either side requires it to in order to analyze the degree of compliance with the Collective Agreement.

Media Capital uses intranet, email and a Corporate magazine in which anyone may collaborate.

Prisacom has a collaborative website, has internal communication channels and carries out regular follow-ups of workplace environment.
Grupo PRISA has implemented a Joint Workplace Risk Prevention Service for all companies, through which all Workplace Health and Safety actions are undertaken, as established in applicable legislation and with the agreement of employee representatives.

It should be noted that no serious professional illnesses have been detected in our companies and no specific actions have therefore been considered necessary.

Health and safety training initiatives, covering risk prevention, are provided through the different companies to their staff.

In this area, noteworthy campaigns include flu prevention and cardiovascular disease awareness.

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**Absenteeism 2008**

- Sick Leave: 13%
- Accident Leave: 1%
- No incidents: 86%
Commitment to society

- Fundación Santillana
- Escuela de Periodismo
  - Oficina del Autor
- Promotion and diffusion of Arts and Cultures
- Promotion of Solidarity
- Education as the engine of social development
- Commitment to the communications sector
At PRISA we strive to maintain and improve our commitment to society through socially responsible and ethical behavior in all our operations. We have subscribed to a number of voluntary codes which respond to the needs and concerns of the world around us, particularly in the fields of education, information and entertainment.

Our commitment means we are aware of the needs and concerns that constantly emerge in the globalized and multicultural world where we operate. Whenever possible, we endeavor to make sure our operations respond to these needs, either through our own initiatives or through third party initiatives. We are aware of the impact and social reach of our operations, which is why we make the utmost efforts to ensure that our actions foster the principles of solidarity, respect, sustainability and responsibility.

These operating principles and criteria are patent in the support we offer to our own initiatives or third party initiatives that foster and promote values we consider vital for society in the areas of culture, the arts, sport and education. We lend our support to numerous entities and social initiatives and allow them to use our media as a platform, providing them with adequate space and channels to spread their message. We also support specific campaigns and events aimed at fund-raising, such as charity concerts or sports events.

These activities are carried out by the Group’s different companies through the Fundación Santillana, the Escuela de Periodismo, the Oficina del Autor and a number of other activities (including prizes, events, and support for NGOs). This strategy allows us to involve all the structures and levels of the company and enables us to experience first hand the demands and concerns of society.

2. Grupo PRISA president Ignacio Polanco and the Spanish education minister, Mercedes Cabrera, at the opening of the XXIII Monograph Week in Education.
The Fundación Santillana is responsible for a wide range of activities in the area of educational development as well as the organization and promotion of culture in a Spanish and Ibero-American context. Its programs and initiatives are developed and carried out through the Foundation’s main offices located in Spain, Colombia, Argentina and Brazil, as well as through collaborating with other organizations throughout Latin America.

España

In Madrid:

Spring Seminar. The 9th annual encounter of experts and specialists from the Spanish education system. Thirty specialists, chosen on the basis of their professional responsibilities, debated Educational results and teaching reform. The papers and debates are published.

Education Week. The theme of the XXIII Monograph Week in Education (November 19-21) was Reading in the Information Age. The contributions and findings of the previous year’s seminar on “IT and Communication in Education: challenges and opportunities” were published, thus meeting the goal of providing access to the debates to thousands of teachers and experts.

The launch of the Jesús de Polanco memorial chair for Ibero-American studies. Madrid, Círculo de Bellas Artes, November 27. The Foundation and the Universidad Autónoma of Madrid established an academic chair in memory of the late Jesús de Polanco, who died in July 2007. It’s conceived as an academic forum, committed to educational, development, cultural cooperation and democratic consolidation on both sides of the Atlantic.

The honorary committee included, among others, writers Gabriel García Márquez and Carlos Fuentes, former Spanish prime minister Felipe Gonzalez, Universidad Autónoma rector Ángel Gabilondo, Ignacio Polanco and Juan Luis Cebrián.
The theme of the first seminar, held last December, was *The Quality of Democracy*, which looked at the three essential pillars of democracy: the media, education and a market economy.

**Santillana del Mar:**

The Foundation has housed its archive and library (including all new books published by Alfaguara, Taurus and Aguilar) in the Tower of Don Borja. The library of the Infanta Paz de Borbón (books from the 16th to 20th centuries) is also being restored.

**Lessons and Masters.** June 16-18. Lessons and Masters is the fruit of an agreement between the Fundación Santillana and the Universidad Internacional Menéndez Pelayo (UIMP). The writers Mario Vargas Llosa, Javier Marías and Arturo Pérez-Reverte were this year’s guest speakers. Writers, literary critics, academics, translators, booksellers and journalists took part in the three-day forum which was also broadcast over internet.

**In Toledo:**

**International Don Quijote de la Mancha Award**

The International Don Quijote de la Mancha Award, co-sponsored by the Fundación Santillana and the regional government of Castilla-La Mancha, was set up to recognize contributions to the promotion and spread of Spanish culture and language. Candidates may be put forward by institutions or entities of any country.

Lúiz Inácio Lula da Silva, President of Brazil, won in the category Best Institutional Contribution for his important educational initiative, the Spanish Language Law. Institutional backing for the teaching and learning of Spanish in the secondary-level classroom means that more than nine million students will have a working knowledge of the language and will be able to use it as a tool for both cultural and professional development. The measures have opened up exciting new possibilities for cooperation, communication and cultural exchange between Brazil and its Hispano-American neighbors.

In the category for outstanding career, the Mexican writer Carlos Fuentes has been honored for his contribution to Spanish language and culture as a whole. The jury praised Carlos Fuentes as one of the most notable and culturally important intellectuals from the Spanish-speaking world. His efforts in favor of creating the Territorio La Mancha as a common cultural space to be shared by all Spanish speakers are now paying off and the idea is fast gaining ground in those countries where his work is influential. As a thinker, essayist and novelist, Carlos Fuentes has contributed to the consolidation of Spanish as a world language of knowledge and thinking.

**Partnerships with local and regional institutions**

The Fundación Santillana collaborated with a number of foundations and social organizations over the course of 2008 with the aims of promoting culture, education and the arts. These included the online library Biblioteca Virtual Miguel de Cervantes, the Real Instituto Elcano, the Fundación Carolina, the Organization of Ibero-American States (OEI), and the Sociedad Iberoamericana de Amigos del Libro y la Edición (Siale), who organize training for book publishers (VII Curso de Formación de Editores Iberoamericanos).
Colombia

Colombia, the OECD Programme for International Student Assessment (PISA) Conference. In collaboration with the Ministry of Education.

Meeting of young Ibero-American politicians. Held in Cartagena de Indias and co-sponsored by the Fundación Carolina and the Spanish embassy, the theme was *The Bicentenary Agenda*.

Seminars on the economy. In partnership with the Foundation for Higher Education and Development (Fundación para la Educación Superior y el Desarrollo – Fedesarrollo). The theme was *The role of government in industrial policy; Free trade accords; and Colombia’s alternatives for diversifying its markets in the 21st century*.


Argentina

Fourth Latin American Education Forum. Held in Buenos Aires, May 26-28, 2008. 2008 was Year of the Sciences in Argentina and the forum was organized under the title *Teaching and learning science. Challenges, strategies and opportunities*.

Adult Learning and Literacy Seminar. The work of the seminar was published with the title: *Towards a fairer society. Youth and adult education in Latin America: Experiences and challenges*.

The Viva Lectura Prize 2008. The prize aims to foment, promote and honor schemes and initiatives in favor of reading. Organized by the Ministry of Education and the Organization of Ibero-American States, with the backing of the Fundación Santillana.
Brazil

The Fundación Santillana opened a new headquarters in Sao Paulo on April 11, 2008. The inauguration was marked by a meeting of education experts from Europe and Latin America. Other initiatives included:

Fifth Autumn Seminar. May 21, Sao Paulo. The findings from the report on the OECD Programme for International Student Assessment (PISA).

Seminar on changes to education in the information age. Held in Sao paulo on April 10 and organized by the Organization of Ibero-American States.

Exhibition Escolas de Valor. Exhibition on notable and courageous education initiatives in Brazilian schools.

Sixth International Education Congress. Held in Recife on May 13 under the title: Education and Quality: the Challenges. With support from the Organization of Ibero-American States.

Vivaleitura Prize 2008. The Award was created by the Brazilian Ministry of Education and Culture and the Organization of Ibero-American States. Over 1.855 projects aimed at fostering reading were presented.

Peru

Meeting of the Ibero-American Network of Education Experts

Mexico

Mexico City

**Launch of Isabel Polanco International Essay Prize.** Those present included Ignacio Polanco, president of the Fundación Santillana; Raúl Padilla, president of the Guadalajara International Book Fair (Feria Internacional del Libro de Guadalajara – FIL); and Gonzalo Celorio, permanent secretary of the jury.

Guadalajara

**The launch of the Jesús de Polanco memorial chair for Ibero-American studies.** The event was held during the Guadalajara International Book Fair (Feria Internacional del Libro de Guadalajara – FIL) and was presented by Ignacio Polanco, president of Grupo PRISA; Juan Luis Cebrián, president of the executive committee; and the writer Carlos Fuentes and journalist Joaquín Estefanía.
The Escuela de Periodismo is the result of a cooperation agreement between PRISA and the Universidad Autónoma de Madrid and was founded in January, 1987, as part of a strategic joint venture to provide journalism training to graduates from any field.

Since its creation, the Escuela de Periodismo has contributed to the training of almost 900 new journalists, many of whom are now working on the staff of various media. One of these graduates, Javier Moreno, is currently the editor-in-chief of *El País*.

In its 23 year history, the Escuela de Periodismo has developed and consolidated an original model for the professional teaching of journalism, based on intense first-hand practice; it is now regarded as a model by other teaching institutions.

The defining feature of the Escuela de Periodismo is that the classrooms are editorial rooms, where students are given the same technological tools as the professionals in Cadena SER or Elpaís.com and *El País*, where the school is located. Every year, 40 Masters’ program students, selected for the course after a rigorous process, conduct interviews, edit magazines and newspapers and radio news programs in real time. Over the last three years, the School has focussed its efforts and attention on the training of multimedia specialists, able to incorporate the latest multimedia tools into their work.

In this way, students produce a real-time online paper in which they manage not just text but all kinds of audiovisual media.

Every year, leading figures from the worlds of politics, communications, sports, science and the arts visit the school and engage the students in debate. In 2008, and for the third year running, the students visited Oviedo as guests of the Prince of Asturias Awards Foundation, where they took part in the press conferences given by the award winners ahead of the official gala. A small group were also invited by the Polish embassy in Spain to visit Warsaw for the meeting of the European Youth Forum. The School of Journalism is a member of the EJTA – the European Journalism Training Association.
The School maintains increasingly close ties with educational institutions and the media throughout Latin America. Thanks to an agreement with the Fundación Carolina, three Latin American students receive a scholarship every year. And another agreement with the Latin American Foundation for New Journalism (Fundación Nuevo Periodismo Latinoamericano FNPI), whose president is Nobel prize-winner Gabriel García Márquez, sees the school organizing a series of seminars in Colombia every year.

The Masters in Journalism is offered by the Universidad Autónoma de Madrid and is the school’s chief activity. Also, in collaboration with the Fundación BBVA, the Universidad Internacional Menéndez Pelayo (UIMP) and the Universidad del País Vasco (UPV), the school has set up a Summer School offering specialized training in different branches of journalism. Teaching staff have included important Spanish scientists, business leaders, economists, lawyers and journalists.

Another activity of the Escuela de Periodismo, in partnership with the management of El País, is the organization of Ongoing Training Seminars for working journalists.

The Escuela de Periodismo is governed by the Board of the Fundación Universidad Autónoma of Madrid/EL PAÍS, whose co-presidents are the Rector of the UAM, Ángel Gabilondo, and the Chairman of Grupo PRISA, Ignacio Polanco. Since 1994, the Escuela de Periodismo has been headed by Joaquín Estefanía, director in chief of El País from 1988 to 1993.

Each year, the Masters’ Program is inaugurated with a lecture given by a leading figure. In 2008, the guest speaker was Rosen- tal Alves, University of Texas professor and director of the Knight Center for Journalism.
The Oficina del Autor oversees Grupo PRISA policy on writers

Among the many Grupo PRISA stakeholders, some stand out thanks to their particularly vital role. Such is the case of writers and authors who, in addition to their role as professionals in the world of culture and communication, play a critical role in the creation and dissemination of culture in society. We have a special relationship with authors, acting simultaneously as their editors and promoters, as managers of their rights, as agents for the diffusion of their work in society and, of course, as their readers. Writers provide nourishment through culture, information, knowledge and reflection. And we provide the channels and support for their self expression. The oficina del autor was created to support and promote their work, and combines the functions of publishing, promotion, rights and distribution management.

Over the past year, the literary web portal and blog El Boomeran(g) has gone from strength to strength. As well as offering updates on the Spanish literary and cultural scene there are blogs by the likes of Félix de Azúa, Jean-François Fogel, Sergio Ramírez, Vicente Verdú, Rafael Argullol, Víctor Gómez Pin, Clara Sánchez and Jorge Volpi.

Also in 2008, the Oficina del Autor continued to develop specific cultural initiatives such as The Onstage Author. 2008 saw Mario Vargas Llosa return to the world of theatre with Las mil y una noches, in which Joan Ollé directed Aitana Sánchez Gijón. This latest work joins previous productions such as La verdad de las mentiras and Odiseo y Penélope, performed in Barcelona, Madrid, Mérida, Guadalajara (México) and Santiago de Chile.

The Oficina del Autor also sponsors special educational and cultural projects, such as the annual international literary forum Lecciones y Maestros (Lessons and Masters) co-hosted by the Fundación Santillana and the Universidad Internacional Menéndez Pelayo and which brings together leading literary lights and journalists in the town of Santillana del Mar.
Mario Vargas Llosa and Aitana Sánchez Gijón in the author’s *Las mil y una noches*, a project developed by the Oficina del Autor.
Ortega y Gasset Journalism Awards

Created in 1984 by the newspaper El País, the awards are named after the Spanish philosopher and journalist José Ortega y Gasset. The prize honors work published in Spanish worldwide, recognizing, in particular, work which champions human rights, independence, rigor, curiosity and passion: in short all the hallmarks of excellent journalism.

In 2008, the awards had their 25th annual outing and the prizes honored the courage of investigative journalists and the struggle for freedom of expression, while denouncing the horrors of war. The awards went to a series of reports on abuse at the hands of the clergy by Mexican journalist Sanjuana Martinez, published in the Mexican daily paper La Jornada. In the digital journalism category, the prize went to blogger Yoani Sánchez for Generación Y.

Photojournalist Gervasio Sánchez won in the graphic journalism category for his picture Sofía y Alia, an image portraying the horror of war in Mozambique. Mexican magazine Zeta, published in Tijuana, won in the professional career category, with the jury recognizing the coherence, independence and integrity with which this publication has struggled, since 1980, against a climate of impunity amid corruption and drug trafficking in the border regions of northern Mexico.

The jury for this, the 25th edition of the prizes, was presided over by the academic Gregorio Peces Barba, and was made up of leading figures from the worlds of media, culture, society and politics, including the philosopher Fernando Savater, journalists Angels Barceló and Antonio Franco, actress Blanca Marsillach, and the four El País directors since it was established: Javier Moreno, Jesús Ceberio, Joaquín Estefanía and Juan Luis Cebrián.

Each winner received 15,000 euros and a commemorative trophy designed by sculptor Eduardo Chillida.
The Alfaguara Literary Prize
2008

The 11th annual Alfaguara Literary Prize was won by Cuban writer Antonio Orlando Rodríguez for his novel *Chiquita*, an imaginary biography of a real person, an early 20th-century diminutive Cuban vaudeville singer and dancer who triumphed worldwide.

The jury – which was chaired by Nicaraguan writer Sergio Ramírez, and included Ángeles González-Sinde, Jorge Volpi, Guillermo Martínez, Ray Loriga and Juan González, praised the “lively, elegant novel, told with narrative grace, and the fruit of tireless imagination”.

The prize is worth 175,000 dollars and consists of a sculpture by Martín Chirino; prize-winning novels are published simultaneously in 22 countries where Santillana operates, exposing them to a potential market of 400 million readers.

The Alfaguara Literary Prize is one of the most prestigious to be awarded to a previously unpublished Spanish-language novel. Since it was set up in 1998, the jury has been presided over by Carlos Fuentes, Eduardo Mendoza, Alfredo Bryce Echenique, Antonio Muñoz Molina, Jorge Semprún, Luis Mateo Diez, José Saramago, José Manuel Caballero Bonald, Ángeles Mastretta and Mario Vargas Llosa.
Ondas Awards

The Ondas Awards are the oldest radio and television prizes in Spain, and are awarded by Grupo PRISA through the Cadena SER’s veteran broadcaster Radio Barcelona, with the support of the European Broadcasting Union. They are given to the most outstanding professionals, companies and individual works, both national and international, from the worlds of radio, television, advertising and music.

The Ondas had their 55th annual outing in 2008 and once again recognized creativity, talent and imagination. A number of the 22 prizes went to new formats and emerging stars, testament to the awards’ commitment to encouraging new talent and innovation.

Among the winners in the radio categories were Cadena SER’s sports coverage team, with the jury praising their imaginative contribution to the field. Cadena DIAL’s program *Atrévete* picked up an award for its combination of humor and entertainment, while the jury also recognized the outstanding career of Pepa Fernandez, who has worked at Spanish national radio RNE for 25 years. Canal Sur Radio was similarly recognized for its 20 years on air. Among the Latin American winners was *Las voces del secuestro*, Caracol Radio’s program which keeps families in touch with kidnap victims held captive by Colombian guerrilla group FARC.

The television winners included: entertainment program *El Hormiguero* (Cuatro), the actress Carmen Machi for her character in *Aida* and *El Duque* for *Sin tetas no hay paraíso* (both from Telecinco); the investigative journalism of *Callejeros* (Cuatro); *Salvados por la campaña* (La Sexta) and TVE’s series *Amar en tiempos de revueltos*.

In the music categories, prize winners included Amaral, Rosario, El Canto del Loco, Andrés Calamaro, Coldplay, Diego El Cigala and Pitingo. Finally, advertising agency Sra. Rushmore won the best creative team award as well as the best radio campaign, the latter shared with Shackleton.
The Isabel Polanco International Essay Prize

The Isabel Polanco International Essay Prize, launched by the Fundación Santillana in collaboration with the Guadalajara International Book Fair, was set up to fill a gap in the awards calendar in the area of literary creativity. The prize aims to recognize the crucial importance of this form of reflection and analysis.

The award was created in Mexico last June in honor of the late Isabel Polanco, who over her 12 years as CEO of Grupo Santillana made an enormous contribution to the publishing activity of Grupo PRISA in Spain and Ibero-America.

The prize is worth 100,000 dollars and the jury is headed by the renowned Mexican writer Carlos Fuentes. The winning work will be published by Taurus and distributed throughout Latin America, Spain and the US, where Grupo Santillana is present.

The theme of the first award is the Bicentenary of Latin American Independence and in the future, the award will recognize work on other subjects which shed light on history and currents in 21st-century thought.
1. Iñaki Gabilondo supports the initiative Amanecer por África.
2. Iker Casillas and Rafael Nadal at the benefit match Por un mundo libre de malaria (For a malaria-free world) broadcast by Cuatro.
3. Caracol Social’s campaign En Familia (In Family).
Promoting Solidarity

Throughout 2008, Grupo PRISA has continued its tradition of organizing and supporting various social initiatives, either independently or in partnership with other institutions, both public and private, as demonstrated by the range of sponsorship agreements signed with social institutions such as Intermón Oxfam, Ayuda en Acción, WWF, UNICEF and the UNHCR.

Our companies develop a number of social programs depending on their individual areas of expertise.

_El País_, for instance, collaborates with NGOs by offering them advertising space to the tune of 1.17 million euros. Among those who have benefited from this initiative are Movimiento por la Paz, Atelier Ong, Bomberos Unidos Sin Fronteras, Cáritas Española, Anesvad, Accion contra el Hambre, Medicos Sin Fronteras, Nuevo Futuro-El Rastrillo, Misiones Salesianas, Asociación Española contra el Cáncer, Asociación Española con Acrnur, Intermón Oxfam, Cruz Roja Española, Manos Unidas, Fundacion Save The Children, Unicef, El Refugio and Entreculturas.

GDM, our Spanish and Portuguese multimedia sales center, cooperates with the Fundación Talita, an organization which works for the integration of people with special educational needs.
The Fundación Santillana sponsors a number of initiatives aimed at fomenting training and awareness in the field of education, such as the 30th annual Educational Experience Competition. Santillana also organizes a wide range of courses and seminars on themes such as basic skills, education for citizenship, education quality, conflict resolution in the classroom, information technology in the education world and so on. These are geared towards management teams, teaching staff and families at schools throughout Spain.

Santillana Argentina, meanwhile, has developed an ongoing training program for teachers in conjunction with the NGO Co-prodeli, which runs schools throughout the country. Its institutional projects division runs a number of initiatives in collaboration with NGOs in the field of education and aimed at state school teachers and students. In Perú, Santillana has teamed up with the Fundación BBVA to promote reading among disadvantaged children in Lima.

In the audiovisual area, Sogecable is committed to a number of social issues as demonstrated by its program content. Indeed, encouraging social and environmental awareness is a key part of the company’s mission and identity. In 2008, Sogecable has worked with the drugs NGO Fundación de Ayuda contra la drogadicción, the Fundación Theodora, Manos Unidas, the Comité Paralímpico Español, Intermón Oxfam, Asociación Ayudemos a un niño, Cruz Roja and the Fundación Más Vida.

Cuatro has shown its public service commitment through the broadcast of benefit events, such as the charity football match Partido contra la Pobreza, which in November brought together friends of Zidane and Ronaldo in Fez. This friendly game is the first in a series of eight matches aimed at promoting the eight United Nations Millennium Development Goals which aim to halve poverty by 2015.

Cuatro also joined the initiative led by Iker Casillas and Rafa Nadal, a sports event which, for the second time, raised funds for the Red Cross’s fight against malaria in Africa. As well as broadcasting the event, Cuatro donated 200,000 euros to the cause.

The fight against hunger in Africa was the theme of the benefit concert Concierto Principales Solidarios, organized by 40 Principales. Once again, Cuatro broadcast the event which brought together on stage some of the biggest names in music, including Melendi, Texas, Coti and Amaral.

In December, Cuatro joined the other general-interest TV channels to support the traffic ministry’s campaign, sponsored by a drink’s brand, in favor of responsible driving.
Cuatro regularly broadcasts programs reflecting its commitment to social issues and to creating an awareness of inequality and poverty in society.

A case in point is the program *Callejeros*, which examines the social issues affecting different social groups or towns in Spain. The widely acclaimed program has won a number of awards, including the magazine *Teleprograma*’s TP de Oro for best investigative report show in 2006 and 2007, as well as the Ondas Award in 2008.

Concern with environmental issues is another hallmark of Cuatro, which frequently broadcasts short awareness spots. In spring, for example, the channel filled the airwaves with the slogan: “¿Eres verde, o te lo haces? Feliz Ecoprimavera” (How green are you? Happy Eco-spring!). The aim was to warn viewers against complacency on environmental issues.

Sogecable’s pay TV station, Canal+, the Digital+ premium channel, also showed its concern with the environment with its awareness campaign, *We’ve still got time*, aimed at finding solutions to the degradation of the planet. Under the slogan *Every little thing counts*, it launched a breast cancer campaign in conjunction with the Fundación Anderson and Agencia D6 which climaxed in an auction of items donated by celebrities.

Grupo Media Capital, both directly and through its component companies, supported and actively contributed to a number of social initiatives in the areas of culture, the environment, education and health. The total cost of these programs in 2008 was 1.9 million euros.

In the online world, Prisacom collaborates with the disability charity Fundación Formación Sin Barreras. There was also a the Red Cross campaign to collect used mobile phones and another, in conjunction with the traffic ministry to encourage road-safety awareness.

Union Radio’s operations are spread out over a number of countries, mostly in Latin America. Among its most notable efforts in the area of social issues are those of Caracol Radio, which through its Caracol Social department, sponsors a number of important campaigns in Colombia and neighboring countries.
The family at play campaign

The campaign “It’s time to take playing seriously”, created by Caracol Social, the Corporación Día de la Niñez and Procter & Gamble, aims to encourage adults to play with their children and make them aware that play time is crucial in the development of children.

Launch of the program “In Family”

Some months ago, Caracol Social teamed up with the Colombian Institute for Family Welfare (ICBF) to kickstart the initiative “In Family”, a radio program providing useful information to parents and educators on child rearing, health, nutrition, education and leisure.

Launch of Caracol Junior

Last February, the Caracol radio studios saw the launch of the project Caracol Junior, an important joint initiative from Unicef, the Fundación Plan and Caracol Radio, aimed at encouraging children and young people to express themselves by creating their own radio content.

National Peace Prize 2008

The National Peace Prize aims to promote peace, and values of solidarity, understanding and civilized coexistence among Colombians. It is awarded by the UN Development Program, the newspapers El Colombiano and El Tiempo, the magazine Semana, Caracol Televisión and the Friedrich Ebert Stiftung Foundation in Colombia (Fescol) and Caracol Radio.

Thanks to its initiatives in the fields of solidarity and social issues, Caracol Radio has won the Simón Bolívar prize a total of five times.

Best journalist of the year was Herbin Hoyos Medina, who anchors the program Voces del Secuestro (Kidnapped Voices). On air for 14 years, the program provides kidnap victims with an “umbilical cord” to the outside world.

Néstor Morales, anchor of the program Hora 20 won the prize for best opinion program on radio. The jury said that the program, which debates in depth the issues affecting society, was a benchmark for such programs.
La W, led by Julio Sánchez Cristo, won the prize for best radio report and best journalistic team for the broadcast of “Abuso en la Valvanera”, in which four young people narrated the horrific abuse they suffered while walking in the hills near Chía.

Best cultural program went to an HJCK.com and Caracol Radio co-production. The life and times of the Italian composer Vivaldi were brought wonderfully to life over the course of the 22 episodes of this radio play.
Grupo PRISA is active in the defense and promotion of social and cultural values in the regions where it operates, especially in the fields of education and teaching.

An example of these efforts is its cooperation with prestigious universities in Spain and Latin America in the promotion of education and training. Among the participating universities are: the Universidad Autónoma of Madrid, the Carlos III University, the Menéndez Pelayo International University and the Instituto Universitario de Posgrado, associated to the Universidad Autónoma of Barcelona, the University of Alicante and the Carlos III University.
:: El País de los Estudiantes

The El País de los Estudiantes initiative was developed as a key tool for the promotion of culture and educational values. It was conceived and designed by El País and Grupo Santillana as a press-school program aimed at teachers and secondary school students throughout Spain. It brings together in one single educational programme, information and new technologies and thus responds to the need felt at an institutional level to introduce newspapers into the classroom.

In 2008, El País de los Estudiantes received the INMA Prize for the best press-school program beating off competition from 1,100 entries from 180 newspapers in 34 countries. The initiative is aimed at fostering values such as teamwork, analysis and critical thought so that students learn to see that freedom of expression and reliable news are crucial to a democratic society.

The project is designed to facilitate the inclusion of newspapers in education centers, promoting reading habits and orienting teachers in the didactic use of the press.

It organizes a competition in which teachers and students become the journalists and participate in the creation of their own newspaper using an El País supplied internet-based layout and publishing tool.

In the seventh year of the program, more than 34,000 students from almost 2,000 schools presented 6,660 newspapers. The year’s first prize went to Hablando en plata, created by the Instituto Alba Plata, in Badajoz, in which the students interviewed a woman who was the victim of sexual trafficking at the hands of the mafia. Second prize went to the Basque school Colegio Padre Andrés Urdaneta for their newspaper La Clase, while third prize went to the Valencian school Pio XII school for their paper La Respuesta. First prize is worth 12,000 euros in travel, second prize is worth 9,000 and third prize, 6,000. All the winners receive a further 6,000 euros for computer technology. The programme benefits both teaching personnel – by fostering the use of new technologies – as well as students, by encouraging analysis, new ways of thinking, ways of expression and critical thought through teamwork. Schools also benefit, as do families, who gain a fresh insight into and an understanding of the opinions and experiences of their children.
Since 2002, El País has run a steady stream of promotions of collectibles, chiefly in the area of culture. These contribute to:

- Academic learning by means of promotions such as the Enciclopedia del Estudiante or the Enciclopedia general.

- Language learning (Muzzy y English Plus).

- Introducing art (Painting Movements) and literary classics to both adults (20th Century classics, Spanish Classics, Short Stories and Poetry) and children (Children’s Tales, My First Classics)

- Knowledge of world and Spanish history

- Education in music across all genres (Mozart, Classical Music, Jazz, Serrat and Sabina, Héroes del Silencio, Sinatra, Karajan, Miguel Bosé, Flamenco, Diego El Cigala).

- A greater appreciation of cinema, through The Great Classics, Spanish Cinema, European Cinema, Great Directors and Woody Allen.

- Awareness of basic health issues (Health), IT (Windows), DIY, gardening and cookery.

**SANTILLANA**

One of the world’s leading players in the field of education, Grupo Santillana is active in the publishing of text books and is present throughout the Spanish-speaking world.

This national and international reach has meant that Santillana is actively involved in collaborating with a wide range of organizations in the publication of books as well as in the organization of courses, seminars and congresses. These activities include:

- IV Congress TIC, organized by FERE-CECA Castilla y León. Valladolid, January.

- Commemorative events marking the 30th anniversary of FACEPM (Federación Autonómica de Centros de Enseñanza Privada de Madrid). Madrid, January.

- IV International Congress and XXV National Congress Nacional of Physical Education. Córdoba, April

- Congress of AESECE. Alcalá de Henares, April.

- Congress FEM MATEMÀTIQUES. Tarra-gona, May.

- World Education Congress ACADE. Valencia, May.

- Congress CECE – Cataluña. Barcelona, April.

- Congress ASSEDIL (La Salle). Baleares, April.

- Art, Education and Citizenship Seminar, organized by the Fundación Hogar del Empleado, the Organization of Ibero-American States and the Círculo de Bellas Artes. Madrid, April


- XXVI Diocesan Seminar on Pastoral Education. Sevilla, June.

- Congress of state high school principals. Madrid, June.

- Congress AGAPEMA. Galicia, June.
- XIX Seminar UCETAM (Unión de Cooperativas de Enseñanza de Trabajo Asociado de Madrid). La Granja (Segovia), July

- IV Miguel de Guzmán Mathematics Education School, organized by the Real Sociedad Matemática Española. Madrid, July

Congress of the trades union ANPE – Galicia. Santiago de Compostela, October.

XIII Congress of the Unión Española de Cooperativa de Enseñanza “Educate and innovate for social change”. Gijón, October.


Commemorative events marking the 30th anniversary of ACADE. Madrid, December.

Santillana has also collaborated on the training program of the institution FERE-CECA, throughout Spain: Castilla y León, Andalucía, Galicia, Valencia, the Balearics and the Basque Country.

And there was further collaboration with a number of religious congregations: Pureza de María, Religiosas Jesús-María, Religiosas de la Asunción, Franciscanas Misioneras de la Misericordia, Franciscanas Misioneras de la Madre del Divino Pastor, Filipenses Misioneras, Esclavas del Sagrado Corazón and the Compañía de María.
2. Jesús Ceberio, Chief Press Officer with the winning team of 2008’s El País de los estudiantes.
SOGECABLE

Sogecable is committed to three of the most important cultural and educational phenomena in our country: information, film and sports.

In the field of informing the country’s citizens, Sogecable has always stressed the crucial importance of plural and independent information as a medium of social communication at the service of society and impervious to commercial considerations.

In the area of film, our most noteworthy achievement has been the work of Sogecable’s film production arm, Sogecine, which over the past 17 years has produced around 100 films. Sogepaq, meanwhile, is Sogecine’s film distribution company and has sold some 270 Spanish films abroad, including all those produced by Sogecine.

Sogecable also broadcasts, through Digital+, the channel Dcine Español, dedicated entirely to Spanish productions. Canal+, meanwhile, regularly shows the most recent Spanish films.

With a view to encouraging the documentary genre in Spain, Sogecable has signed an agreement with the Universidad Pompeu Fabra de Barcelona, whereby it sponsors a Masters in Documentary Production.

In the field of sports, Sogecable has made enormous efforts, financial and professional, in favor of football since 1990, when Canal+ began broadcasting Premier League matches. This opened up new revenue sources for the clubs - pay football - which has been largely responsible for the phenomenal boom in the sport’s fortunes in Spain.

Also in favor of sport and the country’s youth is Sogecable’s program Campeonato de Fútbol 7 (Football Championship 7) which has brought together promising young players from all over the world.

Cuatro

Cuatro has created a unique style in providing responsible and socially responsive television through programs. We believe that education is the basis for responsible citizenship in the future.

The channel serves the 0 to 18 demographic with programs that reflect the behavioral patterns and growing pains of these early years. Super Nanny was back again last year, once again dealing with basic child rearing issues such as nutrition, sleep, hygiene, rules, play, study, etc, in an easy-to-understand format. SOS adoloscentes is aimed at teenagers and offers tips on basic behavior, of great help to parents and the rest of society at large. Responding to the growing social problem of teenage mothers, Cuatro broadcast Madres adolescentes, which aims to orient young mothers in child rearing.

Cuatro is always in search of new formats that, as well as entertain, will deal with and go some way towards solving the social problems affecting society. An example is the program Ajuste de cuentas, which aims to help families cope with the economic downturn by learning to manage their domestic finances.

Thanks to programs such as these, the channel maintains its commitment to society through formats that are accessible and useful for everyone.
1. Cuatro’s program Madres adolescentes teaches young people how to look after children.

2. Back for another year, Super Nanny deals with the most basic child-rearing techniques.
### Commitment to the communications sector

In keeping with our commitment to a robust and professional communications sector, the companies of Grupo PRISA are members of the most significant national and international professional associations and leading committees of experts in the relevant sectors, as shown in the following table:

<table>
<thead>
<tr>
<th>Associations</th>
<th>Work Groups/Committees of Expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL PAÍS</td>
<td>AEDE, WAN, AIMC, OJD, FANDE, AMPE, AUTOCONTROL, IFRA, INMA, REPORTEROS SIN FRONTERAS Specific AEDE workgroups</td>
</tr>
<tr>
<td>SANTILLANA BRASIL</td>
<td>Associação Brasileira dos Editores de Livros, Sindicato Nacional de Editores, Câmara Brasileira do Livro e Câmara de Comércio Brasil/Espanha</td>
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<tr>
<td>CINCO DÍAS</td>
<td>AEDE, OJD, EGM</td>
</tr>
<tr>
<td>PROGRESA</td>
<td>ARI: Asociación de revistas de Información AIMC: Asociación para la investigación de medios de comunicación ARCE: Asociación de Editores de Revistas Culturales de España</td>
</tr>
<tr>
<td>UNIÓN RADIO</td>
<td>AMPE, Autocontrol, AEDEMO, Asociación Española de Radio Comercial, EUER</td>
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<tr>
<td>CARACOL COLOMBIA</td>
<td>ASOMEDIOS AIR</td>
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<tr>
<td>IBEROAMERICANA CHILE</td>
<td>ARCHICARE ANDA</td>
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<tr>
<td>GLR USA</td>
<td>MIAMI CHAMBER OF COMMERCE SPAIN CHAMBER OF COMMERCE FLORIDA &amp; NEW YORK CAMACOL RAB NAB</td>
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<tr>
<td>RADIO CONTINENTAL ARGENTINA</td>
<td>Asociaciones Radiodifusoras Privadas Argentinas Boureu de Radios</td>
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<tr>
<td>RADIÓPOLIS MÉXICO</td>
<td>Cámara Nacional de la Industria de la Radio y Televisión (CIRT) Asociación de Radiodifusores del Valle de México (ARVM)</td>
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<td>PRISACOM</td>
<td>OPA Europe (Online Publisher Association) MediosOn (Asociación Española de Medios de Comunicación On Line) AIMC IAB</td>
</tr>
<tr>
<td>GDM</td>
<td>Autocontrol Asociación Española de Anunciantes AIMC IAB Users Association Soffres Marketing committee AEDE Management board of Autocontrol AEDEMO</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>AEDE</td>
<td>Asociación de Editores de Diarios Españoles. Association of Spanish Newspaper Publishers</td>
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<tr>
<td>WAN</td>
<td>Asociación Mundial de Periódicos. World Association of Newspapers</td>
</tr>
<tr>
<td>AIMC</td>
<td>Asociación para la Investigación de Medios de Comunicación. Association for Communication Media Research</td>
</tr>
<tr>
<td>OJD</td>
<td>Oficina de Justificación de la Difusión. Distribution auditing bureau</td>
</tr>
<tr>
<td>FANDE</td>
<td>Federación de Asociaciones Nacionales de Distribuidores de Ediciones. Federation of National Associations of Publishing Distribution</td>
</tr>
<tr>
<td>AMPE</td>
<td>Asociación de Medios Publicitarios de España. Association of Spanish Advertising Media</td>
</tr>
<tr>
<td>AUTOCONTROL</td>
<td>Asociación para la Autorregulación de la Comunicación Comercial. Association for Self-regulation in Commercial Communications</td>
</tr>
<tr>
<td>IFRA</td>
<td>Worldwide research and service organization for the news publishing industry.</td>
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<tr>
<td>EGM</td>
<td>Estudio General de Medios. Audience audit bureau</td>
</tr>
<tr>
<td>ARI</td>
<td>Asociación de Revistas de Información. Information Magazines Association</td>
</tr>
<tr>
<td>ARCE</td>
<td>Asociación de Editores de Revistas Culturales de España. Association of Spanish Cultural Magazine Publishers</td>
</tr>
<tr>
<td>AERC</td>
<td>Asociación Española de Radio Comercial. Association of Spanish Commercial radio Broadcasters.</td>
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</table>
וַיִּהְבּוּ לָהּ
Responsible management

- Purchasing and suppliers
- Attention to our readers, listeners, spectators and users
- Self-regulation and ethical codes
- Product and services guarantees
- Defence and respect for human rights
Providing guarantees to our stakeholders with respect to our duties and obligations as a business is an important part of our responsibility as an organization.

We believe that our relationship with our suppliers is a key factor in acting responsibly. All along our network of suppliers, wealth, and socioeconomic and technological value is created and distributed. Using our Guide to Relations with Suppliers, we evaluate not only economic, geographic and product and service-related factors, but also the suppliers’ integrity and their degree of commitment to tax, labor, human rights and environmental obligations.
::: Purchasing and suppliers

Our purchasing and suppliers policy sees the supplier as a fundamental stakeholder and is based on criteria of efficiency, transparency, equal opportunities and respect for the rule of law.

**Potential suppliers may consult PRISA’s Supplier Relations Guide**

In this guide, initial selection criteria are outlined which are based on the following criteria:

- All suppliers involved in any adjudication process will receive complete and detailed information about the goods and/or services to be supplied.

- The information supplied will be identical for all suppliers, ensuring that no single supplier enjoys any initial advantage, thus fostering legitimate competition.

- Suppliers will not be invited to participate in the adjudication process.

- All those who apply to become suppliers have a right to a fair hearing.

- All applications will receive a reply accompanied by comments on their acceptance or rejection. A negative reply is in no way an obstacle to submitting future applications once the reasons for the rejection have been addressed.

- The results of the adjudication process, including a summary of the criteria employed, will be communicated to the supplier in writing.

- Initiatives for constant improvement are in place which boost quality to the benefit of both parties. The supplier is welcome to make any suggestions as is felt necessary to improve relations between the Group and suppliers.

The goal of PRISA’s purchases policy is to build up a solid base of suppliers and collaborators, which grows year by year in line with the Group.

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**Growth of authorized PRISA suppliers**

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>150</td>
<td>853</td>
<td>931</td>
<td>1.308</td>
<td>1.422</td>
<td>2.172</td>
<td>2.420</td>
</tr>
</tbody>
</table>
We have established a system for evaluating potential suppliers. In order to systematically assess those suppliers, products and services typically required by PRISA, we have broken these down into seven main areas of activity:

<table>
<thead>
<tr>
<th>PRODUCTION AREA</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Mechanical paper pulp (newspapers, magazines) and chemical pulp (coated paper, offset etc)</td>
</tr>
<tr>
<td>Print and graphic services</td>
<td>Services and materials for preprint, print, binding, finish</td>
</tr>
<tr>
<td>Suppliers for audiovisual production</td>
<td>Audiovisual duplication (CD, DVD, audio and video tape), technical photographic material and audio and video equipment.</td>
</tr>
<tr>
<td>Services for audiovisual activities and production</td>
<td>Services related to audiovisual production: costumes and makeup, sets, radio broadcasts etc</td>
</tr>
<tr>
<td>Packaging</td>
<td>Pallets, cardboard, paper, plastic, (film reel canisters, etc.)</td>
</tr>
<tr>
<td>Other production materials</td>
<td>Different production materials</td>
</tr>
<tr>
<td>Promotional material</td>
<td>Textiles, electronic, merchandising, etc.</td>
</tr>
</tbody>
</table>
### General Services Area

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utilities</strong></td>
<td>Supply of utilities such as electricity, gas, fuel and water</td>
</tr>
<tr>
<td><strong>Security and risk prevention</strong></td>
<td>Security services and prevention systems (residues, protection against fire, etc.)</td>
</tr>
<tr>
<td><strong>Freelancers and other professional services</strong></td>
<td>Legal advice, consulting, auditing, sales agents, professional associations, news and photo agencies, translators, recruitment, documentation services, subcontracting, etc.</td>
</tr>
<tr>
<td><strong>Internal congresses and meetings</strong></td>
<td>Organization of congresses and meetings</td>
</tr>
<tr>
<td><strong>Travel and trips</strong></td>
<td>Transport and accommodation</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>Civil responsibility, credit, material damages, life and accident, vehicle, computer equipment, stock, multi-risk, etc.</td>
</tr>
<tr>
<td><strong>Banking services</strong></td>
<td>Banks and financial entities</td>
</tr>
<tr>
<td><strong>Office material and services</strong></td>
<td>Office material, corporate stationery, computer consumables, photocopies, etc.</td>
</tr>
<tr>
<td><strong>Furniture</strong></td>
<td>Office furniture and accessories</td>
</tr>
<tr>
<td><strong>Courier and postal services</strong></td>
<td>National and international courier and postal services</td>
</tr>
<tr>
<td><strong>Publications, subscriptions and daily press</strong></td>
<td>Subscription services to different publications</td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td>Services related to training (languages, IT, etc.), subcontracting part-timers, uniforms and work clothes, canteens and vending machines, medical services, forms of payment (fuel and food vouchers), employee gifts such as Christmas hampers, and vehicle lease</td>
</tr>
</tbody>
</table>

### Media and Public Relations Area

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advertising agencies</strong></td>
<td>Creating and contracting in the area of advertising and marketing campaigns</td>
</tr>
<tr>
<td><strong>Market research</strong></td>
<td>Market research and surveys, product studies</td>
</tr>
<tr>
<td><strong>Public Relations</strong></td>
<td>Materials and services in the area of corporate image and merchandising, customer service, catering and events organization</td>
</tr>
</tbody>
</table>
### Systems and Communications Area

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications</td>
<td>Services related to telephone land lines, mobile phones, data transmission, internet, satellite and broadcast centre communications, as well as other auxiliary services in the area of support and maintenance. Supply of associated equipment (video conferencing, telephones, network electronics, cables, etc.)</td>
</tr>
<tr>
<td>IT systems</td>
<td>Contracting hardware (micro-information material, servers and accessories as well as associated maintenance services) and licenses for different software platforms. Subcontracting services in the areas of IT consultancy, webpage construction and maintenance</td>
</tr>
<tr>
<td>Technical and distribution services</td>
<td>Hosting/housing and streaming services</td>
</tr>
</tbody>
</table>

### Infrastructure Area

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and renovation work</td>
<td>Adapting and renovating buildings and offices</td>
</tr>
<tr>
<td>Equipping and maintaining offices</td>
<td>Installation and maintenance involving electricity, air conditioning, elevators and cleaning services</td>
</tr>
<tr>
<td>Equipping and maintaining industrial installations</td>
<td>Supply, repair and maintenance of machinery and industrial installations</td>
</tr>
<tr>
<td>Rent</td>
<td>Rent of garages, buildings and offices, vehicles, land, warehouses, etc.</td>
</tr>
</tbody>
</table>

### Content Area

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties and rights</td>
<td>Publishing, musical, promotional, intellectual and industrial property rights and royalties</td>
</tr>
<tr>
<td>Freelancers</td>
<td>Professional collaborators in the fields of audiovisual production, radio, television, publishing, events, internet, reporting and design</td>
</tr>
<tr>
<td>Programmes and contents</td>
<td>Audiovisual rights; photographs, illustrations and image banks, music and recording, general information and business purchases; broadband content</td>
</tr>
</tbody>
</table>
In order to provide a representative survey of our wide number of suppliers we have chosen a representative sample, broken down according to the service they provide and their volume in terms of purchases. To date, we have analyzed 132 suppliers covering 25 services, representing 55% of the total volume of purchases made by Grupo PRISA. The increase in the number of suppliers analyzed is testament to a growing awareness across the Group’s companies of the importance of this issue. In this sample, there are local participants who supply Santillana in Mexico and Brazil, as well as those corresponding to Media Capital in Portugal.

The methodology used in evaluating the survey results consisted of a questionnaire whereby suppliers were asked to answer questions on management issues, environmental issues, quality, social responsibility, innovation, all of which bore in mind the strictest adherence to the relevant legal framework.

### Logistics Area

<table>
<thead>
<tr>
<th>Distribution of press and publications</th>
<th>Deliver to subscription-holders, national and international distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport, freight and haulage</td>
<td>National and international air, land and sea freight</td>
</tr>
<tr>
<td>Warehousing services</td>
<td>Services related to storage (treatment of unsold materials, preparation of orders, disposal etc.)</td>
</tr>
<tr>
<td>Other transport services</td>
<td>Removals services and transport of people</td>
</tr>
</tbody>
</table>

![Suppliers analyzed graph]

- **Distribution**: 6.82%
- **IT systems**: 0.76%
- **Graphic production**: 14.39%
- **Paper**: 3.79%
- **Advertising and PR**: 0.76%
- **Packaging**: 1.52%
- **Security**: 2.27%
- **Promotional imports**: 1.52%
- **Cleaning**: 2.27%
- **Packing**: 1.52%
- **Print raw materials**: 1.52%
- **Employment agencies**: 0.76%
- **Audio systems**: 0.76%
- **Installations and building work**: 6.82%
- **Telephone assistance**: 0.76%
- **Vehicle hire**: 2.27%
- **Gas and electricity**: 2.27%
- **IT services**: 0.76%
- **Media**: 0.76%
- **Technology**: 0.76%
- **General services**: 0.76%
- **Real estate**: 0.76%
- **Audiovisual reproduction**: 0.76%
- **Travel and insurance**: 0.76%
The results of the questionnaires, when analyzed yield some interesting results. For instance, 58% of suppliers have certified management systems or are in the process of implementing such systems. They have also subscribed to voluntary codes which favor good management. Meanwhile, 83% have in place formal procedures to attend to client concerns. Regarding environmental issues, 78% comply with all the necessary requirements and 96% comply with the local legislation on this matter.

Also worth noting is that 86% of the authorized companies have established codes or guidelines on Good Corporate Governance. 67% have adopted variables of Social Responsibility into their management code. What’s important about these findings is that these measures are of a voluntary nature, illustrating Grupo PRISA’s commitment to improving its relationship with suppliers and thus guaranteeing maximum quality for our clients.

### SUPPLIER SURVEY

<table>
<thead>
<tr>
<th>Management system is certified or is being implemented plus voluntary codes</th>
<th>58%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal procedures to respond to customer concerns</td>
<td>83%</td>
</tr>
<tr>
<td>Legislative Framework</td>
<td>96%</td>
</tr>
<tr>
<td>Adequate environmental safeguards</td>
<td>78%</td>
</tr>
<tr>
<td>Guidelines on corporate governance</td>
<td>86%</td>
</tr>
<tr>
<td>Incorporation of Social Responsibility variables in management code</td>
<td>78%</td>
</tr>
</tbody>
</table>
A key tool in this area is the Electronic Purchases Platform, which manages all aspects of the process, including potential supplier registration, application, the certification and authorization of all our suppliers worldwide as well as ongoing follow-up and periodic assessment according to those criteria previously outlined.

PRISA is always seeking to approve new suppliers wishing to add their goods/services and geographical range into our database. They thus become our first port of call when it comes to acquisition of products and services. The selection and approval process follows a number of steps, illustrated in the diagram below, and which are explained in detail on the Group’s website.
::: Attention to our readers, listeners, spectators and users

The media activities of PRISA go far beyond merely informing society. PRISA’s commitment to global responsibility means that we see our mission as influencing the behavior and customs of our users for the better. And this means that one of our greatest tasks is listening and attending to the concerns and requirements of our readers, listeners, spectators and users.

Whether through reporting or through sponsorship agreements, PRISA’s different media have been to the forefront of campaigns in favor of human rights promoted by organizations such as Oxfam, Ayuda en Acción, WWF, Unicef and the UNHCR.

Grupo PRISA’s media have institutional channels which are permanently open to the suggestions, criticisms and complaints of different social groups; they organize tours of facilities; and they are constantly attentive to the concerns of diverse interests, encouraging the exchange and debate of ideas, thus enriching society as a whole. Interest groups can transmit their inquiries, suggestions and complaints to the corporate center through the Communication Department or the Investor and Shareholder Relations Departments. Additionally, the corporate website (www.prisa.com) provides investors and shareholders relevant information about the Company.

Furthermore, each of the companies within the group has direct and indirect systems for gathering users’ opinions and concerns which enable them to respond to these promptly and directly.

SANTILLANA ESPAÑA

The publishing house has a number of web pages through which it maintains a constant dialogue with readers and users. Thanks to Kalipedia, students and teachers can access numerous educational resources. Santillana’s website provides information to teachers of all levels as well as secondary school teachers who use our textbooks. These websites also keep the general public up-to-date with new publications, prizes and events.
SANTILLANA AMÉRICA

The company has a number of communication channels open to clients, teachers, suppliers etc, along the value chain. Said channels are assigned according to sector: commercial, production, accounts pending etc.

The Group also reaches the community through forums and congresses sponsored by the Fundación Santillana.

Customer service channels operate across the company as a whole so that users can contact us by phone or by email with their suggestions or concerns.

EL PAÍS

El País deals with customer concerns through its Readers’ Editor and through its letters page. What’s more it is one of the companies to receive most visits and tour groups, allowing us to learn first hand the opinions of our stakeholders, and allowing our visitors to learn how principles of social responsibility are the driving force behind the company’s operations.

Visits to El País

<table>
<thead>
<tr>
<th>Visits</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary schools</td>
<td>217</td>
<td>425</td>
<td>356</td>
<td>566</td>
<td>573</td>
<td>262</td>
<td>309</td>
<td>346</td>
<td>357</td>
<td>349</td>
<td>349</td>
<td>3.411</td>
</tr>
<tr>
<td>Secondary schools</td>
<td>394</td>
<td>198</td>
<td>206</td>
<td>212</td>
<td>261</td>
<td>140</td>
<td>99</td>
<td>372</td>
<td>255</td>
<td>105</td>
<td>2.242</td>
<td></td>
</tr>
<tr>
<td>Special groups</td>
<td>81</td>
<td>124</td>
<td>78</td>
<td>176</td>
<td>172</td>
<td>126</td>
<td>137</td>
<td>211</td>
<td>105</td>
<td>50</td>
<td>1.105</td>
<td></td>
</tr>
<tr>
<td>Universities</td>
<td>35</td>
<td>37</td>
<td>11</td>
<td>33</td>
<td>8</td>
<td>1</td>
<td>65</td>
<td>35</td>
<td>74</td>
<td>50</td>
<td>50</td>
<td>349</td>
</tr>
<tr>
<td>Adult groups</td>
<td>40</td>
<td>189</td>
<td></td>
<td></td>
<td>143</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>372</td>
</tr>
<tr>
<td>Corporate visits</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>767</td>
<td>700</td>
<td>762</td>
<td>935</td>
<td>920</td>
<td>579</td>
<td>380</td>
<td>225</td>
<td>868</td>
<td>886</td>
<td>512</td>
<td>7.534</td>
</tr>
</tbody>
</table>
GMI

GMI keeps in direct contact with users and readers through free telephone lines. There are also more specific channels, according to the interest group in question. For example, advertisers can contact the sales team directly at each company while the media sales center, GDM, is in constant contact with them. GMI also attends once or twice-yearly meetings with newspaper stand owners. Readers and subscribers can make themselves heard in each of the publications, by phone, through customer service or at publication offices.

UNIÓN RADIO

All our radio channels interact constantly with our listeners, who can express their opinions and concerns or request information by phone or online. A survey on calls requesting information carried out two years ago revealed that these amount to around 200,000 a year. This does not include SMS text messages received during special promotions.

Internationally, our radio channels have a number of systems in place to attend to listeners, including phone lines and email.

Radiopolis Mexico, for instance, receives an average of 300,000 emails, 40 million phone calls and 900,000 text messages annually.

SOGECABLE

Sogecable’s customer service employs a number of channels. Principally we attend to subscribers, installation personnel, technicians, dealers and the general public interested in our services. We use most channels of communication at our disposal, including phonelines (both personal and interactive), post, fax, internet (both chat and click-to-call), email, information magazine and interaction through a digital terminal.

Sogecable’s different channels (Cuatro, Canal+ etc.) allow users to view promotional slots as well as program information (news, magazines, reports and documentaries etc.)

Digital+ communicates with its subscribers in a number of ways – through ad features, interactive screens, a monthly magazine and the website Plus.es.

The Communication Department is a constant source of information on the company. Over 2008, the department issued 3,000
press releases and reports. Its online suggestion box receives a weekly average of 700 messages, which were answered or redirected.

MEDIA CAPITAL

Media Capital’s companies are always anxious to stay in regular contact with their stakeholders and users.

This is achieved through the company website, formal correspondence (email and others). These official announcements detail the economic and market performance and accounts of the Group and its companies. Telephone and online channels are used to communicate with users.

Online

Regular newsletters (usually weekly) and individual company websites, packed with interactive activities (which allow us to learn more about the public and stakeholders and encourage direct contact) are also employed to inform about the products and operations of the company.

Telephone systems

TVI has a call system, integrated in its public relations department and available from 7.30am to midnight, which receives comments and suggestions from the public.

MCR and IOL also have a daily phoneline.

Online channels are the most useful way to communicate information to agents of social communication on new product launches and program schedules (in the case of TVI and MCR).

Visits and tours of facilities and the organizing of events are also used to maintain contact with agents of social communication, listeners, readers, viewers, shareholders and partners.

Another normal procedure is the daily use of marketing and feedback campaigns (by phone, email or personally).
PRISACOM

Prisacom’s Customer Service Center aims to attend to all the consultations, suggestions, incidents, concerns and so on that may arise from users of Elpaís.com, Cincodías.com, Cuatro.com, Los40.com, Plus.es, Santillanaenred.com, Kalipedia.com, Parasaber.com, Clasificadoselpais.com, Cadenaser.com and AS.com. Most of these are directed at Elpaís.com. This is the first filter and allows us to further manage and respond to our users as quickly as possible.

Depending on the nature of the incident there are a number of procedures: those that users can manage themselves online (changing personal data, subscriptions and so on); those dealt with by Customer Services at an initial filter level (requests for information or password changes); and those dealt with by Prisacom (by email or Sugar), billing (by email to Customer Services finance division or Sugar), returns (by email to Customer Services finance division or Sugar), data cancellation (Audea search tool), request for codes (by post).

All incidents must be resolved as promptly as possible so that Customer Services may respond satisfactorily to the customer — customer satisfaction being our primary goal.

The use of these systems also allows us to furnish some data on user input.

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PRISACOM

2,100 comments published daily
100,000 message board threads
1,450,000 message board posts
17,000 photos uploaded
10,000 news items received
4,000 news items published
11,300 polls carried out
80,000 reader soundbites
15,400 blogs created
Each and every one of the Group’s business units (publishing, press, radio, audiovisual, and internet) has adopted all the necessary measures to ensure fluid communication with the great plurality of social sensibilities and interests. The Group’s media stand for quality, rigor and transparency throughout all our information services and have therefore signed up to a range of Regulatory Codes covering content and communication of information.

The chief social responsibility of any media group is to defend and practice honestly and vigorously the right to information and freedom of expression. In this way we contribute to the growth and development of a democratic society everywhere we operate and in the media outlets where we are clear leaders.

To safeguard and guarantee these rights, *El País*, from its very beginning in Spain, pioneered the adoption of standards of professional ethics such as the Editorial Code, Style Book and Readers’ Editor, all of which were later adopted by the group’s other media outlets. In terms of advertising, *El País*, along with all the Group’s other media also respect and comply with codes.

Publishing house Santillana has developed its own Ethical Code, consisting of behavioral guidelines based on ethical principles. This code of conduct is adopted by everyone in Grupo Santillana, regardless of their post. The goals of this ethical code of conduct is to guide the actions of Santillana members in both their internal relations with other group members as well as in those with third parties. The code also aims to encourage behavior governed by those values accepted by all, to be fair, and to reduce subjectivity in personal interpretations of moral and ethical principles. In this way, it is hoped to strengthen the image of the Group and its employees in the community. The basic principles to which members adhere to are outlined below.
These editorial standards have led to the development of a rigorous, critical, and high-quality news culture renowned throughout Spain and America. In the audiovisual sector, PRISA’s companies have also signed up to a number of codes of conduct, thus guaranteeing the quality of their news services. These include the Code for the Promotion and Self-Regulation of TV Content and Children and the Code of Ethics for Journalistic Conduct, drawn up specially for CNN+ and the news services of TV channel Cuatro.

Our credibility and prestige are among our greatest assets but this is not the only reason why every day millions of people read, watch, tune in or log on to our services in search of information and news. Since the very outset, PRISA has played the role of responsible opinion leader and watchdog, working in defense of pluralist democracy, creating awareness around the issues that affect us. Our media have spoken loudly and eloquently – either through special coverage or free advertising spaces for NGOs – on a number of campaigns and in defense of human rights.

Many members of our management and administrative teams hold executive posts which have direct implications on the media companies within the group, putting them in a position of permanent dialogue with each and every interest group.
::: Product and services guarantees

Providing the consumer with guarantees on all our operations and products is one of our chief priorities. All of our companies meet international norms for product information and labeling, and have contractual guarantee clauses for compliance with specific norms in the case of commercial relations with our suppliers. Our promotional activities and competitions are conducted in accordance with all established legal procedures.

Our guarantees policy in the area of published and broadcast information and content are one of the basic principles of our management policy. That’s why we form part of a number of control and monitoring bodies with whom we have signed Codes of Conduct, and we have a number of internal Control Protocols through which the Group guarantees the full compliance of all its companies.

In Europe, PRISA is a member of the European Publishers Council, an important association of leading media organizations and which represents our common points of view to the EU.

In the Americas, PRISA has been instrumental in the success of the Foro Iberoamérica, which every year brings together leading business people from the media world to discuss common problems throughout this geographical and cultural area.

In the Spanish education arena, Santillana is an active member of the National Book Editors Association, ANELE, as well as other educational organizations with common values such as quality and responsibility in teaching. In the field of radio, SER is a member of the Asociación Española de Radiodifusión Comercial (Association of the Spanish Commercial Broadcasters). In the audiovisual sector, Sogecable represents the Group in UTECA (TV and Audiovisual Content Union). The Group’s newspapers are members of AEDE (Spanish Newspaper Editors Association). In Portugal, Grupo Media Capital is a member of the Portuguese Social Media Confederation, which brings together more than 600 companies from the press, radio and TV sectors.
PRISA collaborates actively with the Fundación Santillana and also with a number of cultural educational and scientific organizations, including the Spanish Royal Academy, the Cervantes Institute, Fundación Biblioteca Virtual Miguel de Cervantes, Fundación Teatro Real, Fundación Carolina, Fundación Cultural Hispano-Brasileña and Fundación Príncipe de Asturias. In the area of scientific research, development and innovation, the company collaborates with Fundación Pro CNIC and Fundación COTEC.

PRISA maintains close ties to various universities in Spain and the Americas, including the Universidad Autónoma of Madrid, the Carlos III University, the Menéndez Pelayo International University and is also associated to the Universidad Autónoma of Barcelona, the University of Alicante and the Carlos III University through the Instituto Universitario de Posgrado.

The Internal Control Protocols guarantee the privacy of personal information provided by clients, users or participants, ensuring compliance with applicable Data Protection legislation and guaranteeing the transparency of all our activities.
On December 3, 2008, Grupo PRISA signed up to the United Nations Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of Human Rights, labor, environment and anti-corruption, as outlined by Kofi Annan in 1999.

Testament to this commitment is the fact that no PRISA company has ever been sanctioned or fined for any infraction of international law or regulations concerning corruption, monopolistic practices, discrimination, disloyal competition, child labor or human rights. And the Group’s commitment goes way beyond mere compliance with the law – we adhere to numerous voluntary codes in favor of human rights and the rights and dignity of all those involved in our operations.

El País

According to a report by the Fundación Ciudadanía y Valores, El País published more on the subject of human rights than any other paper in 2008.

Caracol Radio

Also noteworthy is the radio program Las voces del secuestro (Kidnapped Voices), anchored by Herbin Hoyos for Radio Caracol in Colombia. On air since 1994, the program has received awards from numerous institutions for its humanitarian work. This unique program puts kidnap victims in touch with their families.

10/2008 - Asturias / Spain
Principe de Asturias Prize
Humanitarian Work

10/2008 - Barcelona / Spain
Premios Ondas 2008
Best Ibero-American Radio or TV program

10/2008 - Bogota / Colombia
National Peace Prize 2008
Humanitarian Work

11/2008 - Bogota / Colombia
Simón Bolívar Prize 2008
Journalist of the Year, Herben Hoyos

06/05/2008 - Buenos Aires / Argentina
Premios Perfil 2008
Freedom of Expression Prize

Further information: www.lasvocesdelsecuestro.com
Environment

- Consumables
- Waste and residues
- Emission of greenhouse gases
Grupo PRISA’s commitment to sustainable development, adopted by the Board of Directors, has enabled all the Group’s companies worldwide to make enormous headway in the area of environmental management.

Having analyzed the environmental impact of our business activities, we have been able to evaluate the degree of compliance with environmental regulations and recommendations throughout our facilities. We have also, in turn, endeavored to spread our commitment to our main suppliers through supplier evaluation and through our purchases policy. We have thus been able to obtain more reliable environmental indicators and greater quality data from the greatest number of available sources throughout PRISA, enabling us to strive over the coming years to reduce our impact on the environment.

We have also moved far beyond our most basic obligations by developing energy efficiency campaigns which will reduce our carbon footprint, as well as carbon offset programs.
Consumables

Energy

Energy is one of the principal resources used at the Group level, and the most relevant in the case of those companies which operate with technology (audio-visual, radio, IT, etc). Of all sources of energy, electricity is the most significant. Heating oil and natural gas, given their uses (heating and hot water), are used to a lesser extent. We are particularly concerned with our levels of energy consumption as this is the leading cause of greenhouse gases.

Electricity consumption by business headquarters

Heating oil consumption by business headquarters

*Figures relate to the headquarters on Gran Via in Madrid and include those for Unión Radio, Prisa Centro Corporativo, GDM, y GMI.
Regarding strategies to reduce and minimize energy consumption, each company has adopted diverse lines of action depending on their specific nature and their capacity. Across the board, all companies have also initiated programs to raise awareness about the energy use and the associated emissions.

*El País* has reduced electricity use by more than 3,000,000 kW/h, through a number of effective strategies such as improved lighting throughout all its facilities, changes in stairwell, corridor and bathroom lighting, the installation of timers and presence detectors and low consumption bulbs, and the installation of new doors to reduce energy and heat loss.

In addition, the Madrid and Barcelona head offices of *El País* have carried out a review of their facilities to determine the environmental situation of their operations. They have subsequently proposed measures for improving this situation.

Sogecable has implemented a number of measures which involve turning off unnecessary lights, equipment and circuits in unoccupied areas. Comprehensive maintenance is carried out on refrigeration units, thus reducing energy loss through thermal exchange. An initiative which will see 280 incandescent lamps substituted by low-consumption lamps is well underway and will mean savings of 4,266 euros a year. Gas consumption was also significantly down in 2008 as compared to 2007.
Also underway is a project of virtualization of the Wintel servers, which will see the number of physical servers fall from 160 to just 25, offering all the same services and applications. This will translate into real savings in electricity and air conditioning costs and a reduced need to invest in new servers.

Media Capital is also on a drive to ensure greater energy efficiency in those new offices geared towards production. This will lead to considerable energy savings as compared to existing offices and will serve as an example to other business units.

Unión Radio, like the rest of our companies, is endeavoring to reduce consumption and the generation of waste and residues. Iberoamericana Radio Chile has implemented a timing system on air conditioning, resulting in a 4,000 kW/h reduction – 10% monthly.

Group guidelines are being followed across all the remaining business units, the aim being to encourage activities that save energy – whether it be through machinery and equipment or through employee awareness programs.
Water

The Group’s water consumption is confined chiefly to heating, air conditioning and sanitary consumption as none of our productive processes requires the intensive use of water. We therefore comply with the legislation in place in each specific case and foresee no need to implement programs aimed at recycling and reuse of water.

Waste water is released into the general wastewater-collection system and there is no evidence of any accidental spillage. In all cases, group facilities hold the appropriate municipal and administrative permits and authorizations.

The following is a breakdown of water consumption at the various PRISA facilities:

Water consumption

*Figures relate to the headquarters on Gran Via in Madrid and include those for Unión Radio, Prisa Centro Corporativo, GDM, y GAI.
**Paper**

Paper and cardboard in its various forms constitute the principal prime material for all publishing enterprises and accounts for the most significant environmental impact of the Group. The Group therefore pays special attention to the management of paper-derived waste material and encourages and promotes all recycling activity that will guarantee the sustainable use of this crucial raw material.

Grupo PRISA, aware of its environmental responsibilities and given the different companies' use of this raw material, carefully manages all stages of the production and recycling process: from production line and transformation to cutting to finished product.

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**Paper Life Cycle in the Group**

[Diagram showing the lifecycle of paper from forests, raw material sourcing (25% fresh fiber, 75% recycled fiber), paper production, authorized manager (30% paper acquired), recycling, disposal (70% paper acquired), and end products (newspaper, books, magazines).]
As a result of our operations, waste and residues are generated which we may categorize according to their potential impact on the environment. Our waste and residue management model classifies and manages these residues in accordance with the appropriate applicable legislation. The most relevant are the following, which are listed by type and percentage over the total:

<table>
<thead>
<tr>
<th>Office equipment waste in kg</th>
<th>kg</th>
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</thead>
<tbody>
<tr>
<td>EL PAÍS</td>
<td>2,053</td>
</tr>
<tr>
<td>PRISA*</td>
<td>1,190</td>
</tr>
<tr>
<td>PROGRESA</td>
<td>700</td>
</tr>
<tr>
<td>UNIÓN RADIO</td>
<td>1,500</td>
</tr>
<tr>
<td>CARACOL COLOMBIA</td>
<td>50</td>
</tr>
<tr>
<td>SOGECABLE</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,493</strong></td>
</tr>
</tbody>
</table>

*Figures relate to the headquarters on Gran Via in Madrid and include those for Unión Radio, Prisa Centro Corporativo, GDM, y GMI.

Office equipment waste

Total: 15,493 kg

*Figures relate to the headquarters on Gran Via in Madrid and include those for Unión Radio, Prisa Centro Corporativo, GDM, y GMI.
### Batteries in kg

<table>
<thead>
<tr>
<th>Company</th>
<th>Batteries in kg</th>
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</thead>
<tbody>
<tr>
<td>EL PAÍS</td>
<td>92</td>
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<td>PRISA*</td>
<td>29</td>
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<td>PROGRESA</td>
<td>12</td>
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<td>UNION RADIO</td>
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<tr>
<td>SOGECABLE</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,433</strong></td>
</tr>
</tbody>
</table>

*Figures relate to the headquarters on Gran Via in Madrid and include those for Unión Radio, Prisa Centro Corporativo, GDM, y GMI.

### Batteries

- **El País**: 6%
- **Prisa**: 2%
- **Progsesa**: 1%
- **Unión Radio**: 49%
- **Sogecable**: 42%

*Figures relate to the headquarters on Gran Via in Madrid and include those for Unión Radio, Prisa Centro Corporativo, GDM, y GMI.*
A particularly good example of good environmental practice is to be found in the management of El País which, due to its size, is one of the companies that generates and manages the largest volume of waste and residues in the Group. This management system includes the collection, selection and classification of waste materials such as lithographic (and aluminum) plates, ink, toner, photographic materials, and so on. Aluminum employed by lithographic plates is particularly pure, meaning it is a highly recyclable material that can be used in the manufacture of highly pure alloys. It can also be used, through a mixing process, to reduce the percentages of alloys present in other scrap metals. El País recycles 80 metric tons of this material, annually.

Apart from these residues typically generated by the production process, the newspaper also recycles scrap iron, copper and other metals derived from the dismantling of old or obsolete printing presses.
Old and obsolete computer equipment is passed on to specialist waste-management companies who possess the necessary permits and certificates for its safe destruction.

Sogecable, meanwhile, also has an excellent waste-management system, covering both urban, hazardous and non-hazardous waste and residues. With regards to non-hazardous waste, Sogecable recycles paper and cardboard, video tape, disks, wood and metals, and strictly and independently oversees the correct management and documentation. The company also separates all hazardous waste and passes it on to companies authorized for the express purpose of its transportation and destruction.
::: Emission of greenhouse gases

Greenhouse gases, and particularly CO₂, are given special attention in our strategic management plan. We have performed an exhaustive analysis of these emissions, a product of our day-to-day activities, and have identified the principal sources of these emissions. The emissions were estimated using officially recognized parameters.

:: CO₂ emissions:

**Electricity consumption in metric tons**
- PRISA 1.445 Tm CO₂
- El País 4.361 Tm CO₂
- Unión Radio España 901 Tm CO₂
- Iberoamericana Radio Chile 834 Tm CO₂
- Caracol Colombia 5 Tm CO₂
- Radiópolis Mexico 2.669 Tm CO₂
- GLR USA 42 Tm CO₂
- Sogecable 4.461 Tm CO₂

**Total 14.718 Tm CO₂**

**Fuel consumption in metric tons**
- Prisa 113 Tm CO₂
- El País 17 Tm CO₂
- Radiópolis Mexico 5 Tm CO₂
- GLR USA 9 Tm CO₂
- Sogecable 118 Tm CO₂

**Total 273 Tm CO₂**

**Natural Gas consumption in metric tons**
- El País 989 Tm CO₂
- Sogecable 1.078 Tm CO₂

**Total 2.067 Tm CO₂**

**Total: 17.058 Tm CO₂**

(Figures based on those published in this report)
(Estimated emissions data based on the consumption calculated according to the Greenhouse Gas Inventory GGI 1990-2004)
As part of our drive to reduce greenhouse gases, we promote carbon offset schemes. Last November, the radio channel Los 40 Principales, in collaboration with the Fundación +árboles, planted 400 trees in the park, Parque de la Hispanidad, in Leganés (Madrid), as part of the station’s agreement with this environmental foundation.

In offices and buildings owned and operated by the Group with oil fuelled heating systems, there are strict atmospheric controls in place, subject to applicable workplace legislation.

Our concern for the environment is reflected in our strict compliance with environmental legislation – not one of the group’s companies was sanctioned in this area over the course of 2008.

All of the activities of Grupo PRISA are carried out in urban areas, with no impact on natural areas, protected species or areas of special bio-diversity.
Antennas and radio transmitters owned or operated by our radio and audiovisual companies do not produce any harmful electromagnetic contamination. The appropriate environmental impact studies were carried out before their installation as well as those studies required by industrial and environmental legislation.

Over the course of 2008, a number of additional investments were made to ensure energy efficiency and reduce our impact on the environment. Unión Radio has invested 292,000 euros in new technology for its digital production and broadcast equipment, resulting in better sound production and lower energy consumption. El País has made a number of investments: 8,102 euros in lighting its production facilities; 2,642 euros in the installation of presence detectors; 13,164 euros in low-consumption bulbs; 26,168 euros in new, smaller, doors or pedestrian access doors within larger ones.
Annex I: Correlation with GRI-G3 Guide indicators

According to the Methodology of the GRI 2006 (G3) Guide for Sustainability Reports GRI-G3, the following tables have been provided with information for the Guide indicators taken from the Corporate Responsibility Report of Grupo PRISA either directly or indirectly where appropriate.

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<th>ASPECT</th>
<th>INDICATOR GRI (G3)</th>
<th>PAGE CR REPORT</th>
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<td>Normative compliance</td>
<td>PR9</td>
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N/A: Not Applicable  
N/D: Non Disponible
Annex II:
Contact and relations with stakeholders

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