

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

Consolidated Financial Statements
and Consolidated Directors' Report
for 2008, together with Auditors'
Report

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

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

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. (PRISA) and SUBSIDIARIES comprising the consolidated balance sheet at 31 December 2008 and the related consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

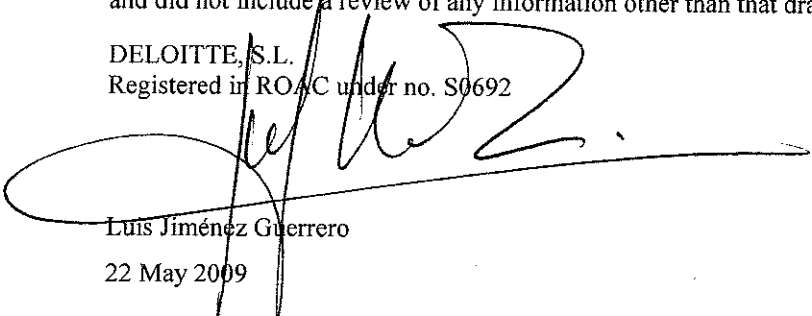
As required by Spanish corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the figures for 2008 for each item in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and the notes to the consolidated financial statements, the figures for 2007. Our opinion refers only to the consolidated financial statements for 2008. On 8 February 2008, we issued our auditors' report on the 2007 consolidated financial statements, in which we expressed an unqualified opinion.

The consolidated financial statements for 2008 were initially authorised for issue on 31 March 2009, on which we issued an auditors' report on 30 April 2009 with an uncertainty regarding the date on which the renewal of the bridge loan granted by a syndicate of banks would be executed (see Note 1 to the accompanying consolidated financial statements). These consolidated financial statements were authorised for re-issue on 21 May 2009, once the renewal of the aforementioned loan until 31 March 2010 had been executed and on which we are issuing this auditors' report, which replaces the report initially issued on 30 April 2009.

In our opinion, the accompanying consolidated financial statements for 2008 present fairly, in all material respects, the equity and financial position of PROMOTORA DE INFORMACIONES, S.A. (PRISA) and SUBSIDIARIES at 31 December 2008 and the results of their operations, the changes in the consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that of the preceding year.

The accompanying consolidated directors' report for 2008 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2008. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Group's accounting records.

DELOITTE, S.L.
Registered in ROA/C under no. S0692


Luis Jiménez Guerrero

22 May 2009

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

Consolidated Financial Statements for 2008 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, together with Consolidated Directors' Report for 2008

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

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

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

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS CLOSED AT 31 DECEMBER 2008 AND 2007
(thousands of euros)

ASSETS	Notes	12/31/08	12/31/07	EQUITY AND LIABILITIES	Notes	12/31/08	12/31/07
A) NON-CURRENT ASSETS		6,512,270	4,832,055	A) EQUITY	10	1,258,236	1,353,547
I. PROPERTY, PLANT AND EQUIPMENT	5	397,932	423,163	I. SHARE CAPITAL		21,914	22,036
II. GOODWILL	6	4,302,739	2,420,078	II. OTHER RESERVES		779,225	721,503
III. INTANGIBLE ASSETS	7	400,084	444,337	III. ACCUMULATED PROFIT		398,975	440,972
IV. NON-CURRENT FINANCIAL ASSETS	8	93,344	157,166	- From prior years		315,979	248,999
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	9	12,936	13,248	- For the year: Profit attributable to the Parent		82,996	191,973
VI. DEFERRED TAX ASSETS	21	1,298,475	1,364,975	IV. TREASURY SHARES		(24,726)	(39,101)
VII. OTHER NON-CURRENT ASSETS		6,760	9,088	V. EXCHANGE DIFFERENCES		(18,422)	(3,475)
B) CURRENT ASSETS		1,594,297	1,621,418	VI. MINORITY INTERESTS		101,270	211,612
I. INVENTORIES		306,079	325,160	B) NON-CURRENT LIABILITIES		2,751,369	3,124,842
II. TRADE AND OTHER RECEIVABLES				I. EXCHANGEABLE BONDS IN ISSUE	11	-	158,408
1. Trade receivables for sales and services		1,047,541	964,074	II. NON-CURRENT BANK BORROWINGS	12	2,348,078	2,558,372
2. Receivable from associates		18,045	41,814	III. NON-CURRENT FINANCIAL LIABILITIES	12-13	232,565	202,378
3. Receivable from public authorities		70,718	100,205	IV. DEFERRED TAX LIABILITIES	21	79,278	112,931
4. Other receivables	21	183,254	183,855	V. LONG-TERM PROVISIONS	14	74,807	67,346
5. Allowances		(81,835)	(74,264)	VI. OTHER NON-CURRENT LIABILITIES		16,641	25,407
		1,237,723	1,215,684	C) CURRENT LIABILITIES		4,097,481	2,047,971
III. CURRENT FINANCIAL ASSETS		838	7,456	I. TRADE PAYABLES		1,257,945	1,233,136
IV. CASH AND CASH EQUIVALENTS		49,432	72,827	II. PAYABLE TO ASSOCIATES		27,296	25,913
V. OTHER CURRENT ASSETS		225	291	III. OTHER NON-TRADE PAYABLES		142,568	137,863
C) ASSETS CLASSIFIED AS HELD FOR SALE	15	519	72,887	IV. CURRENT BANK BORROWINGS	12	2,532,091	536,046
TOTAL ASSETS		8,107,086	6,526,360	V. CURRENT FINANCIAL LIABILITIES	12	21,676	-
				VI. PAYABLE TO PUBLIC AUTHORITIES	21	79,972	73,245
				VII. PROVISIONS FOR RETURNS		9,369	8,457
				VIII. OTHER CURRENT LIABILITIES		26,564	33,311
				TOTAL EQUITY AND LIABILITIES		8,107,086	6,526,360

The accompanying Notes 1 to 31 are an integral part of the consolidated balance sheets at 31 December 2008 and 2007.

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

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007
(thousands of euros)

	Notes	12/31/08	12/31/07
Revenue	16	3,643,282	3,619,510
Other income	15-16	358,066	76,518
OPERATING INCOME		4,001,348	3,696,028
Cost of materials used		(1,435,750)	(1,380,568)
Staff costs	17	(666,682)	(623,875)
Depreciation and amortisation charge		(198,935)	(231,438)
Outside services		(950,043)	(910,617)
Changes in operating provisions		(45,139)	(26,558)
Other expenses		(6,608)	(3,041)
OPERATING EXPENSES		(3,303,157)	(3,176,097)
PROFIT FROM OPERATIONS		698,191	519,931
Finance income		36,192	15,775
Finance costs		(313,426)	(209,681)
Impairment of trade loans to associates		(88,309)	(3,255)
Changes in value of financial instruments		(17,709)	(34)
Exchange differences (net)		(13,816)	1,932
FINANCIAL LOSS	18	(397,068)	(195,263)
Result of companies accounted for using the equity method	9	(7,592)	(32,056)
Loss from other investments	8	(1,350)	(3,612)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		292,181	289,000
Income tax	21	(90,435)	(26,919)
PROFIT FROM CONTINUING OPERATIONS		201,746	262,081
Loss after tax from discontinued operations	19	(75,346)	-
CONSOLIDATED PROFIT FOR THE YEAR		126,400	262,081
Profit attributable to minority interests		(43,404)	(70,108)
PROFIT ATTRIBUTABLE TO THE PARENT		82,996	191,973
BASIC EARNINGS PER SHARE (in euros)	23	0.38	0.92

The accompanying Notes 1 to 31 are an integral part of the consolidated income statements for 2008 and 2007.

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

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007
(thousands of euros)

	Share capital	Share premium	Reserves	Reserves for first-time application of IFRSs	Prior years' accumulated profit	Treasury shares	Exchange differences	Accumulated profit for the Year	Equity attributable to the Parent	Minority interests	Total equity
Balance at 31 December 2006	21,881	108,369	575,163	(72,535)	171,373	(38,881)	1,497	228,909	995,776	161,458	1,157,234
Capital increase (Note 10-a)	155	20,522							20,677		20,677
Treasury share transactions (Note 10-g)											
- Delivery of treasury shares						63			63		63
- Purchase of treasury shares						(283)			(283)		(283)
Distribution of 2006 profit											
- Directors' remuneration								(1,322)	(1,322)		(1,322)
- Dividends								(33,705)	(33,705)		(33,705)
- Reserves			106,294		87,588			(193,882)			
Income and expense recognised in equity (Note 10-f)											
- Translation differences					(11,422)		(4,972)		(16,394)		(16,394)
- Change in revaluation reserves					9,684				9,684		9,684
- Other			(16,310)		(8,224)				(24,534)		(24,534)
Change in minority interests											
- Dividends paid during the year										(12,925)	(12,925)
- Due to changes in scope of consolidation										32,013	32,013
- Due to changes in percentage of ownership										(40,729)	(40,729)
- Other										1,687	1,687
Profit for 2007								191,973	191,973	70,108	262,081
Balance at 31 December 2007	22,036	128,891	665,147	(72,535)	248,999	(39,101)	(3,475)	191,973	1,141,935	211,612	1,353,547
Capital reductions (Note 10-a)	(122)	(16,226)							(16,348)		(16,348)
Treasury share transactions (Note 10-g)											
- Delivery of treasury shares						146			146		146
- Purchase of treasury shares						(347)			(347)		(347)
- Reserves for treasury shares						14,576			14,576		14,576
Distribution of 2007 profit											
- Directors' remuneration								(1,386)	(1,386)		(1,386)
- Dividends								(38,258)	(38,258)		(38,258)
- Reserves			72,214		80,115			(152,329)			
Income and expense recognised in equity (Note 10-f)											
- Translation differences					(10,546)		(14,947)		(25,493)		(25,493)
- Change in revaluation reserves					5,775				5,775		5,775
- Other			1,563	171	(8,364)				(6,630)		(6,630)
Change in minority interests											
- Dividends paid during the year										(10,246)	(10,246)
- Due to changes in scope of consolidation										1,751	1,751
- Due to changes in percentage of ownership										(149,216)	(149,216)
- Due to capital increases										8,111	8,111
- Other										(4,146)	(4,146)
Profit for 2008								82,996	82,996	43,404	126,400
Balance at 31 December 2008	21,914	112,665	738,924	(72,364)	315,979	(24,726)	(18,422)	82,996	1,156,966	101,270	1,258,236

The accompanying Notes 1 to 31 are an integral part of the consolidated statements of changes in equity for 2008 and 2007.

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

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007
(thousands of euros)

	12/31/2008	12/31/2007
PROFIT FROM OPERATIONS	698,191	519,931
Depreciation and amortisation charge	250,151	259,691
Changes in working capital	(2,344)	(31,458)
Inventories	20,276	(46,870)
Accounts receivable	(57,114)	(218,508)
Accounts payable	27,876	236,214
Other current assets	6,618	(2,294)
Income tax recovered (paid)	(31,764)	10,078
Other adjustments to profit	(323,561)	(54,942)
CASH FLOWS FROM OPERATING ACTIVITIES	590,673	703,300
Recurrent investments	(190,492)	(212,597)
Investments in intangible assets	(124,483)	(132,766)
Investments in property, plant and equipment	(64,973)	(79,831)
Investments in assets classified as held for sale	(1,036)	-
Investments in non-current financial assets	(2,071,593)	(655,619)
Proceeds from disposals	366,748	66,000
Other cash flows from investing activities	(33,910)	(39,204)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,929,247)	(841,420)
Proceeds and payments relating to equity instruments	(1,046)	(283)
Proceeds and payments relating to financial liability instruments	1,623,452	(997)
Dividends and returns on other equity instruments paid	(48,677)	(47,354)
Interest paid	(268,931)	(180,047)
Other cash flows from financing activities	21,442	(90,067)
CASH FLOWS FROM FINANCING ACTIVITIES	1,326,240	(318,748)
Effect of foreign exchange rate changes	(11,061)	(4,843)
CHANGE IN CASH FLOWS IN THE YEAR	(23,395)	(461,711)
Cash and cash equivalents at beginning of year	72,827	534,538
Cash and cash equivalents at end of year	49,432	72,827
	12/31/2008	12/31/2007
Cash on hand and at banks	49,432	72,827
Total cash and equivalents at end of year	49,432	72,827

The accompanying Notes 1 to 31 are an integral part of the consolidated cash flow statement for 2008 and 2007.

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

Notes to the Consolidated Financial Statements for 2008 and 2007 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

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

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2008 AND 2007

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL

REPORTING STANDARDS (IFRSs) AS ADOPTED BY THE EUROPEAN UNION

(1) GROUP ACTIVITIES AND PERFORMANCE

a) Group activities

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

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

The Group's consolidated financial statements for 2007 were approved by the shareholders at the Annual General Meeting on 13 March 2008.

b) Consolidated financial statements

The consolidated financial statements for 2008 were authorised for issue and approved by the Company's directors on 31 March 2009.

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

c) Group performance

In 2008 the Group continued to strengthen its strategy towards expansion and intensified its presence in the audiovisual business, mainly by acquiring all of Sogecable's shares following the successful takeover bid for Sogecable's share capital launched at the end of December 2007 (see Note 6) and by developing the audiovisual production business. These transactions have

had a significant impact on the size of the Group and affect the diversification of its business portfolio, sources of revenue and financial structure. In this respect, Prisa financed the takeover bid through a EUR 1,949 million bridge loan maturing on 31 March 2009 which is therefore recognised under current liabilities in the consolidated balance sheet at 31 December 2008 (*see Note 12*). However, on 13 May 2009 PRISA concluded an agreement with the banks which granted the bridge loan to extend the maturity thereof until 31 March 2010. This agreement allows PRISA to structure a plan enabling it to meet its financial obligations and promote its future activities.

To conclude the process to expand and strengthen the audiovisual business, the shareholders of Promotora de Informaciones, S.A., Sogecable, S.A.U.'s sole shareholder, at its Annual General Meeting held on 5 December 2008, resolved to approve the merger plan for the absorption of Sogecable, S.A.U. (absorbed company) by Promotora de Informaciones, S.A., (absorbing company). At that meeting, the Board of Directors of Promotora de Informaciones, S.A. was empowered to perform any acts it considered necessary to execute the adopted agreements. At the date of preparation of these consolidated financial statements, the aforementioned merger plan had not yet been implemented.

(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRSs)

The Group's consolidated financial statements for 2008 were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, taking into account all mandatory accounting policies and rules and measurement bases with a material effect, as well as the alternative treatments permitted by the relevant standards in this connection.

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

- IFRSs are applied in the preparation of the consolidated financial information for the Group. The financial statements of the individual companies composing the Group are prepared and presented in accordance with the accounting principles and standards of each country.
- In accordance with IFRSs, these consolidated financial statements include the following consolidated statements of the Group for 2008:
 - Consolidated balance sheet.
 - Consolidated income statement.
 - Consolidated statement of changes in equity.
 - Consolidated cash flow statement.

- As required by IAS 8, uniform accounting policies and measurement bases were applied by the Group for like transactions, events and items in 2008 and 2007.

In relation to the optional early application of other International Financial Reporting Standards which have been already issued but which are not yet in force, the Group did not take any of such options.

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

b) Fair presentation and accounting principles

The consolidated financial statements were obtained from the individual financial statements of Prisa and its Subsidiaries and, accordingly, they present fairly the Group's consolidated equity and financial position at 31 December 2008 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended. The Group prepared its financial statements on a going concern basis. Also, with the exception of the consolidated cash flow statement, these consolidated financial statements were prepared in accordance with the accrual basis of accounting.

Given that the accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2008 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union.

c) Responsibility for the information and use of estimates

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

In the consolidated financial statements for 2008 estimates were occasionally made by executives of the Group and of the entities in order to quantify certain of the assets, liabilities and obligations reported herein. These estimates relate basically to the following:

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

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

prospectively, recognising the effects of the change in estimates in the related consolidated income statements.

In 2008 there were no significant changes in the estimates made at the end of 2007, except as discussed in Note 4.

d) Basis of consolidation

The consolidation methods applied were as follows:

Full consolidation -

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

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

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

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

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interests in excess of the minority interests are allocated to the Parent.

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

Proportionate consolidation -

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

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

Equity method -

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

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

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

Other matters -

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

The balance sheet items relating to foreign companies affected by high inflation rates are adjusted to reflect the impact of price fluctuations, pursuant to local regulations, prior to translation to euros. This effect is included separately in these notes to the financial statements in the column entitled "*Monetary Adjustment*". The effect of inflation for the year on the monetary assets and liabilities of these companies is included under "*Finance Costs*" in the accompanying consolidated income statement. The effect of the inflation adjustment on the equity contributed by the companies in which this accounting practice is used is recognised under "*Equity - Exchange Differences*" in the accompanying consolidated balance sheet.

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

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

(3) CHANGES IN GROUP STRUCTURE

The most significant changes in the scope of consolidation in 2008 were as follows:

Subsidiaries

In February 2008 Gran Vía Musical de Ediciones, S.A. acquired 70% of RLM, S.A. and Merchandising On Stage, S.L., together with an additional 19% of Planet Events, S.A., thereby bringing its percentage of ownership to 70%.

MCP Media Capital Produções, S.A., wholly-owned by Media Global, SGPS, S.A., a company belonging to Grupo Media Capital, SGPS, S.A., was incorporated in March 2008.

Media Capital Produções - Investimentos, SGPS, S.A., wholly-owned by MCP Media Capital Produções, S.A., a company belonging to Grupo Media Capital, SGPS, S.A., was incorporated in April 2008.

Promotora de Actividades de América 2010- México, S.A. de C.V., an investee 99.998% owned by Promotora de Actividades América 2010, S.L. and 0.002% by Prisa División Internacional, S.L., was incorporated in May 2008.

Avalia Qualidade Educacional, Ltda., an investee 91% owned by Santillana Educación, S.L., was incorporated in June 2008.

Promotora Audiovisual Colombia PACSA, S.A., an investee 53% owned by Sogecable, S.A.U., 1% by Grupo Latino de Publicidad Colombia, Ltda. and 1% by Promotora de Actividades Audiovisuales de Colombia, Ltda., was incorporated in July 2008.

In September 2008 Punto de Lectura, S.L. merged with Santillana Ediciones Generales, S.L.

Promotora de Actividades de América 2010 Colombia, Ltda., an investee 98.33% owned by Promotora de Actividades América 2010, S.L. and 1.67% by Prisa División Internacional, S.L., was incorporated in October 2008.

Media Capital Rádios, S.A., wholly-owned by Media Global, SGPS, S.A., a company belonging to Grupo Media Capital SGPS, S.A., was incorporated in December 2008.

Media Capital Música e Entretenimento, S.A., wholly-owned by Media Global, SGPS, S.A., a company belonging to Grupo Media Capital, SGPS, S.A., was also incorporated in December 2008.

Also, in December 2008 Edição de Publicações Periódicas, S.A. merged with Media Global, SGPS, S.A., a company belonging to Grupo Media Capital, SGPS, S.A.

In 2008 Distribuidora de Publicaciones Cymba, S.L., Produções Discográficas, S.A. and Radiofonia e Publicidade, S.U.S.A. were dissolved.

In 2008 Sociedad Canaria de Televisión Regional, S.A., ceased to be proportionately consolidated and started to be fully consolidated.

Due to the corporate restructuring in December 2008 of the Iberoamericana Radio Chile, S.A. and GLR Chile, Ltda. groups, the following companies were dissolved: Sociedad de Radiodifusión y Publicidad Exta, Ltda. and Radiodifusora Bethoven Valparaiso, Ltda. Also, Radiodifusora Transitoria, S.A. and Radiodifusión Iberoamerican Chile, S.A. merged with Iberoamericana Radio Holding Chile, S.A.

Jointly-controlled entities-

Historia para Todos, S.A. de C.V., an investee 50% owned by Santillana de Ediciones Generales, S.A. de C.V., was incorporated in April 2008.

Associates-

Mateu Cromo Artes Gráficas, S.A., Mateu Líber, S.L., Macrolibros, S.A. and Dédalo Altamira, S.A. merged with Dédalo Offset, S.L. in June 2008.

In December 2008 the Sogecable Group sold its 50% ownership interest in Jetix España, S.L. to Jetix Channels Europe, BV, in the framework of the conclusion of the joint venture between the Sogecable Group and Jetix Europe. This investee was accounted for in the consolidated Group using the equity method.

In 2008 Iberbanda, S.A. ceased to be accounted for using the equity method after Promotora de Informaciones, S.A.'s ownership interest was reduced from 21.69% to 15.38%, as it did not subscribe the capital increase carried out by the company.

In comparing the information for 2008 and 2007, these changes, the effect of which is presented separately in these notes to the consolidated financial statements in the "*Changes in Scope of Consolidation*" column, should be taken into account.

(4) ACCOUNTING POLICIES

The principal accounting policies used in preparing the accompanying consolidated financial statements for 2008 and comparative information were as follows:

a) Presentation of the consolidated financial statements

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

b) Property, plant and equipment

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

Property, plant and equipment acquired prior to 31 December 1983 are carried at cost, revalued pursuant to the applicable legislation. Subsequent additions are stated at cost, revalued pursuant to Royal Decree-Law 7/1996 in the case of Diario El País, S.L., Sociedad Española de Radiodifusión, S.A., Prisa División Inmobiliaria, S.L., Promotora de Informaciones, S.A., Ítaca, S.L. and Algarra, S.A.

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

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

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

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

The cost of assets held under finance leases is presented under the “*Non-Current Assets - Property, Plant and Equipment*” line item corresponding to the asset leased, and is depreciated over the expected useful life using the same method as that used to depreciate owned assets.

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

c) Goodwill

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

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

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

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

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

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

d) Intangible assets

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

Computer software-

"*Computer Software*" includes the amounts paid to develop specific computer programs and the amounts incurred in acquiring from third parties the licenses to use programs. Computer software is amortised by the straight-line method over a period ranging from three to six

years, depending on the type of program or development, from the date on which it is brought into service.

Prototypes-

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

New subscribers - Installation and connection-

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

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

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

Advances on copyrights-

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

Audiovisual rights-

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

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

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

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

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

- *Screening rights and negatives*: negatives relate to the screening rights to which the Group holds perpetual title. The related acquisition cost is amortised by the declining-balance method over the term of the rights (ten years in the case of negatives).
- *Other rights*: relate to the cost of various long-term audiovisual rights and rights of publicity (including both the cost of rights currently being exploited and the cost of the options to exploit these rights in the future). These rights are amortised, on the basis of the income obtained therefrom, over the term of the related contracts. At the date of preparation of these consolidated financial statements no decision had been taken not to exercise these options, which were recognised at their expected recoverable amount.

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

Other intangible assets-

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

e) Impairment losses

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

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

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

These projections cover the following five years and include a residual value that is appropriate for each business. These cash flows are discounted to their present value using a pre-tax discount rate that reflects the cost of capital of the business and the geographical area in which it is carried on. The cash flows are calculated taking into account the current time value of money (ten-year Spanish government bond) and the risk premiums generally used by analysts for the business and corresponding geographic area (the latter being calculated as the difference between the Spanish government bond and the ten-year bond of the country in which the foreign operation is carried on). The premiums used range from 5.00% to 9.50%.

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

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

f) Financial instruments

Non-current financial assets-

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

- *Loans and receivables*: these assets are recognised at amortised cost, i.e. cash delivered less principal repayments, plus accrued interest receivable, in the case of loans, and the present value of the related consideration in the case of receivables. The Group records the related allowance for the difference between the recoverable amount of the receivables and their carrying amount.
- *Held-to-maturity investments*: investments that the Group has the positive intention and ability to hold to the date of maturity. They are carried at amortised cost.
- *Financial assets at fair value through profit or loss*: this category includes the held-for-trading financial assets and financial assets which are managed and valued using the fair value model.

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

Cash and cash equivalents-

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

Financial liabilities-

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

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

Derivative financial instruments and hedge accounting-

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

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

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

Compound financial instruments-

The exchangeable bonds issued by the Group were considered in accordance with the IFRSs relating to "Equity Instruments". Therefore, the liability component of the net amount received since the issue date was separated from the equity component, which represented the fair value of the embedded option (*see Note 11*).

g) Investments accounted for using the equity method

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

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

h) Inventories

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

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

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

1. Broadcasting rights for “Canal+”, premium pay-TV channels:
 - *Film broadcasting rights acquired from third parties (outside productions)*: following the changes in 2007 in the film channel offering of “Canal+” within the “Digital+” commercial offering and in the various channels’ policies for broadcasting films having established the programming strategy, Group management adapted the policies for recognising inventory costs in the consolidated income statement to the new programming and broadcasting policies and recognised the cost in the income statement on a straight-line basis from the date of the first showing or commercial release until the expiry of the broadcasting rights.
 - *Sporting event broadcasting rights*: these rights are taken to income in full at the date of the first showing.
 - *Acquired series broadcasting rights*: the cost of these rights is charged to income on a straight-line basis over the various showings.
 - *Other rights*: these relate basically to documentaries, in-house productions and introductory programme slots, and are amortised when they are broadcast.
2. Broadcasting rights for free-to-air television channels:
 - *Film, series and cartoon broadcasting rights acquired from third parties (outside productions)*: these rights are taken to income at the date of the showing. If rights are acquired to broadcast more than one showing, 75% of the cost is charged to income at the date of the first showing and 25% at the date of the second showing.
 - *Broadcasting rights for in-house or commissioned production programmes and series*: the cost of these rights is charged to income in full at the date of the first showing.

- *Other rights*: these are recognised as a period expense at the date of the related showing.

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

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

i) Assets and liabilities classified as held for sale

Assets are classified as held for sale if their carrying amount is expected to be recovered through a subsequent sale rather than through continuing use in the course of the Company's main business activity. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated from the date on which they are classified as such (*see Note 15*).

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

j) Long-term provisions

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

Provisions for taxes-

"Provision for Taxes" relates to the estimated amount of the tax debts whose exact amount or date of payment has not yet been determined, since they depend on the fulfilment of certain conditions.

Provisions for third-party liability-

At the end of 2008 certain litigation and claims were in process against the Group companies arising from the ordinary course of their operations. The Group's legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the financial statements for the years in which they are settled.

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

k) Revenue and expense recognition

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

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, and other sales-related taxes. Revenue associated with the rendering of services is also recognised by reference to the stage of completion of the transaction at the balance sheet date, provided the outcome of the transaction can be estimated reliably. Sales of goods are recognised when substantially all the risks and rewards have been transferred.

l) Offsetting

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

m) Tax matters

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

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

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

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

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

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

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

n) Profit/Loss from discontinued operations

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

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

o) Foreign currency transactions

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

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

p) Current/non-current classification

Debts are recognised at their effective amount and debts due to be settled within 12 months from the balance sheet date are classified as current items and those due to be settled within more than 12 months as non-current items.

q) Share-based payment

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

r) Consolidated cash flow statements

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

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

s) Environmental impact

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

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

(5) PROPERTY, PLANT AND EQUIPMENT

2008-

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

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

2007-

The changes in 2007 in “Property, Plant and Equipment” in the consolidated balance sheet were as follows:

	Thousands of euros							Balance at 12/31/07
	Balance at 12/31/06	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	
Cost:								
Land and buildings	232,513	1,420	(3,931)	12,527	2,921	(3,775)	(86,102)	155,573
Plant and machinery	318,906	884	(2,949)	89,777	31,029	(10,827)	25,219	452,039
Digital set-top boxes and cards	558,285	-	-	-	22,904	(134,636)	-	446,553
Other items of property, plant and equipment	176,584	1,314	(1,814)	23,314	13,209	(17,047)	(15,249)	180,311
Advances and property, plant and equipment in the course of construction	16,424	1	(65)	7,463	9,768	(1,913)	(18,615)	13,063
Total cost	1,302,712	3,619	(8,759)	133,081	79,831	(168,198)	(94,747)	1,247,539
Accumulated depreciation:								
Buildings	(46,842)	(689)	584	(5,205)	(3,628)	350	28,576	(26,854)
Plant and machinery	(183,977)	(852)	1,936	(74,464)	(33,082)	9,551	(5,526)	(286,414)
Digital set-top boxes and cards	(438,269)	-	-	-	(40,102)	121,525	-	(356,846)
Other items of property, plant and equipment	(125,523)	(1,030)	1,205	(15,962)	(19,093)	16,568	8,875	(134,960)
Total accumulated depreciation	(794,611)	(2,571)	3,725	(95,631)	(95,905)	147,994	31,925	(805,074)
Impairment losses:								
Buildings	(85)	-	-	-	-	-	-	(85)
Plant and machinery	(630)	-	-	-	39	-	-	(591)
Digital set-top boxes and cards	(31,501)	-	-	-	-	13,093	-	(18,408)
Other items of property, plant and equipment	-	-	-	-	(240)	22	-	(218)
Total impairment losses	(32,216)	-	-	-	(201)	13,115	-	(19,302)
Property, plant and equipment, net	475,885	1,048	(5,034)	37,450	(16,275)	(7,089)	(62,822)	423,163

Additions-

The most significant additions in 2008 were as follows:

- “Digital Set-Top Boxes and Cards”, amounting to EUR 11,460 thousand relate to the acquisitions of digital set-top boxes and cards by CanalSatélite Digital, S.L. and DTS Distribuidora de Televisión Digital, S.A.
- “Plant and Machinery”, amounting to EUR 32,980 thousand, mainly as a result of the expansion and improvement of the production processes at the Barcelona printing plant carried out by Diario El País, S.L. and the investments by Sogecable, S.A.U. to provide television services in the building located in Tres Cantos (Madrid).

- *“Advances and Property, Plant and Equipment in the Course of Construction”* relate mainly to the general and technical refurbishment being carried out on the floors occupied by Sociedad de Servicios Radiofónicos Unión Radio, S.L. in the building at Gran Vía 32, in Madrid.
- *“Other Items of Property, Plant and Equipment”* amounting to EUR 14,036 thousand, correspond mainly to the investments in computer and communications equipment associated with the technological projects being implemented by the Group.

Disposals-

In 2008 the Sogecable Group derecognised the cost, accumulated depreciation and impairment losses relating to digital set-top boxes and cards that were not in an adequate condition to be used.

The Prisa Group's fully depreciated property, plant and equipment in use amounted to EUR 398,731 thousand at 31 December 2008 (31 December 2007: EUR 375,423 thousand).

At 31 December 2008, *“Property, Plant and Equipment”* in the consolidated balance sheet included assets held under finance leases amounting to EUR 22,560 thousand (31 December 2007: EUR 23,532 thousand).

The Group companies take out insurance policies to cover the potential risks to which the various items of property, plant and equipment are exposed. At 31 December 2008 and 31 December 2007, the insurance policies taken out sufficiently covered the related risks.

(6) GOODWILL

2008-

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

	Balance at 12/31/07	Translation adjustment	Changes in scope of consolidation/ additions	Disposals	Impairment losses	Transfers	Balance at 12/31/08
Antena 3 de Radio, S.A.	6,859	-	-	(744)	-	-	6,115
Editora Moderna, Ltda.	60,565	-	-	-	-	-	60,565
Editora Objetiva, Ltda.	9,006	(1,910)	829	-	-	-	7,925
Gerencia de Medios, S.A.	33,944	-	-	-	-	-	33,944
Grupo Latino de Radio, S.L.	9,109	-	-	-	-	(741)	8,368
Grupo Media Capital, SPGS, S.A.	693,444	-	-	(133)	(4,751)	-	688,560
Iberoamericana Radio Chile, S.A.	44,025	(5,289)	-	-	-	(1,887)	36,849
Sociedad Española de Radiodifusión, S.A.	20,086	-	-	-	-	-	20,086
Propulsora Montañesa, S.A.	8,608	-	-	-	-	-	8,608
Sistema Radiópolis, S.A. de C.V.	31,338	-	-	-	-	(2,551)	28,787
Sogecable, S.A.U.	1,466,439	-	1,898,139	-	-	-	3,364,578
Other companies	36,655	(1,285)	10,491	(132)	(7,069)	(306)	38,354
Total	2,420,078	(8,484)	1,909,459	(1,009)	(11,820)	(5,485)	4,302,739

Changes in the scope of consolidation and additions-

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

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

The takeover bid for all of Sogecable, S.A.U.'s shares was accepted on 13 May 2008 and involved 65,905,845 shares representing 47.64% of Sogecable, S.A.U.'s share capital. Following this acceptance and the settlement of the takeover bid, on 16 May 2008, the Parent became the holder of 98.04% of Sogecable, S.A.U.'s share capital.

On 13 June 2008, Prisa opted to oblige Sogecable's other shareholders to compulsorily sell their shares (squeeze-out) and at 31 December 2008 it owned all of Sogecable, S.A.U.'s shares. The additions to Sogecable, S.A.U.'s goodwill in 2008 resulting from these transactions amounted to EUR 1,898,139 thousand.

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

Impairment losses-

The impairment losses recognised under "Other companies" arose from the discontinuation of the Group's local television business activities (see Note 19). These impairment losses are recognised in the consolidated income statement under "Loss After Tax from Discontinued Operations".

Transfers-

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

2007-

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2007 is as follows:

	Thousands of euros						
	Balance at 12/31/06	Translation adjustment	Changes in scope of consolidation/ additions	Disposals	Impairment losses	Transfers	Balance at 12/31/07
Antena 3 de Radio, S.A.	6,859	-	-	-	-	-	6,859
Editora Moderna, Ltda.	60,565	-	-	-	-	-	60,565
Editora Objetiva, Ltda.	8,345	566	95	-	-	-	9,006
Espacio Editorial Andaluza Holding, S.L.	14,994	-	-	(14,994)	-	-	-
Gerencia de Medios, S.A.	33,944	-	-	-	-	-	33,944
Grupo Latino de Radio, S.L.	9,109	-	-	-	-	-	9,109
Grupo Media Capital, SPGS, S.A.	-	-	500,544	(27,106)	(1,055)	221,061	693,444
Iberoamericana Radio Chile, S.A.	-	403	43,622	-	-	-	44,025
Ona Catalana, S.A.*	20,086	-	-	-	-	-	20,086
Propulsora Montañesa, S.A.	-	-	8,608	-	-	-	8,608
Sistema Radiópolis, S.A. de C.V.	31,338	-	-	-	-	-	31,338
Sogecable, S.A.U.	1,325,061	-	141,378	-	-	-	1,466,439
Other companies	37,260	(320)	4,532	(1,132)	-	(3,685)	36,655
Total	1,547,561	649	698,779	(43,232)	(1,055)	217,376	2,420,078

(*) Company merged with Sociedad Española de Radiodifusión, S.A. in October 2007.

Changes in the scope of consolidation and additions-

The changes in the goodwill relating to Grupo Media Capital, SPGS, S.A. arose as a result of:

- The goodwill arising from the voluntary takeover bid launched by Prisa, through its subsidiary Vertix, SGPS, S.A., whereby it acquired 40.7% of the shares of Grupo Media Capital, SPGS, S.A. (EUR 197,489 thousand).
- The goodwill arising as a result of the mandatory takeover bid for all the shares of Grupo Media Capital, SPGS, S.A., whereby the percentage of ownership increased by 20.69% (EUR 113,130 thousand).
- The goodwill arising from the acquisition of an additional investment of 0.30% in November 2007 (EUR 1,435 thousand).

- The inclusion of the goodwill existing in the consolidated financial statements of Grupo Media Capital, SPGS, S.A. (EUR 188,490 thousand), of which EUR 14,117 thousand related to the acquisition of the minority interests of its audiovisual production business (NBP Group), the acquisition of an additional investment of 40% in CLMC Multimedia, S.A. and the acquisition of 50% of the shares of Eventos Spot- Agenciamento e Produção de Espectáculos, Lda.

Also, the additions to the goodwill relating to Sogecable, S.A.U. arose through the purchase of shares on the market, of an additional 4.15% of the company's shares.

The addition to the goodwill relating to Iberoamericana Radio Chile, S.A. arose as a result of the acquisition of all the shares of this company (EUR 22,308 thousand). The goodwill of this company relating to its subsidiaries amounted to EUR 21,314 thousand.

Disposals-

The disposal of the goodwill of Espacio Editora Andaluza Holding, S.L. and the disposal of EUR 1,015 thousand from "*Other Companies*", related to the sale of the regional press business.

The disposal of the goodwill relating to Grupo Media Capital, SPGS, S.A. arose as a result of the sale of all the shares representing the share capital and voting rights of Media Capital Outdoors Publicidade, S.A.

Transfers-

The transfer of the goodwill relating to the audiovisual business arose from the change in the method used to consolidate Grupo Media Capital, SPGS, S.A., which in February 2007 ceased to be accounted for using the equity method and started to be fully consolidated.

Per estimates and projections available to the Group's directors, the projected cash flows attributable to these cash-generating units to which the goodwill is allocated will make it possible to recover the carrying amount of each item of goodwill recognised at 31 December 2008 and 31 December 2007.

In accordance with IFRS 3, the Prisa Group began to allocate the goodwill relating to Sogecable and Media Capital which arose in previous years. In this process, the Group considered the values of recognised assets and liabilities and of unrecognised assets and liabilities or intangibles. The analysis of intangible assets included the customer base, audiovisual and sports rights and licenses and trademarks. In the case of Sogecable, the customer base is closely linked to the audiovisual rights contracts and the value of these rights is linked to the supply contracts, which at the date of acquisition were close to maturity. A significant portion of these contracts were renewed after the acquisition by the Prisa Group. On the basis of the analysis conducted, no material amount to be allocated to other assets of these businesses was identified, except for the land on which the Sogecable Group's headquarters stand. Once the allocation process had been completed, the resulting goodwill was segmented on the basis of businesses of the Sogecable Group (free-to-air and pay TV) and of the Media Capital Group (free-to-air TV and other). In relation to the goodwill of the Sogecable Group which arose in 2008, the Prisa Group began to study the allocation of this

goodwill. No material amount to be allocated to assets of this business was identified at that date.

(7) INTANGIBLE ASSETS

2008-

The changes in 2008 in “Intangible Assets” in the consolidated balance sheet were as follows:

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

2007-

The changes in 2007 in “Intangible Assets” in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/06	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	Balance at 12/31/07
Cost:								
Computer software	140,539	160	(323)	(86)	24,067	(3,973)	562	160,946
Prototypes	128,809	5,621	(2,287)	-	28,790	(19,768)	(1,864)	139,301
New subscribers - Installation and connection	146,783	-	-	-	43,035	(56,071)	-	133,747
Advances on copyrights	49,048	(34)	(86)	-	9,143	(3,716)	(717)	53,638
Audiovisual rights	400,617	-	-	39,542	18,993	(25,405)	(1,252)	432,495
Other intangible assets	49,843	911	(2,559)	32,669	8,738	(4,817)	1,842	86,627
Total cost	915,639	6,658	(5,255)	72,125	132,766	(113,750)	(1,429)	1,006,754
Accumulated amortisation:								
Computer software	(101,522)	(143)	209	137	(14,153)	3,843	(128)	(111,757)
Prototypes	(77,960)	(5,491)	3,605	-	(26,956)	17,260	535	(89,007)
Advances on copyrights	(30,408)	-	(73)	-	(4,607)	1,275	(128)	(33,941)
Audiovisual rights	(281,903)	-	-	-	(29,575)	23,051	-	(288,427)
Other intangible assets	(13,479)	(389)	272	(13,665)	(60,070)	61,121	(350)	(26,560)
Total accumulated amortisation	(505,272)	(6,023)	4,013	(13,528)	(135,361)	106,550	(71)	(549,692)
Impairment losses:								
Computer software	(94)	-	-	-	(20)	113	-	(1)
Prototypes	(31)	4	2	-	17	-	(2,472)	(2,480)
Advances on copyrights	(9,043)	-	(1)	-	(1,046)	555	(12)	(9,547)
Other intangible assets	(476)	-	-	-	-	-	(221)	(697)
Total impairment losses	(9,644)	4	1	-	(1,049)	668	(2,705)	(12,725)
Intangible assets, net	400,723	639	(1,241)	58,597	(3,644)	(6,532)	(4,205)	444,337

Additions-

The most significant additions in 2008 were as follows:

- “New Subscribers - Installation and Connection” amounting to EUR 38,622 thousand which included the costs incurred by the Sogecable Group in connection with the installation of equipment and the connection of new subscribers to digital satellite pay TV.

- *"Prototypes"*, amounting to EUR 34,317 thousand, relating to new prototypes for the publication of books at Grupo Santillana de Ediciones, S.L.
- *"Computer Software"*, amounting to EUR 24,032 thousand, relating to the computer software acquired and/or developed by third parties for Group companies under the Group's IT Plan.
- *"Advances on Copyrights"*, amounting to EUR 11,667 thousand, relating mainly to the amounts paid to authors by Grupo Santillana de Ediciones, S.L. for the acquisition of book publishing rights.
- *"Audiovisual Rights"*, amounting to EUR 8,693 thousand which includes mainly the advances paid for the exploitation of future audiovisual rights and the investments made in film production and audiovisual rights for their distribution.

Disposals and transfers-

In 2008 Grupo Santillana de Ediciones, S.L. derecognised fully amortised prototypes from the *"Prototypes"* account. The audiovisual rights whose exploitation period and term had expired and which had been fully amortised were also derecognised from *"Audiovisual Rights"*. Furthermore, rights which were recovered during the year or which will be used or recovered over the coming twelve months were transferred to *"Inventories"* and *"Other Receivables"* in the consolidated balance sheet.

At 31 December 2008, the Prisa Group's fully amortised intangible assets in use amounted to EUR 184,843 thousand (31 December 2007: EUR 195,404 thousand).

(8) FINANCIAL ASSETS

2008-

Non-current financial assets

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

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

In 2008 a provision was recognised for the EUR 88,309 thousand loan granted by the Group to Dédalo Grupo Gráfico, S.L. (see Notes 18 and 25).

“Financial Assets at Fair Value through Profit or Loss” includes the fair value of various interest rate hedging instruments. The changes in the fair value of these financial instruments, which is provided periodically by the banks with which the hedges were arranged, are recognised as finance income or finance costs for the year as required by IAS 39, since, in view of their nature, under IAS 39 these instruments do not qualify for hedge accounting (see Note 12).

The most significant transfers in “Available-for-Sale Financial Assets” relate to the exclusion from the scope of consolidation of Iberbanda, S.A. And the corresponding transfer of the investment and the provision for the recognition thereof as a minority interest (see Note 3).

2007-

The breakdown, by type of transaction, of the balance of “*Non-Current Financial Assets*” in the consolidated balance sheet at 31 December 2007 is as follows:

	Thousands of euros					
	Balance at 12/31/06	Translation adjustment	Changes in scope of consolidation	Additions/charge for the year	Disposals/transfers	Balance at 12/31/07
Loans and receivables	43,752	(1,010)	7,181	57,389	(5,265)	102,047
Loans to associates	25,787	(524)	6,640	45,690	494	78,087
Long-term loans to third parties	8,766	-	541	12,049	516	21,872
Other non-current financial assets	10,473	(486)	-	2,905	(6,275)	6,617
Allowance	(1,274)	-	-	(3,255)	-	(4,529)
Held-to-maturity investments	4,365	9	16	1,074	(858)	4,606
Financial assets at fair value through profit or loss	3,412	-	-	3,350	(620)	6,142
Available-for-sale financial assets	35,308	(8)	(1,882)	12,123	(1,170)	44,371
Minority equity interests	42,291	(5)	(48)	6,287	(2,847)	45,678
Other non-current financial assets	-	-	-	8,864	-	8,864
Allowance	(6,983)	(3)	(1,834)	(3,028)	1,677	(10,171)
Total	86,837	(1,009)	5,315	73,936	(7,913)	157,166

Loans and receivables-

At 31 December 2007, “*Loans to Associates*” included mainly the EUR 60,090 thousand loan granted to Dédalo Grupo Gráfico, S.L.

“*Long-Term Loans to Third Parties*” included mainly the account receivable of EUR 10,000 thousand arising from the sale of the regional press.

(9) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

2008-

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

	Thousands of euros					Balance at 12/31/08
	Balance at 12/31/07	Additions	Share of results/ Impairment losses	Transfers	Disposals	
Investments accounted for using the equity method:						
Dédalo Grupo Gráfico, S.L. and subsidiaries	-	-	(10,581)	10,581	-	-
Grupo Media Capital, SPGS, S.A. (subsidiaries)	-	631	(565)	(66)	-	-
Sogecable, S.A.U. (subsidiaries)	2,038	450	(180)	-	(1,765)	543
Other companies	7,377	772	1,859	207	(1,655)	8,560
Capital payments payable	(134)	-	-	-	-	(134)
Total	9,281	1,853	(9,467)	10,722	(3,420)	8,969
Goodwill of companies accounted for using the equity method:	3,967	-	-	-	-	3,967
Total investments accounted for using the equity method:	13,248					12,936

“*Other Companies*” includes a “*Share of Results of Companies Accounted for Using the Equity Method*” amounting to losses of EUR 1,874 thousand, included in the accompanying consolidated income statement under “*Loss After Tax from Discontinued Operations*”, as a result of the discontinuation of the Group’s local television business activities in December 2008 (see Note 19).

At 31 December 2008, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognised under “*Non-Current Provisions*” (see Note 14).

2007-

The Group's most significant investments in associates at 31 December 2007 were as follows:

	Thousands of euros					Balance at 12/31/07
	Balance at 12/31/06	Additions	Transfers	Share of results/ Impairment losses	Disposals	
Investments accounted for using the equity method:						
Dédalo Grupo Gráfico, S.L. and subsidiaries	-	26,176	379	(26,555)	-	-
Iberbanda, S.A.	(8,723)	-	11,701	1,648	(4,626)	-
Grupo Media Capital, SPGS, S.A.	47,457	654	66	(488)	(47,689)	-
Sogecable, S.A.U. (subsidiaries)	8,427	-	-	(5,558)	(831)	2,038
Other companies	8,354	826	2,938	2,784	(7,525)	7,377
Capital payments payable	-	(134)	-	-	-	(134)
Total	55,515	27,522	15,084	(28,169)	(60,671)	9,281
Goodwill of companies accounted for using the equity method:						
Grupo Media Capital, SPGS, S.A.	221,061	-	(221,061)	-	-	-
Dédalo Grupo Gráfico, S.L. and subsidiaries	-	-	3,685	(3,685)	-	-
Other	4,168	-	-	(201)	-	3,967
Total goodwill	225,229	-	(217,376)	(3,886)	-	3,967
Total investments accounted for using the equity method:	280,744					13,248

Investments accounted for using the equity method-

The addition relating to Dédalo Grupo Gráfico, S.L. and subsidiaries was the result of the change in the method used to consolidate this company described in Note 15.

The disposal relating to Media Capital, SPGS, S.A. arose from the change in the method used to consolidate this Group as a result of the transactions discussed in Note 6.

Also, the disposal relating to "Other Companies" included the disposal of EUR 6,011 thousand arising mainly from the sale of 31.89% of the shares of Novotécnica, S.A., a transaction linked to the sale of the investments in the regional press business.

The other disposals related mainly to dividends paid by the companies.

Consolidation goodwill arising on investments accounted for using the equity method-

The transfer of the goodwill relating to Grupo Media Capital, SPGS, S.A. arose from the change in the method used to consolidate this company, which in February 2007 ceased to be accounted for using the equity method and started to be fully consolidated.

Also, at 31 December 2007, the Group held ownership interests in companies accounted for using the equity method, the negative net value of which was recognised under "Long-Term Provisions" (see Note 14).

(10) EQUITY

a) Share capital

At 31 December 2008, the share capital of Promotora de Informaciones, S.A. amounted to EUR 21,914 thousand and was represented by 219,135,500 ordinary registered shares of EUR 0.1 par value each. The share capital has been fully subscribed and paid in full.

At 31 December 2007, the share capital of Promotora de Informaciones, S.A. amounted to EUR 22,036 thousand and was represented by 218,812,500 ordinary class A shares of EUR 0.1 par value each and by 1,543,000 redeemable class B shares of EUR 0.1 par value each.

The purpose of the redeemable shares was to cater for the share option plan targeted at executive directors and executives of the PRISA Group, approved by the shareholders at the Annual General Meeting held on 15 April 2004.

In 2007 the executive directors and directors of Promotora de Informaciones, S.A. exercised their purchase options on 323,000 share options. At 31 January 2008, the date on which the share option plan expired, 1,220,000 options had not been exercised as no additional purchase options had been exercised in 2008.

Consequently, by availing of the powers conferred on it by the shareholders at the 2006 Annual General Meeting, the Board of Directors at its meeting held on 13 March 2008 resolved to convert the 323,000 redeemable class B shares into ordinary class A shares which were admitted to listing once the corresponding formalities had been completed and to redeem the remaining 1,220,000 redeemable class B shares, thereby fully extinguishing all the class B shares.

Accordingly, on 13 March 2008, Promotora de Informaciones S.A., reduced share capital by a nominal value of EUR 122 thousand and share premium by EUR 16,226 thousand using the reserve created at the date on which the redeemable shares were issued and created the corresponding "*Reserve For Retired Capital*" for the same amount, with a charge to unrestricted reserves. Consequently, the financial liability recognised at 31 December 2007 was settled by the portion of the 1,220,000 redeemable shares which remained to serve as coverage, with a credit to "*Equity- Other Reserves*".

At 31 December 2008, Rucandio, S.A. held an indirect ownership interest in Prisa of 150,200,832 shares, representing 68.542% of the subscribed share capital with voting rights.

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

- Promotora de Publicaciones, S.L., holder of 86,076,108 shares, representing 39.280% of the subscribed share capital with voting rights.
- Asgard Inversiones, S.L.U., holder of 35,487,164 shares, representing 16.194% of the subscribed share capital with voting rights.
- Sabara Investment, S.L., holder of 20,709,420 shares, representing 9.451% of the subscribed share capital with voting rights.

b) Share premium

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

c) Reserves

Revaluation reserve 1983-

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

Revaluation reserve Royal Decree-Law 7/1996-

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

Legal reserve-

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

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

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

Reserve for treasury shares-

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

Bylaw-stipulated reserves-

Under Article 32 of the Parent's bylaws, at least 10% of the profit after tax must be transferred to a reserve each year until the balance of this reserve reaches at least 20% and does not exceed 50% of the paid-in share capital. In 2008 the amount of the bylaw-stipulated reserve which exceeded the maximum limit provided for in the company bylaws (EUR 61 thousand), was reclassified to voluntary reserves.

d) Reserves for first-time application of IFRSs

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

e) Prior years' accumulated profit

The breakdown, by company, of "Prior Years' Accumulated Profit "at 31 December 2008 and 2007 is as follows:

	Thousands of euros	
	12/31/08	12/31/07
Press	31,209	50,564
País	26,083	40,537
Spanish press	6,730	12,107
International press	(1,604)	(2,080)
Radio	58,962	51,553
Radio in Spain	21,753	10,899
Radio abroad	37,209	40,654
Education	176,843	156,024
Audiovisual	(103,116)	(151,012)
Other	193,706	206,728
Prisa	208,322	242,759
Other	(14,616)	(36,031)
Total accumulated profit	357,604	313,857
Press	(1,949)	3,665
Radio	(2,751)	(2,573)
Radio abroad	(2,751)	(2,573)
Audiovisual	(2,047)	(2,695)
Other	(34,878)	(63,255)
Total accumulated profit of companies accounted for using the equity method	(41,625)	(64,858)
Total prior years' accumulated profit	315,979	248,999

f) Total income and expense recognised in the year

The detail of the income and expense recognised in 2008 and 2007 is as follows:

	Thousands of euros	
	12/31/08	12/31/07
NET INCOME RECOGNISED DIRECTLY IN EQUITY	(26,348)	(31,244)
In reserves	1,563	(16,310)
Arising from the measurement of share option plans	-	1,023
Arising from redeemable shares	15,648	(16,555)
Arising from the reserve for treasury shares	(14,576)	-
Arising from other transactions	491	(778)
In prior years' accumulated profit	(12,964)	(9,962)
Arising from translation differences	(10,546)	(11,422)
Arising from asset revaluations	5,775	9,684
Arising from redeemable shares	3,948	4,304
Arising from other transactions	(12,141)	(12,528)
In exchange differences	(14,947)	(4,972)
Arising from translation differences	(14,947)	(4,972)
PROFIT FOR THE YEAR	82,996	191,973
TOTAL INCOME AND EXPENSE RECOGNISED IN THE YEAR	56,648	160,729

g) Treasury shares

The changes in "Treasury Shares" in 2008 and 2007 were as follows:

	Thousands of euros			
	2008		2007	
	Number of shares	Amount	Number of shares	Amount
At beginning of year	10,940,625	39,101	10,940,625	38,881
Purchases	40,781	347	17,654	283
Deliveries	(40,781)	(146)	(17,654)	(63)
Reserve for treasury shares	-	(14,576)	-	-
At end of year	10,940,625	24,726	10,940,625	39,101

At 31 December 2008, Promotora de Informaciones, S.A. held a total of 10,940,625 treasury shares, representing 4.99% of its share capital. The total cost of these shares was EUR 24,726 thousand, with a cost per share of EUR 2.26.

The Company planned to cover the exchangeable bond issue with the treasury shares. The exchangeable bond issue was finally settled in cash on 19 December 2008 (see Note 11).

At 31 December 2008, the Company did not hold any shares on loan.

h) Exchange differences

Exchange losses amounted to EUR 18,422 thousand at 31 December 2008 (31 December 2007: losses of EUR 3,475 thousand) and relate mainly to the companies located in the US, Mexico, Colombia and Brazil.

(11) EXCHANGEABLE BONDS IN ISSUE

On 11 December 2003, Prisa Finance (Netherlands) B.V., a wholly-owned subsidiary of Prisa, resolved to launch an issue of bonds exchangeable for ordinary shares of Prisa. The nominal amount of this issue was EUR 162,300 thousand and the face value of each bond was EUR 10,000. Following the placement of this issue, the annual coupon was set at 1.75% of the bond principal and the exchange premium of each bond was set at 34% of the benchmark price per share established at EUR 11.0755. The maturity date of the bonds was established at five years from the issue date and they were settled on 19 December 2008 in cash.

(12) FINANCIAL LIABILITIES

Bank borrowings

The detail of the bank borrowings at 31 December 2008, of the credit limits and of the scheduled maturities is as follows:

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Syndicated loan and credit facility to Prisa	2013	1,770,305	123,115	1,647,190
Bridge loan to Prisa	2009	1,835,837	1,835,837	-
Subordinated credit facility	2013	134,000	-	134,000
Syndicated loan and credit facility to Sogecable	2011	930,000	370,000	450,000
Credit facilities	2009-2012	415,571	233,592	107,288
Bank loans	2009-2023	29,892	7,165	22,727
Finance leases, interest and other	2009-2013	27,176	18,085	9,090
Loan arrangement costs	2009-2013	-	(55,703)	(22,217)
Total		5,142,781	2,532,091	2,348,078

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

Of the total bank borrowings at 31 December 2008, 98.78% were denominated in euros and the remainder in foreign currencies.

The average interest rates on the Group's bank borrowings were 5.62% in 2008 and 4.98% in 2007.

Syndicated loan and credit facility and bridge loan to Prisa-

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

Repayment of the loan commenced in 2007 with the payment of EUR 97,806 thousand and will end in June 2013. In 2008 EUR 181,889 thousand were repaid. The repayment schedule is as follows:

Maturity	Thousands of euros
2009	123,115
2010	205,192
2011	305,685
2012	350,929
2013	410,384
	1,395,305

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

The syndicated financing agreement is jointly and severally guaranteed by the Prisa Group companies (excluding Sogecable, S.A.U.) which, in accordance with certain parameters established in the agreement, were considered to be significant subsidiaries at 31 December 2008, namely, Diario El País, S.L., Grupo Empresarial de Medios Impresos, S.L., Grupo Santillana de Ediciones, S.L., Sociedad de Servicios Radiofónicos Unión Radio, S.L. and Grupo Media Capital SPCS, S.A.

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

This agreement consisted of a first tranche (tranche A) of EUR 2,036,000 thousand, which included the amount of the guarantee submitted to the CNMV amounting to EUR 2,035,023 thousand, and two credit facilities, the first for EUR 2,052,000 thousand (tranche B) the purpose of which was to cover, if necessary, the refinancing of the current syndicated loan, and the other (tranche C) for EUR 142,000 thousand to finance operations. Also, the agreement states that the Prisa Group, except for Sogecable, S.A.U., must comply basically with the general obligations established for the current syndicated loan and credit facility agreement.

On 29 February 2008, Prisa signed the syndication of this bridge loan initially granted by one bank. On 20 June 2008, the initial maturity date of the bridge loan, and after the result of the takeover bid became known, Prisa requested voluntarily the non-renewal of Tranche B of this bridge loan and the partial repayment of EUR 113,000 thousand of Tranche C, placing the

bridge loan at EUR 1,948,935 thousand. The Company also signed a one-month extension for the purpose of finalising the agreement relating to the novation of this loan until March 2009.

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

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

On 13 May 2009, PRISA concluded an agreement with the banks which granted the bridge loan to extend the maturity thereof until 31 March 2010 and obtained the authorisation from the banks participating in the syndicated financing agreement relating to the additional debt incurred as a result of the aforementioned extension.

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

In 2008 the Parent arranged a pledge on the shares of Sogecable, S.A.U., the Group's shares in Grupo Media Capital, S.G.P.S., S.A. and the Group's shares in Ediciones Santillana, S.L. to secure the obligations arising from the syndicated loan and the bridge loan.

Under the syndicated loan and credit facility and bridge loan agreements, the Prisa Group is required to meet certain obligations and commitments. Group management considers that all the obligations under this agreement had been met at 31 December 2008.

Subordinated credit facility-

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

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

At 31 December 2008, the balance drawn down was EUR 134,000 thousand which relates to the definitive amount of this credit facility, as the Company requested a reduction in the limit thereof.

Syndicated loan and credit facility to Sogecable-

In 2005 the Sogecable Group renegotiated the terms and conditions of the financing arrangements then outstanding and in July 2005 entered into a new syndicated loan agreement, which replaces the prior agreement, for a total amount of EUR 1,200,000 thousand. This new agreement consists of a long-term loan of EUR 900,000 thousand and a short-term credit facility of EUR 300,000 thousand drawable throughout the term of the loan. At 31 December 2008, EUR 190,000 thousand were drawn down on the current portion of this credit facility. The loan portion matures at six-and-a-half years and is repayable in ten consecutive

half-yearly increasing instalments. Repayment commenced in 2007 and will end in December 2011. At 31 December 2008, a total of EUR 270,000 thousand had been repaid. The outstanding loan repayments at that date mature as follows:

Maturity	Thousands of euros
2009	180,000
2010	225,000
2011	225,000
	630,000

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

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

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

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

Credit facilities-

“*Credit Facilities*” includes the amounts drawn down against credit facilities used to finance the Prisa Group companies' operating requirements in Spain through cash-pooling. The total amount of bank borrowings maturing in 2009 includes the balances drawn down against certain credit facilities which, although they mature in more than one year, are extendable for one-year periods, as stipulated in the related agreements. Accordingly, these balances were classified under “*Current Liabilities - Current Bank Borrowings*” in the accompanying consolidated balance sheet at 31 December 2008. The interest rate applicable to these credit facilities is Euribor plus a market spread.

Financial hedges

At 31 December 2008, the Group arranged financial instruments, mainly to hedge the interest rate and foreign currency risks, with various banks which provide periodic estimates of the fair values of these instruments.

The changes in the value of these financial instruments are recognised as finance income or finance costs for the year as required by IFRSs, since in view of their nature they do not qualify for hedge accounting. "Non-Current Financial Assets" on the asset side and "Bank Borrowings" on the liability side of the accompanying consolidated balance sheet include the fair value of the various financial instruments at year-end.

The breakdown, by type of risk hedged and maturity, of the financial instruments at 31 December 2008 is as follows:

	Maturity	Unit of hedge	Notional amount	Thousands of euros
				Fair value
Interest rate risk - Prisa	2011	Thousands of euros	681,000	(17,826)
Interest rate risk - Prisa	2011	Thousands of euros	681,000	17,826
Interest rate risk - Prisa	2009	Thousands of euros	1,800,000	(2,754)
Interest rate risk - Prisa	2009	Thousands of euros	2,100,000	(3,644)
Interest rate risk - Prisa	2009	Thousands of euros	2,500,000	-
Interest rate risk - Prisa	2009	Thousands of euros	2,500,000	(12,713)
Interest rate risk - Media Capital	2012	Thousands of euros	50,000	(1,783)
Foreign currency risk - Sogecable	2009	Thousands of US dollars	42,046	(771)
Foreign currency risk - Santillana	2009	Thousands of reais	17,449	(1,346)
Foreign currency risk - Santillana	2009	Thousands of Chilean pesos	463	-
Foreign currency risk - Santillana	2009	Thousands of Colombian pesos	4,063	-

At 31 December 2008, the Group recognised a net loss of EUR 17,121 thousand relating to changes in the value of these instruments. The Group also recognised income amounting to EUR 15,300 thousand in "Finance Income - Other Finance Income", arising from the settlement of the intrinsic financial flows of these instruments.

Interest rate hedges-

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

The Group has analysed the sensitivity of the financial instruments to changes of more/less 50 basis points in the applicable interest rates adjusted to new levels of borrowings, which would give rise to changes in the fair value of scanty material amounts, since the financial instruments used by the Group establish interest rate caps.

Foreign currency hedges-

The Group occasionally uses currency derivatives to hedge its foreign currency risk arising from foreign currency transactions and cash flows. The hedging instruments used are forward foreign currency option contracts and exchange rate hedges denominated in the currencies of the main foreign providers and markets in which the Group operates (mainly US dollars).

The Prisa Group's foreign currency risk is mainly associated with the following operations:

- Foreign currency debt to suppliers and providers assumed by Group companies in the course of their business activities.
- Profit or loss from activities carried on in non-euro area countries, which is tied to fluctuations in the respective currencies.
- Financial investments for the acquisition of holdings in foreign companies.

(13) NON-CURRENT FINANCIAL LIABILITIES

Sogecable, S.A.U. subordinated loan

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

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

At 31 December 2007, the balance of "*Other Non-Current Liabilities*" in the accompanying consolidated balance sheet included the initial loan principal outstanding, amounting to approximately EUR 172,496 thousand, plus the accrued interest capitalised at 1 January 2005, relating to the shareholders which maintained their subordinated loans at the end of the year. At 31 December 2008, "*Other Non-Current Liabilities*" also included the accrued interest payable in 2008, amounting to EUR 20,268 thousand.

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

As a result of the settlement of the takeover bid for Sogecable, S.A.U.'s shares by Promotora de Informaciones, S.A. and the de-listing of this company's shares from the stock market (see Note 6), by application of the warrants issue prospectus, Sogecable, S.A.U. settled the warrants early, pursuant to the terms and conditions set forth therein.

(14) LONG-TERM PROVISIONS

The detail of the changes in 2008 in "Non-Current Liabilities – Provisions" is as follows:

	Thousands of euros					Balance at 12/31/08
	Balance at 12/31/07	Translation adjustment	Charge for the year	Amounts used	Transfers	
For taxes	16,985	-	1,299	(143)	-	18,141
For third-party liability and other	50,361	(492)	4,006	(4,932)	7,723	56,666
Total	67,346	(492)	5,305	(5,075)	7,723	74,807

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

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

The breakdown of the total additions to long-term provisions charged to the consolidated income statement for 2008 is as follows:

	Thousands of euros
Termination benefits	782
Other staff costs	1,118
Taxes	1,428
Other	1,977
Total	5,305

At 31 December 2008, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognised under "Non-Current Liabilities - Provisions" (see Note 9).

	Thousands of euros
Wsua Broadcasting Corporation	832
Distrimedios, S.A.	779
Green Emerald Business Inc.	518
Dédalo Grupo Gráfico, S.L. and subsidiaries	10,961
Other	3,699
Total	16,789

“Non-Current Liabilities – Provisions” also includes the non-current provision relating to Iberbanda, S.A. amounting to EUR 8,253 thousand.

(15) ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In 2007 Promotora de Informaciones, S.A., in accordance with IFRSs, ceased to classify the assets and liabilities of Dédalo Grupo Gráfico, S.L. as held for sale as one year had elapsed since the aforementioned classification. Consequently, at the end of 2007 the Group began to account for the investees of Dédalo Grupo Gráfico, S.L. using the equity method (see Note 2-d).

In 2007 the Parent’s directors initiated a process to sell three buildings owned by the Group. On 29 July 2008, Prisa entered into a sale and leaseback agreement relating to these buildings located in Madrid (Gran Vía, 32 and Miguel Yuste, 40) and Barcelona (Caspé, 6-20) with Longshore, S.L., for EUR 300,000 thousand, which generated a profit of EUR 226,783 thousand recognised under “Other Income” in the 2008 consolidated income statement.

(16) OPERATING INCOME

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

	Thousands of euros	
	12/31/08	12/31/07
Revenue from subscribers	1,141,101	1,136,322
Advertising sales and sponsorship	1,067,070	1,122,268
Sales of books, rights and training	579,743	536,468
Newspaper and magazine sales	209,860	210,519
Sales of add-ons and collections	73,101	88,089
Printing services	336	506
Sale of audiovisual rights and programmes	347,789	313,712
Intermediation services	27,577	29,607
Broadcasting services	36,335	34,830
Other services	160,370	147,189
Revenue	3,643,282	3,619,510
Income from fixed assets	297,104	22,380
Other income	60,962	54,138
Other income	358,066	76,518
Total operating income	4,001,348	3,696,028

(17) OPERATING EXPENSES

Staff costs

The detail of "Staff Costs" is as follows:

	Thousands of euros	
	12/31/08	12/31/07
Wages and salaries	520,385	493,690
Employee benefit costs	103,202	98,091
Termination benefits	19,554	10,762
Share-based payment costs	-	1,023
Other employee benefit costs	23,541	20,309
Total	666,682	623,875

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

	12/31/08	12/31/07
Executives	593	604
Middle management	1,779	1,786
Other employees	11,329	11,042
Total	13,701	13,432

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

	12/31/08		12/31/07	
	Women	Men	Women	Men
Executives	197	396	145	459
Middle management	688	1,091	660	1,126
Other employees	5,231	6,098	4,955	6,087
Total	6,116	7,585	5,760	7,672

Share-based payments

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

On 15 April 2004, the shareholders at the Annual General Meeting approved the basic terms of the share option plan for the acquisition of Prisa shares. The shareholders also authorised the Board of Directors to develop and implement this plan.

On 15 July 2004, the Board of Directors approved a Remuneration Plan consisting of the delivery of options on Company shares in accordance with the authorisation granted by the shareholders at the Annual General Meeting on 15 April 2004.

Options were delivered for no consideration and the exercise price was EUR 13.40 per share.

The capital increase decided upon by the shareholders at the Annual General Meeting held on 22 March 2006 to cater for the aforementioned share option plan was carried out on 19 April 2007 (see Note 10-a).

The option exercise period ran from 31 July 2007 to 31 January 2008 when the Company's executive directors and executives exercised purchase options on 323,000 share options.

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

On 18 December 2008, the Board of Directors approved a Remuneration Plan consisting of the delivery of options on Company shares for the executive directors and executives of the Group. In accordance with the authorisation granted by the shareholders at the General Meeting of 13 March 2008, the exercise price of the options, modified by the shareholders at the General Meeting of 5 December 2008, was set at EUR 2.94 per share.

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

Each share will confer the right to purchase or subscribe one Company share. The options may be exercised between 31 December 2009 and 31 March 2010, inclusive.

Share option plan of Sogecable, S.A.U.-

At the Annual General Meetings of Sogecable, S.A.U. on 16 May 2000 and 13 May 2003, the shareholders resolved to establish share option plans for the Sogecable Group's executive directors and executives, exercisable annually between 2003 and 2008.

The Annual General Meetings of Sogecable, S.A.U. authorised the Company's Board of Directors to carry out, where appropriate, the related capital increases, with the disapplication of pre-emption rights, to cover these option plans. In this connection, at the Annual General Meeting on 27 April 2005, the shareholders resolved to increase capital through the issuance of 1,570,594 redeemable shares of EUR 2 par value each and a share premium of EUR 0.50 per share, with the total disapplication of pre-emption rights, since these shares are intended to cover the share option plans approved. The capital increase required to cover these option plans was also approved at the aforementioned Annual General Meeting and was carried out in 2006 through the issuance of redeemable shares.

In 2007 the related share option plans expired and there were 104 beneficiaries in total. The plans exercised in 2007, 2006 and 2005 were covered by the issue of redeemable shares described above. In 2007 when the related plan expired, 102,000 share options had not been exercised.

In 2008 all of the options relating to the plan expiring in 2008 were exercised. Consequently, at 31 December 2008, the Sogecable Group did not have any share option plans.

Fees paid to auditors

The fees for financial audit services relating to the 2008 consolidated financial statements and to the interim financial statements at 30 June 2008 provided to the various companies composing the Prisa Group and Subsidiaries by Deloitte, S.L. and by other entities related to the auditor amounted to EUR 2,868 thousand (2007: EUR 1,784 thousand), of which EUR 638 thousand relate to Prisa. Also, the fees relating to other auditors involved in the 2008 audit of various Group companies amounted to EUR 328 thousand (2007: EUR 342 thousand).

In addition, the fees for other professional services provided to the various Group companies by the principal auditor and by other entities related to the auditor amounted to EUR 1,483 thousand in 2008 (2007: EUR 922 thousand), of which EUR 231 thousand relate to services to Prisa, while the fees paid in this connection to other auditors participating in the audit of the various Group companies amounted to EUR 733 thousand (EUR 464 thousand).

(18) FINANCIAL LOSS

The breakdown of the balance of "Financial Loss" in the consolidated income statements is as follows:

	Thousands of euros	
	12/31/08	12/31/07
Income from current financial assets	1,480	1,008
Income from equity investments	537	645
Other finance income	34,175	14,122
Finance income	36,192	15,775
Interest on debt	(290,937)	(185,958)
Adjustments for inflation	(2,301)	(3,371)
Impairment losses on long-term loans to related companies	(88,309)	(3,255)
Other finance costs	(20,188)	(20,352)
Finance costs	(401,735)	(212,936)
Exchange gains	17,206	12,454
Exchange losses	(31,022)	(10,522)
Exchange differences (net)	(13,816)	1,932
Changes in value of financial instruments	(17,709)	(34)
Financial loss	(397,068)	(195,263)

In 2008 the Group recognised income amounting to EUR 15,300 thousand in "Other Finance Income" arising from the settlement of the intrinsic cash flows of derivative financial instruments.

(19) DISCONTINUED OPERATIONS

The detail of the loss from discontinued operations included in the 2008 consolidated income statement is as follows:

(Thousands of euros)	12/31/08
Operating income	21,512
Operating expenses	(82,261)
Loss from operations	(60,749)
Financial loss	(17,440)
Result of companies accounted for using the equity method	(1,874)
Loss before tax from continued operations	(80,063)
Income tax	3,671
Result attributable to minority interests	1,046
Loss after tax from discontinued operations	(75,346)

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

If the local television business had been classified as a discontinued operation in the 2007 consolidated income statement, the impact thereof would have led to increases of EUR 15,325 thousand and EUR 20,908 thousand increase in profit from operations and profit from continuing operations, respectively.

(20) BUSINESS AND GEOGRAPHICAL SEGMENTS

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

Primary segments - Business segments

The business lines described below were established on the basis of the Prisa Group's organisational structure at 2008 year-end, taking into account, on the one hand, the nature of the goods and services offered and, on the other, the customer segments at which they are targeted.

Sogecable's figures for 2007 include certain reclassifications since "*Gains or Losses on Disposal of Non-Current Assets*" and "*Impairment Losses on Non-Current Assets*" were recognised under profit or loss from operations and were not included under this heading in 2007.

The figures of the audiovisual business unit were also reclassified.

The Prisa Group's consolidated figures remained unchanged as the corresponding uniformity adjustments were made in 2007.

Segment information about these businesses for 2008 and 2007 is presented below:

	PRESS		RADIO		EDUCATION		AUDIOVISUAL		OTHER		ELIMINATIONS		PRISA GROUP	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Operating income	503,938	572,277	415,260	422,755	607,650	560,000	2,169,095	2,105,729	470,438	164,523	(165,033)	(129,256)	4,001,348	3,696,028
- External sales	350,247	409,609	394,024	401,610	600,565	553,322	2,122,950	2,091,319	217,117	236,440	316,445	3,728	4,001,348	3,696,028
- Inter-segment sales	153,691	162,668	21,236	21,145	7,085	6,678	46,145	14,410	253,321	(71,917)	(481,478)	(132,984)	0	0
Operating expenses	(452,373)	(450,769)	(328,581)	(320,969)	(530,642)	(484,944)	(1,942,350)	(1,886,536)	(321,967)	(167,485)	272,756	134,606	(3,303,157)	(3,176,097)
- Cost of materials used	(164,438)	(169,823)	(3,301)	(2,423)	(166,380)	(161,400)	(1,096,714)	(1,042,989)	(17,631)	(16,126)	12,714	12,193	(1,435,750)	(1,380,568)
- Staff costs	(120,556)	(112,485)	(119,939)	(111,551)	(148,180)	(131,176)	(217,369)	(212,227)	(60,736)	(56,512)	98	76	(666,682)	(623,875)
- Depreciation and amortisation charge	(14,245)	(14,215)	(12,986)	(11,117)	(36,027)	(33,944)	(129,275)	(165,625)	(6,623)	(6,535)	221	(2)	(198,935)	(231,438)
- Outside services	(151,814)	(153,234)	(189,486)	(193,026)	(158,587)	(146,829)	(473,074)	(451,719)	(100,416)	(81,145)	123,334	115,336	(950,043)	(910,617)
- Change in operating provisions	(1,120)	(1,008)	(2,783)	(2,473)	(19,237)	(9,868)	(21,742)	(13,068)	(257)	79	0	(20)	(45,139)	(26,558)
- Other expenses	(200)	(4)	(86)	(379)	(2,231)	(1,727)	(4,176)	(908)	(136,304)	(7,246)	136,389	7,223	(6,608)	(3,041)
Profit from operations	51,565	121,508	86,679	101,786	77,008	75,056	226,745	219,193	148,471	(2,962)	107,723	5,350	698,191	519,931
Finance income	2,562	1,882	1,774	1,548	3,384	2,312	5,587	4,162	447,906	201,343	(405,760)	(189,854)	55,453	21,393
Finance costs	(2,882)	(1,051)	(7,117)	(7,819)	(10,012)	(8,441)	(72,661)	(379,949)	(128,806)	(379,949)	33,917	23,854	(438,704)	(218,588)
Exchange differences (net)	210	(175)	1,495	523	(10,942)	(33)	(5,829)	4,070	1,249	(2,452)	0	(1)	(13,817)	1,932
Financial profit (loss)	(110)	656	(3,848)	(5,748)	(17,570)	(6,162)	(72,903)	(88,093)	69,206	70,085	(371,843)	(166,001)	(397,068)	(195,263)
Result of companies accounted for using the equity method	(16)	406	399	136	0	0	(242)	(6,438)	2,702	3,111	(10,435)	(29,271)	(7,592)	(32,056)
Loss from other investments	(4,399)	(2,929)	(20)	(88)	0	0	0	0	(10,006)	(34,144)	13,075	33,549	(1,350)	(3,612)
Profit before tax from continuing operations	47,040	119,641	83,210	96,086	59,438	68,894	153,600	124,662	210,373	36,090	(261,480)	(156,373)	292,181	289,000
Income tax	12,370	33,977	13,902	16,923	20,806	20,675	51,216	33,410	267	(82,018)	(8,126)	3,952	90,435	26,919
Profit from continuing operations	34,670	85,664	69,308	79,163	38,632	48,219	102,384	91,252	210,106	118,108	(253,354)	(160,325)	201,746	262,081
Loss after tax from discontinued operations	0	0	0	0	0	0	(75,346)	0	0	0	0	0	(75,346)	0
Consolidated profit for the year	34,670	85,664	69,308	79,163	38,632	48,219	27,038	91,252	210,106	118,108	(253,354)	(160,325)	126,400	262,081
Minority interests	1,928	2,778	3,548	3,844	15	183	(5,700)	37,312	514	789	43,099	25,202	43,404	70,108
Profit attributable to the Parent	32,742	82,886	65,760	75,319	38,617	48,036	32,738	53,940	209,592	117,319	(296,453)	(185,527)	82,996	191,973
BALANCE SHEET														
Assets	344,149	331,596	533,226	557,127	490,233	498,150	2,893,124	2,885,905	6,299,254	4,532,454	(2,452,900)	(2,278,872)	8,107,086	6,526,360
- Non-current	181,481	134,043	334,642	336,375	182,396	189,949	1,787,326	1,926,780	5,792,698	3,909,173	(1,766,273)	(1,664,265)	6,512,270	4,832,055
- Current	162,668	197,553	198,571	220,752	307,837	308,201	1,105,798	959,125	505,248	549,786	(685,825)	(613,999)	1,594,297	1,621,418
- Assets classified as held for sale	0	0	13	0	0	0	0	0	1,308	73,495	(802)	(608)	519	72,887
Equity and liabilities	344,149	331,596	533,226	557,127	490,233	498,150	2,893,124	2,885,905	6,299,254	4,532,454	(2,452,900)	(2,278,872)	8,107,086	6,526,360
- Equity	138,506	140,621	309,492	250,699	226,418	225,695	485,619	416,371	1,528,839	1,595,562	(1,430,638)	(1,275,401)	1,258,236	1,353,547
- Non-current	3,807	3,057	15,122	43,118	27,504	31,579	926,743	1,120,879	2,067,636	2,325,912	(289,443)	(399,703)	2,751,369	3,124,842
- Current	201,836	187,918	208,612	263,310	236,311	240,876	1,480,762	1,348,655	2,702,779	610,980	(732,819)	(603,768)	4,097,481	2,047,971

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

	Thousands of euros					
	2008			2007		
	Pay television	Free-to-air television	Other	Pay television	Free-to-air television	Other
Revenue	1,524,908	479,177	118,475	1,507,681	470,609	89,009
Other income	17,361	10,863	17,311	14,350	3,515	20,565
TOTAL OPERATING INCOME	1,542,269	490,040	136,786	1,522,031	474,124	109,574
Cost of materials used	(819,576)	(277,123)	(15)	(837,004)	(249,311)	43,326
Staff costs	(108,328)	(58,397)	(50,644)	(105,147)	(63,850)	(43,230)
Other operating expenses	(376,539)	(123,897)	(127,831)	(403,891)	(136,124)	(91,305)
TOTAL OPERATING EXPENSES	(1,304,443)	(459,417)	(178,490)	(1,346,042)	(449,285)	(91,209)
PROFIT/(LOSS) FROM OPERATIONS	237,826	30,623	(41,704)	175,989	24,839	18,365

At 31 December 2008 and 2007, the non-current assets directly associated with the free-to-air television business and the current assets and liabilities directly attributable to this business line were as follows:

	12/31/08	12/31/07
Non-current assets	135,317	170,549
Current assets	304,316	410,924
Current liabilities	(246,146)	(302,840)

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

Secondary segments - Geographical segments

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

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

	Thousands of euros					
	Europe		America		Total	
	2008	2007	2008	2007	2008	2007
Revenue	3,151,014	3,146,257	492,268	473,253	3,643,282	3,619,510
Other income	350,588	68,142	7,478	8,376	358,066	76,518
Profit before minority interests and tax	242,723	234,446	49,458	54,554	292,181	289,000
Total assets	7,689,065	6,050,410	418,021	475,950	8,107,086	6,526,360

(21) TAX MATTERS

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

In 2008 Sogecable, S.A.U. has its own consolidated tax group in Spain, identified with number 61/96, which also comprises the subsidiaries that meet the statutory requirements for application of the consolidated tax regime.

However, the takeover bid on Sogecable, S.A.U.'s shares gave Promotora de Informaciones, S.A. an ownership interest of more than 75% in Sogecable, S.A.U. Consequently, the Sogecable tax group will disappear with effect from 1 January 2009 and all of the companies in its tax group will be fully included in the consolidated tax group of which Promotora de Informaciones, S.A. is Parent. After estimating the income tax charge for 2008, Sogecable, S.A.U. reassigned the tax loss and tax credit carryforwards of its consolidated group, to the different group companies composing it at that date.

In accordance with current legislation, since the elimination of the Sogecable tax group was a result of its inclusion in a higher tax group, the aforementioned assignment was carried out without recognising the eliminations that should have been included in the consolidated tax base of the Sogecable group in 2008 which must therefore be included in the new group.

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

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

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

The other subsidiaries file individual tax returns in accordance with the tax legislation prevailing in each country. In particular, Sociedad de Servicios Radiofónicos, Unión Radio, S.L. and all its subsidiaries which until 2007 were included in the consolidated tax group of Promotora de Informaciones, S.A., left the aforementioned tax group in 2008 to file individual tax returns.

In 2008 and prior years, certain Group companies performed or participated in corporate restructuring transactions under the special tax neutrality regime regulated in Chapter VIII of Title VII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March. The disclosures required by this legislation are included in the notes to the financial statements of the related Group companies for the year in which these transactions were carried out.

Also, in prior years, several tax group companies availed themselves of tax credits for the reinvestment of extraordinary income under Article 21 of repealed Corporation Tax Law

43/1995. The disclosures required by this Law are made in the notes to the financial statements of the corresponding companies.

In 2005, 2006 and 2007 several Group companies took the tax credit for reinvestment of extraordinary income envisaged in Article 42 of the Spanish Corporation Tax Law amounting to EUR 1,100 thousand, EUR 8,275 thousand and EUR 36,321 thousand, respectively. The disclosures required by current legislation were included in the notes to the financial statements of the companies involved.

a) Reconciliation of the accounting profit to the taxable profit

The following table shows a reconciliation of the result of applying the current standard tax rate in Spain to consolidated net accounting profit, calculated under International Financial Reporting Standards, to the consolidated Group's income tax expense for 2007 and 2008, calculated at the tax rate in force in Spain in 2008 (which was reduced to 30%), in order to provide a uniform comparison:

	12/31/08			12/31/07
	Consolidated income statement	Equity	TOTAL	TOTAL
CONSOLIDATED NET PROFIT UNDER IFRSs	292,181	-	292,181	289,000
Tax charge at 30%	87,654	-	87,654	86,700
Consolidation adjustments	3,245	-	3,245	7,762
Permanent differences (1)	44,287	8,754	53,041	2,279
Tax loss carryforwards	(9,164)	-	(9,164)	(21,642)
Tax credits and tax relief (2)	(30,495)	-	(30,495)	(11,775)
Effect of applying different tax rates (3)	(8,964)	-	(8,964)	3,937
INCOME TAX FOR 2008	86,563	8,754	95,317	67,261
ADJUSTMENT OF PRIOR YEARS' TAX (4)	(639)	-	(639)	(44,128)
FOREIGN TAX EXPENSE (5)	2,546	-	2,546	2,588
EMPLOYEE PROFIT SHARING (6)	1,965	-	1,965	1,198
TOTAL INCOME TAX	90,435	8,754	99,189	26,919

- (1) The permanent differences are mainly due to: (i) certain non-deductible costs and provisions; (ii) the exemption of foreign-source dividends; and (iii) foreign tax expenses arising from withholdings at source.
- (2) In calculating their respective income tax expense or income, the Spanish Prisa Group companies availed themselves of the tax benefits provided for in Chapter IV of Title VI of the Consolidated Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March, which amounted to EUR 36,725 thousand, in calculating the income tax expense for the year.

These benefits include the tax credit for the reinvestment of extraordinary income provided for in Article 42 of the Spanish Corporation Tax Law, in relation to which the Group had qualifying income amounting to EUR 298,583 thousand, having fulfilled, by 31 December 2008, the obligation to reinvest the sale price in the acquisition of financial assets, in the terms established by this Law. The tax credit taken in this connection totalled EUR 35,830 thousand.

Also, since the entitlement to use certain tax credits had expired, they were adjusted by EUR 9,436 thousand.

Also, the consolidated Group companies took a domestic dividend double taxation tax credit not eliminated on consolidation and an international double taxation tax credit of EUR 1,828 thousand.

Similarly, the consolidated Group companies availed themselves of the tax credit provided for in Article 20 of Law 49/2002, of 23 December, on the Tax Regime of Not-for-Profit-Entities and Tax Incentives for Patronage, amounting to EUR 1,332 thousand.

- (3) Relating to the effect of taxation of profits from American and European subsidiaries at different rates.
- (4) Including (i) the impact on the income statement of the adjustment of income tax from prior years and (ii) the derecognition, in accordance with the principle of prudence, of certain tax assets.
- (5) This relates to the expense for taxes paid abroad and arose from withholdings at source from the income from exports of services provided by the Group's Spanish companies abroad.
- (6) This is an additional component of the income tax expense in countries such as Mexico.

b) Deferred tax assets and liabilities

The following table shows the origin and amount of the deferred tax assets and liabilities recognised at 2008 year-end (in thousands of euros):

DEFERRED TAX ASSETS ARISING FROM:		
	12/31/08	12/31/07
Non-deductible provisions	6,318	10,286
Non-capitalisable assets	245	9,753
Adjustment of accounts payable	-	431
Tax loss carryforwards	1,007,588	1,061,918
Unused tax credits recognised	270,727	271,946
Other	13,597	10,641
Total	1,298,475	1,364,975

DEFERRED TAX LIABILITIES ARISING FROM:		
	12/31/08	12/31/07
Investment valuation provisions and amortisation of goodwill	70,133	96,713
Deferral for reinvestment of extraordinary income	6,502	6,674
Accelerated depreciation and amortisation	543	762
Lease payments payable	-	2,322
Adjustment of accounts payable	-	49
Exchange differences	47	168
Hedges of financial instruments	-	3,025
Other	2,053	3,218
Total	79,278	112,931

Following the approval of Law 35/2006, of 28 November, on personal income tax and partially amending the Spanish Corporation Tax, Non-Resident Income Tax and Wealth Tax Laws, the applicable income tax rates have been gradually reduced and, consequently, the tax assets and liabilities in the consolidated balance sheet at 2008 year-end are recognised at their estimated recoverable amount.

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

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

Deferred tax assets include most notably tax loss carryforwards and unused investment tax credits arising mainly at the Prisa and Sogecable consolidated tax groups. These deferred tax assets were recognised in accordance with the criteria set forth in "Accounting Policies".

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

Year incurred	Last year for offset	Amount	Recognised	Not recognised
1992	2007	348	-	348
1993	2008	88	-	88
1994	2009	211	-	211
1995	2010	599	-	599
1996	2011	787	-	787
1997	2012	78,347	77,185	1,162
1998	2013	246,996	228,360	18,636
1999	2014	447,765	372,031	75,734
2000	2015	578,143	515,680	62,464
2001	2016	483,229	424,676	58,554
2002	2017	645,860	558,168	87,692
2003	2018	973,903	918,668	55,234
2004	2019	264,349	196,562	67,786
2005	2020	9,793	628	9,165
2006	2021	66,804	61,305	5,499
2007	2022	3,920	-	3,920
2008	2023	5,457	302	5,155
Total		3,806,599	3,353,565	453,034

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

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

The assumptions used in this business plan, which were conservative, relate to matters such as the penetration of pay TV in Spain, the Sogecable Group's share of this penetration, the trend in the number of subscribers and in the prices of the services offered by the Group and the general trend in costs, in particular programming costs within the current technological and right exploitation framework in which the Sogecable Group operates. In this respect, the projection for the long-term penetration of pay TV in Spain, as far ahead as 2015, is several points below the current penetration rates in neighbouring countries. Also, these rates are generally lower than those projected by independent third-party consultants. Consequently, the estimated annual increases at short and medium term in the net subscriber figures are lower than the annual increases achieved in recent years by certain other European operators. Also, following the launch at the end of 2005 of "Cuatro", the national free-to-air TV channel, the Group included this new business activity in its medium- and long-term business plan. To this end, it considered the current situation of the free-to-air advertising and TV market in Spain and estimated increasing, albeit conservative, market shares for the Group. This business plan also includes sensitivity studies of the most significant assumptions in order to situate them in pessimistic scenarios.

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

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

	BOLIVIA	PORTUGAL	USA	CHILE	BRAZIL	COLOMBIA	ARGENTINA	MEXICO	TOTAL
1993	-	-	1,095	-	-	-	-	-	1,095
1994	-	-	2,048	-	-	-	-	-	2,048
1995	-	-	281	-	-	-	-	-	281
1996	-	-	173	-	-	-	-	-	173
1997	-	-	1,705	-	-	-	-	-	1,705
1998	-	-	1,718	-	-	-	-	-	1,718
1999	-	-	3,212	-	-	-	-	160	3,372
2000	-	-	3,502	-	-	-	-	-	3,502
2001	-	-	2,663	-	-	-	1,028	109	3,800
2002	-	-	1,689	-	-	-	770	271	2,730
2003	442	3,520	2,600	-	378	-	253	35	7,228
2004	388	2,225	2,940	-	521	518	14	25	6,631
2005	650	4,578	3,114	-	-	-	-	-	8,342
2006	-	6,250	6,675	-	-	-	411	455	13,791
2007	342	1,900	4,055	2,022	-	-	-	148	8,467
2008	379	3,500	2,825	20,230	-	-	333	-	27,268
TOTAL	2,201	21,973	40,295	22,252	899	518	2,809	1,203	92,150
Recognised	-	747	-	2,797	899	-	744	-	5,187
Not recognised	2,201	21,226	40,295	19,455	-	518	2,065	1,203	86,963
Carryforward period	Unlimited	6 years	20 years	Unlimited	Unlimited	8 years	5 years	10 years	-

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

Year earned	Amount	Last year for use
1999	141	2009
2000	271	2010
2001	712	2011
2002	557	2012

c) Years open for review by the tax authorities

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

The tax authorities audited the years open for review of certain tax and reporting group companies, as a result of which various tax assessments were issued for personal income tax withholdings and prepayments, VAT, the single tax on revaluations and income tax, the detail, by company and year, being as follows:

Company	Years
Parent- Promotora de Informaciones, S.A.	1992 to 1996
Subsidiaries- Diario El País, S.L. Sociedad Española de Radiodifusión, S.A. Radio Club Canarias, S.A. Radio España de Barcelona, S.A. Ediciones Bidasoa, S.A. Estructura Grupo de Estudios Económicos, S.A. Sociedad de Servicios Radiofónicos Unión Radio, S.L. Diario As, S.L. Grupo Santillana de Ediciones, S.L. Ítaca, S.L. Canal de Editoriales, S.A.	1992 to 1996 1993 to 1996 1993 to 1996 1993 to 1996 1994 to 1996 1995 and 1996 1995 to 1997 1996 to 1998 1991 to 1992 1986, 1989 to 1992 1988 to 1992

Since the Group does not concur with the criteria applied by the tax authorities, it has filed appeals at the appropriate instances against virtually all the tax assessments issued. In 2008 the Supreme Court handed down a decision on the appeal filed against the income tax settlements from 1992 to 1994. The settlements for the other years have not yet been resolved. However, a motion for annulment was filed against the aforementioned judgements. The disciplinary proceedings relating to consolidated income tax from 1992 to 1994 were suspended in full. However, the Group has recorded a provision of EUR 18,141 thousand (*see Note 14*) to cover, inter alia, any payments that it might have to make in this connection in the future. Guarantees have been provided for the total amount of the assessments, the execution of which was therefore stayed or, where appropriate, paid.

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

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

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

The decisions handed down on the appeals filed against the decisions upholding the final tax assessments issued for income tax (which partially upheld the pleas) confirmed settlements amounting to EUR 35,032 thousand (deficiency plus late-payment interest). Appeals were filed at the Central Economic-Administrative Tribunal against these decisions. Payment of this amount was stayed and the related guarantee was provided. The corresponding decisions handed down by the aforementioned Tribunal, partially upholding the Group's claims and adjudging the settlements relating to those years to be null and void, were appealed at the National Appellate Court. At the date of preparation of these consolidated financial statements, no decision had been handed down in this connection. In view of the varying interpretations that can be made of tax legislation, the outcome of present or future tax reviews might give rise to tax liabilities which cannot be objectively quantified at the present time. The directors consider that the tax criteria applied by the companies were appropriate and that there are sufficient grounds for defence so as to expect a favourable decision in connection with the proceedings in progress in relation to the tax audits. Accordingly, the directors do not expect any material liabilities to arise for the Group as a result of the current or of possible future tax audits that might have an effect on the consolidated financial statements.

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

In July the Parent, Promotora de Informaciones, S.A., was notified of the commencement of tax audits for all of the companies included in the consolidated tax group, in relation to income tax for 2003, 2004 and 2005.

On the same date, Promotora de Informaciones, S.A. was also notified of the commencement of tax audits for VAT, personal income tax withholdings and prepayments (employees and professionals), tax on property income, tax on income from movable capital and non-resident income tax which are being reviewed, the detail, by company and year, being as follows:

Company	Years
Parent- Promotora de Informaciones, S.A.	June 2004 to December 2006
Subsidiaries- Diario El País, S.L. Sociedad Española de Radiodifusión, S.A.	June 2004 to December 2006 June 2004 to December 2005

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

(22) DISTRIBUTION OF PROFIT

The distribution of the net profit for 2008 proposed by the Board of Directors of Promotora de Informaciones, S.A. is as follows (in thousands of euros):

	Amount
Distributable profit- Profit for the year	37,161
Distribution- To voluntary reserves	37,161

(23) EARNINGS PER SHARE

Earnings per share were calculated as follows:

	12/31/08	12/31/07
Profit for the year from continuing operations attributable to the Parent (thousands of euros)	158,342	191,973
Loss after tax from discontinued operations (thousands of euros)	(75,346)	-
Profit for the year attributable to the Parent (thousands of euros)	82,996	191,973
Weighted average number of shares outstanding (thousands of shares)	219,135	207,872
Basic earnings per share of continuing operations (euros)	0.72	0.92
Basic loss per share of discontinued operations (euros)	(0.34)	-
Basic earnings per share (euros)	0.38	0.92

The share option plan of Promotora de Informaciones, S.A., approved by the Board of Directors on 18 December 2008 (see Note 17) does not have any dilutive effects because during the year the average market price of the share did not exceed the exercise price of the options.

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

(24) EVENTS AFTER THE BALANCE SHEET DATE

In January 2009 Promotora de Informaciones, S.A. sold its 25% ownership interest in the Bolivian company Inversiones en Radiodifusión, S.A., owner of the ATB TV channel network, to Akaishi Investments, S.L. for USD 4.1 million.

Also, Akaishi Investments, S.L. acquired a purchase option on the shares held by the Prisa Group in the Bolivian company Inversiones Grupo Multimedia de Comunicaciones, S.A. owner of the La Razón and El Extra newspapers.

(25) RELATED PARTY TRANSACTIONS

The detail of the balances receivable from and payable to associates and related parties in 2008 and 2007 is as follows:

	Thousands of euros	
	12/31/08	12/31/07
Accounts receivable		
Trade receivables	13,479	23,683
Long-term receivables	-	5,499
Long-term loans	108,454	71,553
Short-term loans	2,308	16,500
Total	124,241	117,235
Accounts payable		
Trade payables	26,757	14,112
Borrowings	-	2
Capital payments payable	134	134
Total	26,891	14,248

The transactions performed with related parties in 2008 and 2007 were as follows (in thousands of euros):

	12/31/08		12/31/07	
	Directors and executives	Group employees, companies or entities	Directors and executives	Group employees, companies or entities
Services received	4,596	78,628	2,780	37,154
Other expenses	21,016	-	16,803	-
Total expenses	25,612	78,628	19,583	37,154
Finance income	-	2,031	-	-
Services rendered	-	17,446	-	-
Total income	-	19,477	-	-

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

The aggregate amount of EUR 21,016 thousand relates to the accrued salaries of directors (see Note 26) and executives.

Remuneration of senior executives-

At 31 December 2008, senior executives of the Prisa Group are considered to be those persons who are members of the Management Committee and the Business Committee who are not executive directors, in addition to the internal audit director of Promotora de Informaciones, S.A., namely Ignacio Santillana del Barrio, Augusto Delkader Teig, Jaime de Polanco Soutullo, Miguel Satrústegui Gil- Delgado, José Carlos Herreros Díaz-Berrio, José Luis Sainz Díaz, Pedro García Guillén, Matilde Casado Moreno, Jesús Ceberio Galardi, Manuel Mirat Santiago, Miguel Angel Cayuela Sebastián and Virginia Fernández Iribarnegaray. The total remuneration earned by the senior executives of Promotora de Informaciones, S.A. in 2008 and by the Group companies other than the latter, amounted to EUR 11,111 thousand.

Directors' remuneration included long-term incentives received (LTI). This incentive, which was paid upon authorisation for issue of the 2007 financial statements and for which a provision was recognised, is related to objectives tied to the achievement of the Group's 2005-2007 Strategic Plan and affects the executives who are most closely linked to the achievement of those objectives.

Transactions between Group employees, companies or entities-

The aggregate amount of EUR 78,628 thousand includes mainly the printing services provided by various investees of Dédalo Grupo Gráfico, S.L., amounting to EUR 34,137 thousand and the services provided by Compañía Independiente de Noticias de Televisión, S.L. to various Sogecable, S.A.U. subsidiaries, amounting to EUR 37,478 thousand.

The detail of other transactions performed with related parties in 2008 and 2007 is as follows (in thousands of euros):

	12/31/08			12/31/07		
	Significant shareholders	Group employees, companies or entities	Other related parties	Significant shareholders	Group employees, companies or entities	Other related parties
Financing agreements: loans	-	97,192	-	-	41,000	-
Guarantees provided (see Note 27)	-	74,765	35,688	-	15,000	33,475
Commitments/guarantees cancelled (see Note 27)	-	15,000	-	-	-	-
Dividends and other distributed profit	25,914	-	-	22,534	-	-
Other transactions	-	-	-	-	45,132	-

The aggregate amount of EUR 25,914 thousand includes the dividends paid by Prisa to the following companies:

	Thousands of euros
Promotora de Publicaciones, S.L.	17,931
Timón, S.A.	7,440
Nomit Inversiones SICAV	99
Nomit III Internacional SICAV	201
Nomit IV Global SICAV	217
Eure K Inversiones SICAV	26
Total	25,914

The aggregate amount of EUR 97,192 thousand includes the EUR 90,490 thousand credit facility granted to Dédalo Grupo Gráfico, S.L. (see Note 8).

(26) REMUNERATION AND OTHER BENEFITS OF DIRECTORS

In 2008 and 2007, the consolidated companies paid the following amounts in respect of remuneration to Prisa's Board members:

	Thousands of euros	
	12/31/08	12/31/07
Fixed remuneration	3,662	3,789
Variable remuneration	5,689	3,215
Attendance fees	2,837	1,445
Bylaw-stipulated directors' emoluments	1,806	1,714
Other	153	115
Total	14,147	10,278

Directors' variable remuneration included the amounts earned by senior executives relating to "long-term incentives" (LTI). This incentive, which was paid upon authorisation for issue of the 2007 financial statements and for which a provision was recognised, is related to objectives tied to the achievement of the Group's 2005- 2007 Strategic Plan.

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

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

Owner	Investee	Percentage of ownership (%)	Functions
Juan Luis Cebrián Echarri	Le Monde, S.A.	-	Director
Gregorio Marañón y Bertrán de Lis	Universal Music Spain, S.L.	-	Chairman
Borja Pérez Arauna	Tuenti Technologies, S.L.	-	Director

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

Also, in accordance with the above-mentioned Law, it is hereby stated that there is no record that any of the Board members have performed in 2008, or are currently performing, as independent professionals or as employees, any activities that are identical, similar or complementary to the activity that constitutes the company object of Promotora de Informaciones, S.A.

(27) GUARANTEE COMMITMENTS TO THIRD PARTIES

Prisa acts as guarantor for bank loans and credit facilities granted to Promotora de Emisoras de Televisión, S.A. and Iberbanda, S.A. for a maximum amount of EUR 22,500 thousand and EUR 34,466 thousand, respectively.

At 31 December 2008, Prisa had provided bank guarantees amounting to EUR 175,308 thousand and USD 36,000 thousand mainly in relation to the tax assessments issued by the tax authorities that were signed on a contested basis (*see Note 30*).

Lastly, in February 2008 Dédalo Grupo Gráfico, S.L. and its investees entered into a syndicated loan and credit agreement for a maximum amount of EUR 130,000 thousand tied to Euribor, whose objective was to refinance the EUR 125,000 thousand syndicated loan entered into up to that date. In this new financing agreement, which cancels the previous obligations and guarantees, Prisa is guarantor of EUR 70,000 thousand.

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

(28) FUTURE COMMITMENTS

The Sogecable Group has entered into certain purchase and sale agreements with various suppliers and consumers for future programme broadcasting rights, the exploitation of rights of publicity and sports rights and for the provision of satellite transmission services. These

commitments partially cover the Sogecable Group companies' programming needs in the years indicated.

At 31 December 2008, the Sogecable Group had euro and foreign currency payment obligations and collection rights for a net amount payable of approximately EUR 1,393,768 thousand. The net amounts payable in relation to these obligations fall due as follows:

Year	Thousands of euros
2009	573,176
2010	316,448
2011	141,829
2012	107,586
2013	69,856
2014 and subsequent years	184,873
	1,393,768

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

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

(29) LEGAL MATTERS

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

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

(30) LITIGATION AND CLAIMS IN PROGRESS

In 2003 and 2004 the cable operators Auna, Telecable, Tenaria, Euskaltel, R Telecomunicaciones de Galicia and R Telecomunicaciones de Coruña filed requests for arbitration with the CMT, requesting the right to receive an offer to market several channels provided by Sogecable to its subscribers. The CMT announced its decisions in connection with each case - the proceeding brought by Auna in 2004 and the proceedings brought by the other

operators in 2005 - partially upholding the requests for arbitration and ordering Sogecable to submit an offer for the Gran Vía and Canal + Deportes channels. Sogecable filed an appeal at the Madrid Provincial Appellate Court to have these awards set aside and during 2006 the Provincial Appellate Court handed down decisions confirming the awards made by the CMT. Subsequent to the offer submitted by Sogecable, S.A.U., in January 2008 the Madrid Court of First Instance no. 43 closed the proceeding brought by Auna with respect to the enforcement of the award handed down by the CMT. Cableuropa, S.A.U. (Ono) also filed a claim for damage and loss against Sogecable at the Colmenar Viejo Court of First Instance no. 3. Sogecable, S.A.U. filed an answer on 26 June 2008. The proceedings initiated at the behest of the other operators are still in progress at the respective Courts of First Instance. In addition, Ono filed a claim against AVS and Sogecable, S.A.U. relating to the "guaranteed minimum" of the pay per-view football broadcasting agreements entered into by the members of Auna and AVS. Sogecable answered the claim on 26 May 2008 having set the preliminary hearing for 29 January 2008. The previous claims filed by Ono in this connection were unsuccessful.

Agrupación de Operadores de Cable (AOC) filed an appeal for judicial review against the Council of Ministers Resolution dated 29 July 2005 modifying Sogecable, S.A.U.'s concession charter and authorising it to broadcast free-to-air 24 hours a day. On 19 February 2008, the Supreme Court handed down a decision dismissing the appeal filed by AOC.

The collection societies AIE and AISGE filed a complaint against Sogecable, S.A.U. seeking compensation in connection with intellectual property rights. In 2002 a decision was handed down partially upholding the complaint of these societies. The company filed an appeal which was dismissed by the Madrid Provincial Appellate Court in 2003. Sogecable filed a cassation appeal against the provincial appellate court's judgment in the related appeal, which was granted leave to proceed by the Supreme Court in 2007. AISGE requested the provisional enforcement of the judgment, since the court had issued a writ providing therefor. AIE and AISGE also filed a similar complaint against CanalSatélite Digital, S.L. This claim was upheld and in 2004 CanalSatélite Digital S.L. filed an appeal at the Provincial Appellate Court. In 2006 the Court dismissed the appeal and CanalSatélite Digital S.L. filed a cassation appeal, which has not yet been granted leave to proceed by the Supreme Court. AIE and AISGE also filed a complaint in this same connection against DTS, Distribuidora de Televisión Digital, S.A. The complaint was upheld and DTS filed an appeal at the Provincial Appellate Court, which dismissed the appeal. The Company filed an appeal at the Supreme Court in 2005, which was granted leave to proceed.

Also, in May 2007 Sogecable, S.A.U., CanalSatélite Digital, S.L. and DTS, Distribuidora de Televisión Digital, S.A. filed a complaint against AISGE and AIE at the Spanish Competition Authority (currently Spanish Competition Commission "CNC") for abuse of dominant position. In July 2008 the CNC notified AISGE and AIE that disciplinary proceedings were being initiated against them for possible abuse of their dominant position in the market. This proceeding is at the preliminary investigation stage and a decision has not yet been handed down.

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

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

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

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

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

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

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

In December 2004, Centro de Asistencia Telefónica, S.A. filed a labour dispute complaint at the Labour Chamber of the National Appellate Court, requesting that the aforementioned company, despite being integrated commercially in the Sogecable Group, be adjudged an independent company in labour-law terms and as such, not constituting a business unit of the

Sogecable Group. In May 2005 the National Appellate Court upheld the complaint and in its judgment of 11 September 2008, the Supreme Court, accepting Sogecable's interpretation, upheld all the terms and conditions of the decision handed down by the National Appellate Court, whereby CATSA was adjudged an independent company in labour-law terms, despite being integrated commercially in the Sogecable Group and, consequently, that the telemarketing collective labour agreement was applicable to CATSA and not Sogecable's collective labour agreement.

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

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

In the aforementioned proceedings, Mediapro filed a counterclaim against the other parties to the agreement. Sogecable, S.A.U. filed its defence with respect to Mediapro's counterclaim. Both AVS and Sogecable, S.A.U. have filed claims for liability against Mediapro and the third parties cooperating with the latter. Following the preliminary hearing held on 5 March 2009, the date of the trial was set for 17 and 19 November 2009.

In May 2007, Sogecable, S.A.U. filed a claim against F.C. Barcelona, demanding performance of the agreement executed in 1999 by the Club and Telefónica Media, S.L. (currently Telefónica de Contenidos, S.A.U.), which was subrogated to Sogecable, S.A.U. in 2003. Under this agreement the Club assigned, inter alia, the amounts received from the participation of its teams in international competitions to Sogecable, S.A.U. In this proceeding the Club filed a counterclaim against Sogecable, S.A.U. and Telefónica de Contenidos, S.A.U. On 12 January 2009, a decision was handed down in this proceeding which upheld Sogecable's claims, obliging F.C. Barcelona to settle the appropriate amounts from the 2003/2004 season until the 2007/2008 season.

On 8 April 2008, the Investigation Unit ("IU") of the Spanish Competition Commission resolved to initiate disciplinary proceedings, ex officio, against different companies (including Sogecable and AVS) and 39 football clubs due to restrictive competitive practices which would affect the market for the acquisition of audiovisual rights relating to Spanish football events held on a regular basis and the market for the audiovisual exploitation of such rights. On 27 August the Investigation Unit of the Spanish Competition Commission prepared a statement

of accusations in which the factual conclusions of its investigation are summarised. Sogecable and AVS filed pleadings against this statement. This proceeding is at the preliminary investigation stage and a decision has not yet been handed down.

On 12 December 2008, the Telecommunications Market Commission (CMT) handed down a decision imposing a sanction against Sogecable for alleged repeated breaches of the information requirements prepared by the aforementioned company in relation to the compliance with the terms and conditions of the Council of Ministers Resolution dated 29 November 2002 on which the inclusion of Vía Digital in Sogecable was conditional. The Telecommunications Market Commission also handed down a decision imposing a similar sanction against AVS. Both Sogecable and AVS have filed the corresponding appeals for judicial review against these decisions.

In January 2007, Prisacom, S.A. filed a complaint against Meristation Magazine, S.L. with a view to demanding performance of the terms and conditions of the purchase and sale contract entered into by the parties on 16 January 2002, and allowing the exercise of the purchase option for the website www.meristation.com by Prisacom. In November 2007 a judgment was handed down recognising Prisacom's right and, in addition, ordered Meristation to pay Prisacom damages. Meristation appealed against this judgment in January 2008. In June 2008 the Madrid Provincial Appellate Court upheld the decision of the Court of First Instance, by allowing Prisacom to exercise the purchase option on the website, at the price agreed by the companies in January 2002. Also, the decision handed down by the Provincial Appellate Court obliged Meristation Magazine, S.L. to take the steps required to enable Prisacom to formalise the purchase under the terms and conditions of the January 2002 agreement.

In July 2008 Meristation filed an extraordinary appeal against procedural infringements and a cassation appeal against the decision of the Provincial Appellate Court of June 2008. The Supreme Court has to decide whether or not to grant this action leave to proceed.

Also, in December 2007, Prisacom, S.A. and Diario El País, S.L. filed a complaint at the Court of the Southern District of New York (USA) against The Nielsen Company. The plaintiffs claim that The Nielsen Company committed an act of serious negligence in measuring the audience figures of single users of the website www.elpais.com, giving rise to an unjustified decrease in the aforementioned figure. In November 2008 Prisacom and The Nielsen Company jointly announced that this conflict had been resolved and that they would extend their commercial relationship.

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

(31) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2008

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP (*)
EDUCATION					
<i>Full Consolidation</i>					
Aguilar A.T.A., S.A. de Ediciones	Leandro N. Alem. 720 - Buenos Aires 1001, Argentina	Publishing	Ediciones Santillana, S.A. (Argentina) Ítaca, S.L.	1 share 5.00%	
Avalia Qualidade Educacional Ltda. Aguilar Chilena de Ediciones, S.A.	Av. São Gabriel, 201 Andar 14 Cj.1408-1409 - CEP 01435-0001 - Sao Paulo - Brazil Dr. Aníbal Ariztía 1444, Providencia - Santiago de Chile, Chile	Publishing Publishing	Santillana Ediciones Generales, S.L. Ítaca, S.L.	95.00% 91.00% 0.03%	
Canal de Editoriales, S.A. Constancia Editores, S.A.	Juan Bravo, 38 - Madrid Estrada da Outorela 118, 2795 - Carnaxide Linda a Velha - Portugal	Retail Publishing	Santillana Ediciones Generales, S.L. Grupo Santillana de Ediciones, S.L. Ítaca, S.L.	99.97% 99.14% 100.00% 0.00%	2/91
Distribuidora y Editora Aguilar A.T.A., S.A.	Calle 80, N 10-23 - Santa Fé de Bogotá, Colombia	Publishing	Ediciones Grazelema, S.A. Edicions Obradoiro, S.A. Edicions Voramar, S.A. Ítaca, S.L.	0.01% 0.01% 0.01% 5.01%	
Distribuidora y Editora Richmond, S.A.	Calle 80, N 10-13 - Santa Fé de Bogotá, Colombia	Publishing	Santillana Ediciones Generales, S.L. Ediciones Grazelema, S.A. Edicions Obradoiro, S.A. Edicions Voramar, S.A. Ítaca, S.L.	94.97% 0.10% 0.10% 0.10% 4.80%	
Ediciones Aguilar Venezolana, S.A. Ediciones Grazelema, S.A.	Rómulo Gallegos, Edificio Zulia 1° - Caracas, Venezuela Rafael Beca Mateos, 3 - Sevilla	Publishing Publishing	Santillana Educación, S.L. Editorial Santillana, S.A. (Venezuela) Ítaca, S.L.	94.90% 100.00% 0.02%	2/91
Ediciones Santillana Inc. Ediciones Santillana, S.A. (Argentina)	1506 Roosevelt Avenue, Guaynabo, Puerto Rico Leandro N. Alem. 720 - Buenos Aires 1001, Argentina	Publishing Publishing	Santillana Educación, S.L. Ítaca, S.L.	100.00% 5.00%	
Ediciones Santillana, S.A. (Uruguay) Edicions Obradoiro, S.A.	Constitución, 1889 - 11800 - Montevideo, Uruguay Ruela de Entrecercos 2 2° B. 15705. Santiago de Compostela	Publishing Publishing	Santillana Educación, S.L. Ítaca, S.L.	95.00% 100.00% 0.01%	2/91
Edicions Voramar, S.A.	Valencia, 44 - 46210 Pincaya - Valencia	Publishing	Santillana Educación, S.L. Ítaca, S.L.	99.99% 0.01%	2/91
Editora Fontanar, Ltda.	Rua Cosme Velho, 103 - Bairro Cosme Velho - Município do Rio de Janeiro - Brazil	Publishing	Santillana Educación, S.L. Editora Objetiva, Ltda.	99.99% 99.96%	
Editora Moderna Ltda. Editora Objetiva Ltda. Editorial Nuevo México, S.A. de C.V.	Rua Padre Adelino, 758 Belezinho, Sao Paulo - Brazil Rua Cosme Velho, 103 - Bairro Cosme Velho - Município do Rio de Janeiro - Brazil Tenayuca N° 107, Col Vértiz Narvarte - Mexico City	Publishing Publishing Publishing	Editora Moderna Ltda. Santillana Educación, S.L. Santillana Ediciones Generales, S.L. Lanza, S.A. de C.V.	100.00% 75.00% 100.00%	
Editorial Santillana, S.A. (Colombia)	Calle 80, N 10-23 - Santa Fé de Bogotá, Colombia	Publishing	Editorial Santillana, S.A. de C.V. (Mexico) Ítaca, S.L.	0.00% 5.10%	
Editorial Santillana, S.A. (Guatemala)	7ª Avenida 11-11, Zona 9, Guatemala, Guatemala	Publishing	Santillana Educación, S.L. Ítaca, S.L.	94.90% 0.00% 0.00% 0.00%	
Editorial Santillana, S.A. (Honduras)	Colonia Lomas de Tepeyac, Casa No. 1626, contiguo al Autobanco Cuscatlan, Boulevard Juan Pablo II, Tegucigalpa. Honduras	Publishing	Edicions Voramar, S.A. Ítaca, S.L.	0.01% 99.99%	
Editorial Santillana, S.A. (Dominican Republic)	Juan Sánchez Ramírez, 9, Gazcue, Santo Domingo, Dominican Republic	Publishing	Santillana Educación, S.L. Ítaca, S.L.	99.00% 1.00%	
Editorial Santillana, S.A. (Venezuela) Editorial Santillana, S.A. de C.V. (Mexico)	Rómulo Gallegos, Edificio Zulia 1° - Caracas, Venezuela Avenida Universidad 767- Colonia del Valle, México City, Mexico	Publishing Publishing	Santillana Educación, S.L. Santillana Ediciones Generales, S.L. Otras Sociedades Grupo Santillana de Ediciones, S.L.	99.95% 99.95% 0.05%	
Editorial Santillana, S.A. de C.V. (El Salvador)	Siemens, 48 Zona Industrial Santa Elena - La Libertad, El Salvador	Publishing	Santillana Educación, S.L. Ítaca, S.L.	100.00% 1 share 100.00% 0.05%	
Grup Promotor D'Ensenyament i Difussió en Catalá, S.A.	Frederic Mompou, 11 - V. Olímpica, Barcelona	Publishing	Santillana Educación, S.L. Promotora de Informaciones, S.A. Ítaca, S.L.	99.95% 0.01% 99.99%	2/91

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2008

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				ONWERSHIP INTEREST	TAX GROUP (*)
Grupo Santillana de Ediciones, S.L.	Torrelaguna, 60 - Madrid	Publishing	Promotora de Informaciones, S.A. Itaca, S.L.	100.00% 0.00%	2/91
Instituto Universitario de Posgrado, S.A. Itaca, S.L.	Torrelaguna, 60 - Madrid Torrelaguna, 60 - Madrid	Itinerant education Book distribution	Santillana Formación, S.L. Grupo Santillana de Ediciones, S.L. Promotora de Informaciones, S.A.	52.00% 99.99% 0.02%	2/91
Lanza, S.A. de C.V.	Avenida Universidad 767- Colonia del Valle, México D.F., Mexico	Creation, promotion and administration of businesses	Editorial Santillana, S.A. de C.V. (Mexico) Santillana Educación, S.L.	0.00% 100.00%	
N. Editorial, S.L.	Torrelaguna, 60 - Madrid	Publishing	Grupo Santillana de Ediciones, S.L. Promotora de Informaciones, S.A.	99.99% 0.01%	2/91
Punto de Lectura, S.A. de C.V.	Avenida Universidad 767- Colonia del Valle, México D.F., Mexico	Publishing	Lanza, S.A. de C.V. Santillana Ediciones Generales, S.L.	1.00% 99.00%	
Punto de Lectura Argentina, S.A.	Leandro N. Alem. 720 - Buenos Aires 1001, Argentina	Publishing	Aguilar A.T.A., S.A. de Ediciones. Santillana Ediciones Generales, S.L.	0.07% 99.93%	
Richmond Educação, Ltda.	Rua Urbano Santos, 755, Sala 4, Bairro Cumbica, Cidade de Guarulhos - Sao Paulo - Brazil	Publishing	Editora Moderna, Ltda. Itaca, S.L.	100.00% 1 share	
Richmond Publishing, S.A. de C.V.	Avenida Universidad 767- Colonia del Valle, México D.F., Mexico	Publishing	Editorial Santillana, S.A. de C.V. (Mexico) Lanza, S.A. de C.V.	0.02% 99.98%	
Salamandra Editorial, Ltda.	Rua Urbano Santos 160, Sao Paulo - Brazil	Publishing	Editora Moderna, Ltda. Itaca, S.L.	100.00% 1 share	
Santillana, S.A. (Costa Rica)	La Uruca, 200 m Oeste de Aviación Civil San José, Costa Rica	Publishing	Itaca, S.L. Santillana Educación, S.L.	0.01% 99.99%	
Santillana, S.A. (Ecuador) Santillana, S.A. (Paraguay)	Avenida Eloy Alfaro, N33-347 y 6 de Diciembre - Quito, Ecuador Avenida Venezuela, 276 - Asunción, Paraguay	Publishing Publishing	Santillana Educación, S.L. Ediciones Santillana, S.A. (Argentina)	100.00% 0.02%	
Santillana, S.A. (Peru) Santillana Canarias, S.A.	Avenida Primavera 2160 - Santiago de Surco, Lima, Peru Urbanización El Mayorazgo parcela 14, 2-7B - Santa Cruz de Tenerife	Publishing Publishing	Santillana Educación, S.L. Itaca, S.L.	99.98% 95.00% 1.00%	2/91
Santillana de Ediciones, S.A.	Avenida Arce, 2333 - La Paz, Bolivia	Publishing	Santillana Educación, S.L. Itaca, S.L.	99.00% 0.15%	
Santillana del Pacifico, S.A. de Ediciones.	Dr. Anibal Ariztía 1444, Providencia - Santiago de Chile, Chile	Publishing	Santillana Ediciones Generales, S.L. Santillana Educación, S.L. Itaca, S.L.	99.70% 1 share 100.00%	
Santillana Ediciones Generales, S.L.	Torrelaguna, 60 - Madrid	Publishing	Santillana Educación, S.L. Grupo Santillana de Ediciones, S.L. Itaca, S.L.	100.00% 0.00% 4.78%	2/91
Santillana Ediciones Generales, S.A. de C.V.	Avenida Universidad 767- Colonia del Valle, México D.F., Mexico	Publishing	Lanza, S.A. de C.V. Santillana Ediciones Generales, S.L.	95.22% 100.00%	
Santillana Educación, S.L.	Torrelaguna, 60 - Madrid	Publishing	Grupo Santillana de Ediciones, S.L. Itaca, S.L.	0.00% 100.00%	2/91
Santillana Formación, S.L.	Torrelaguna, 60 - Madrid	Itinerant education	Grupo Santillana de Ediciones, S.L. Itaca, S.L.	100.00% 0.01%	2/91
Santillana Formación, S.L. (Colombia)	Calle 73 N° 7-31 P8 TO B de Bogotá D.C. Colombia	Consultancy services for school certification of management quality	Santillana Educación, S.L. Distribuidora y Editora Richmond S.A.	99.00% 1.00%	
Santillana USA Publishing Co. Inc. Uno Educação, Ltda.	2105 NW 86th Avenue - Doral, Florida, US Rua Urbano Santos, 755, Sala 3, Bairro Cumbica, Cidade de Guarulhos - Sao Paulo - Brazil	Publishing Publishing	Grupo Santillana de Ediciones, S.L. Editora Moderna, Ltda. Itaca, S.L.	100.00% 100.00% 1 share	
Zubia Editorial, S.A.	Poligono Lezama Leguizamón, C/ 31 - Etxebarri, Vizcaya	Publishing	Promotora de Informaciones, S.A. Santillana Educación, S.L.	0.10% 99.90%	2/91
<i>Proportionate Consolidation</i>					
Historia para Todos, S.A. de C.V.	Av. Universidad No. 767 Col. del Valle C.P. 03100 México D.F.	Worldwide publication, in any language (mainly Spanish), of texts predominantly about the history of Mexico and its leading figures, especially the centenary of the Mexican Revolution and the bicentenary of Independence, in any format.	Santillana Ediciones Generales, S.A. de C.V.	50.00%	
Santillana en Red, S.L.	Ribera del Sena s/n. Edificio APOT. Madrid	Multimedia publishing	Prisacom, S.A. Santillana Educación, S.L.	50.00% 50.00%	2/91

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

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP (*)
PRESS					
EL PAÍS					
<i>Fully Consolidated</i>					
Diario El País, S.L.	Miguel Yuste, 40 - Madrid	Publishing and operation of El País newspaper	Promotora de Informaciones, S.A. Fundación Santillana	100.00% 0.00%	2/91
Diario El País Argentina, S.A.	Avenida Leandro N. Alem. 720 - Ciudad Autónoma de Buenos Aires. Argentina	Operation of El País newspaper in Argentina	Diario El País, S.L. Diario El País México, S.A. de C.V.	94.41% 5.59%	
Diario El País Do Brasil Distribuidora de Publicações, LTDA.	Rua Padre Adelino, 758 Belezinho, Sao Paulo - Brazil CEP 03303-904. Sao Paulo.	Operation of El País newspaper in Brazil	Diario El País, S.L. Prisa División Internacional, S.L.	99.99% 0.01%	
Diario El País México, S.A. de C.V.	Avenida de la Universidad, 767 - México D.F. Mexico	Operation of El País newspaper in Mexico	Lanza, S.A. de C.V. Promotora de Informaciones, S.A. Diario El País, S. L.	1 share 22.09% 77.91%	
<i>Equity Method</i>					
Box News Publicidad, S.L. (formerly Box News Comunicación, S.L.)	Gran Vía, 32 - Madrid	Advertising and public relations services	Promotora General de Revistas, S.A. Grupo Empresarial de Medios Impresos, S.L. Diario El País Gerencia de Medios, S.A.	40.13% 0.00% 34.24% 25.63%	2/91
SPECIALISED PRESS					
<i>Full Consolidation</i>					
Diario As, S.L.	Albasanz, 14 - Madrid	Publishing and operation of As newspaper	Grupo Empresarial de Medios Impresos, S.L.	75.00%	2/91
Edições Expansao Económica, Lda. (EXPANSÃO)	Rua Mário Castelhana. Nº 40. 2734-502. Barcarena. Portugal	Press	Promotora General de Revistas, S.A.	100.00%	
Espacio Editorial Andalzu Holding, S.L.	Gran Vía, 32 - Madrid	Holding company for publishing stakes	Grupo Empresarial de Medios Impresos, S.L.	100.00%	2/91
Estructura, Grupo de Estudios Económicos, S.A.	Gran Vía, 32 - Madrid	Publishing and operation of Cinco Dias newspaper	Grupo Empresarial de Medios Impresos, S.L. Promotora de Informaciones, S.A.	100.00% 0.00%	2/91
Eventos Comércio e Projectos Especiais Audiovisuais, S.A. (EXPANSÃO ECONÓMICA)	Rua Mário Castelhana. Nº 40. 2734-502. Barcarena. Portugal	Press	Media Capital Edições, Lda. (MCE)	100.00%	
Feiras Exposições e Congressos, S.A. (EXPOLIDER)	Rua Mário Castelhana. Nº 40. 2734-502. Barcarena. Portugal	Press	Edições Expansao Económica, Lda. (EXPANSÃO)	100.00%	
Grupo Empresarial de Medios Impresos, S.L.	Gran Vía, 32 - Madrid	Holding company for publishing stakes	Promotora de Informaciones, S.A.	100.00%	2/91
Gestión de Medios de Prensa, S.A.	Gran Vía, 32 - Madrid	Common services for regional and local newspapers	Grupo Empresarial de Medios Impresos, S.L.	50.82%	
Media Capital Edições, Lda. (MCE)	Rua Mário Castelhana. Nº 40. 2734-502. Barcarena. Portugal	Press	Promotora General de Revistas, S.A.	100.00%	
Promotora General de Revistas, S.A.	Julián Camarillo, 29B. Madrid	Publication, production and operation of magazines	Grupo Empresarial de Medios Impresos, S.L. Promotora de Informaciones, S.A.	99.96% 0.04%	2/91
<i>Proportionate Consolidation</i>					
Eje de Editores Media, S.L.	Gran Vía, 32 - Madrid	Publication, sale and commercialisation of publications and content	Grupo Empresarial de Medios Impresos, S.L.	50.00%	
<i>Equity Method</i>					
Box News Publicidad, S.L. (formerly Box News Comunicación, S.L.)	Gran Vía, 32 - Madrid	Advertising and public relations services	Promotora General de Revistas, S.A. Grupo Empresarial de Medios Impresos, S.L. Diario El País Gerencia de Medios, S.A.	40.13% 0.00% 34.24% 25.63%	2/91

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

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP
INTERNATIONAL PRESS <i>Full Consolidation</i>					
Comunicaciones El País, S.A.	Colinas de Santa Rita, La Paz, Bolivia	Publishing	Inversiones Grupo Multimedia de Comunicaciones, S.A.	94.75%	
			Editorial Amanecer, S.A.	5.00%	
			Inversiones en Radiodifusión, S.A.	0.25%	
Editorial Amanecer, S.A.	Cristo Redentor 3355, Santa Cruz - Bolivia	Publishing	Inversiones Grupo Multimedia de Comunicaciones, S.A.	94.97%	
			Comunicaciones El País, S.A.	4.99%	
			Inversiones en Radiodifusión, S.A.	0.04%	
Información Extra, S.A.	Avenida Argentina 2057, La Paz, Bolivia	Publishing	Illimani de Comunicaciones S.A. - ATB Red Nacional	0.02%	
			Inversiones Grupo Multimedia de Comunicaciones, S.A.	99.96%	
			Inversiones en Radiodifusión, S.A.	0.02%	
Inversiones Grupo Multimedia de Comunicaciones, S.A.	Federico Zuazo, 1598 - La Paz, Bolivia	Holding company	Prisa División Internacional, S.L.	76.95%	
			Promotora de Informaciones, S.A.	23.05%	
			Prisacom, S.A.	0.00%	

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP
RADIO					
RADIO SPAIN					
<i>Full Consolidation</i>					
Algarra, S.A.	García Lovera, 3 - Córdoba	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
Antena 3 de Radio, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Inversiones Godó, S.A.	64.64%	
			Unión Radio Servicios Corporativos, S.A.	34.78%	
Antena 3 de Radio de León, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	99.56%	
Antena 3 de Radio de Melilla, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	
Avante Radio, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Radio Club Canarias, S.A.	3.33%	
			Radio Murcia, S.A.	3.33%	
			Sociedad Española de Radiodifusión, S.A.	93.34%	
Cantabria de Medios, S.A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Propulsora Montañesa, S. A.	100.00%	
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21 - Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	97.03%	
Corporación Canaria de Información y Radio, S.A.	General Balmes s/n - Las Palmas de Gran Canaria	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
Ediciones Bidasoa, S.A.	Gran Vía, 32 - Madrid	Printing of published materials	Sociedad Española de Radiodifusión, S.A.	100.00%	
Ediciones LM, S.L.	Plaza de Cervantes, 6 - Ciudad Real	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	50.00%	
Frecuencia del Principado, S.A.	Jovellanos 1, Gijón	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
Gestión de Marcas Audiovisuales, S.A.	Gran Vía, 32 - Madrid	Production and recording of sound media	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
Gran Vía Musical de Ediciones, S.L.	Gran Vía, 32 - Madrid	Provision of music services	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
Iniciativas Radiofónicas, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Ondas, S.A.	93.42%	
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1 - Toledo	Operation of radio broadcasting stations	Ediciones LM, S.L.	40.00%	
			Sociedad de Servicios Radiofónicos Unión Radio, S.L.	50.00%	
Inversiones Godó, S.A.	Avda. Diagonal, 477 - Barcelona	Holding company	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
La Palma Difusión, S.A.	Almirante Díaz Pimienta, 10 - Los Llanos de Aridane. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	
Onda La Finojosa, S.A.	Limosna, 2 - Hinojosa del Duque - Córdoba	Operation of radio broadcasting stations	Algarra, S.A.	100.00%	
Onda Musical, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	49.01%	
			Inversiones Godó, S.A.	16.68%	
			Unión Radio Servicios Corporativos, S.A.	34.30%	
Ondas, S.A.	Caspe, 6 - Barcelona	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	100.00%	
Ondas Galicia, S.A.	San Pedro de Mezono, 3 - Santiago de Compostela	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	42.46%	
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	90.07%	
Radio 30, S.A.	Radio Murcia, 4 - Murcia	Operation of radio broadcasting stations	Radio Murcia, S.A.	100.00%	
Radio Burgos, S.L.U.	Venerables 8 - Burgos	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	100.00%	
Radio Club Canarias, S.A.	Avenida Anaga, 35 - Santa Cruz de Tenerife	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	95.00%	
Radio España de Barcelona, S.A.	Caspe, 6 - Barcelona	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	99.32%	
Radio Gibralfaro, S.A.	Santa Paula 2, Granada	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	100.00%	
Radio Irún, S.L.	C/ Iglesia 2 - 20302 Irún (Guipuzkoa)	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	100.00%	
Radio Murcia, S.A.	Radio Murcia, 4 - Murcia	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	83.33%	
Radio Zaragoza, S.A.	Paseo de la Constitución, 21 - Zaragoza	Operation of radio broadcasting stations	Compañía Aragonesa de Radiodifusión, S.A.	66.00%	
			Sociedad Española de Radiodifusión, S.A.	24.00%	
Radiodifusión Tenerife, S.A.	Avenida Anaga, 35 - Santa Cruz de Tenerife	Operation of radio broadcasting stations	Ediciones Bidasoa, S.A.	100.00%	
Radiodifusora de Navarra, S.A.	Póligono Plazola, Manzana F - 2ªA - Pamplona	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	
Sociedad de Servicios Radiofónicos Unión Radio, S.L.	Gran Vía, 32 - Madrid	Services to radiobroadcasting companies	Promotora de Informaciones, S.A.	73.49%	
Sociedad Española de Radiodifusión, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	99.99%	
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo - Albacete	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	74.60%	
Sociedad de Radiodifusión Aragonesa, S.A.	Paseo de la Constitución, 21 - Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	50.00%	
Societat de Comunicació i Publicitat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6ª Escalde - Engordany (Andorra)	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	100.00%	
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5 - Arrecife. Lanzarote	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	50.00%	
Talavera Visión, S.L.	Plaza Cervantes 6 4ª Ciudad Real	Operation of radio broadcasting stations	Valdepeñas Comunicación, S.L.	100.00%	
Teleser, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.A.	71.64%	
			Compañía Aragonesa de Radiodifusión, S.A.	4.14%	
			Radio España de Barcelona, S.A.	1.58%	
			Algarra, S.A.	0.95%	
			Propulsora Montañesa, S. A.	0.95%	
Teleradio Pres, S.L.	Avenida de la Estación, 5 Bajo - Albacete	Management of media	Antena 3 de Radio, S.A.	75.10%	
Unión Radio Digital, S.A.	Gran Vía, 32 - Madrid	Operation of digital radio broadcasting concession	Antena 3 de Radio, S.A.	40.00%	
			Sociedad Española de Radiodifusión, S.A.	60.00%	
Unión Radio Servicios Corporativos, S.A. (formerly Paltrivia, S.A.)	Gran Vía, 32 - Madrid	Holding company for stakes in radio broadcasting companies	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
Valdepeñas Comunicación, S.L.	Plaza de Cervantes, 6 - Ciudad Real	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	50.00%	
<i>Equity Method</i>					
Radio Jaén, S.L.	Obispo Aguilar, 1 - Jaén	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	35.99%	
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32 - Andorra	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	33.00%	

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2008

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP
INTERNATIONAL RADIO					
<i>Full Consolidation</i>					
Abril, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Inactive	Iberoamericana Radio Chile, S.A.	100.00%	
Aurora, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Inactive	Consortio Radial de Chile, S.A.	0.00%	
Blaya y Vega, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Sale of advertising	Iberoamerican Radio Holding Chile, S.A.	99.98%	
Caracol, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Consortio Radial de Chile, S.A.	0.02%	
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida, USA	Operation of radio broadcasting stations	Iberoamericana Radio Chile S.A	100.00%	
Caracol Estéreo, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Consortio Radial de Chile, S.A.	0.00%	
CHR, Cadena Hispanoamericana de Radio, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Grupo Latino de Radio, S.L.	77.05%	
			GLR Broadcasting LLC	100.00%	
			Grupo Latino de Radio, S.L.	77.04%	
			Caracol, S.A.	48.15%	
			Caracol Estéreo, S.A.	46.79%	
			Promotora de Publicidad Radial, S.A.	5.06%	
			Radio Mercadeo, Ltda.	0.00%	
			Compañía de Comunicaciones C.C.C. Ltda.	0.00%	
Compañía de Comunicaciones C.C.C. Ltda.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	43.45%	
			Caracol Estéreo, S.A.	11.13%	
			Ecos de la Montaña Cadena Radial Andina, S.A.	4.42%	
			Grupo Latino de Radio, S.L.	16.72%	
			Promotora de Publicidad Radial, S.A.	19.27%	
Compañía de Radios, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Sale of advertising and rental of advertising space	Iberoamerican Radio Holding Chile, S.A.	99.92%	
Comunicaciones del Pacífico, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Operation and management of TV channels and radio stations	Consortio Radial de Chile, S.A.	66.66%	
Comunicaciones Santiago, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Iberoamericana Radio Chile, S.A.	33.33%	
Consortio Radial de Chile, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Iberoamericana Radio Chile, S.A.	25.00%	
Consortio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol, Panama	Advisory services and commercialisation of services and products in general, and particularly to Green Emerald Business Inc.	Consortio Radial de Chile, S.A.	75.00%	
Corporación Argentina de Radiodifusión, S.A.	Beazley 3860 - Buenos Aires, Argentina	Operation of radio broadcasting stations	GLR Chile Ltda .	100.00%	
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Grupo Latino de Radio, S.L.	0.00%	
Emisora Mil Veinte, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Grupo Latino de Radio, S.L.	100.00%	
Fast Net Comunicaciones, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Telecommunications and radio broadcasting services	Ediciones Santillana, S.A. (Argentina)	0.60%	
GLR Broadcasting, LLC	Baypoint Office Tower, 4770 Biscayne Blvd. Suite 700 Miami, FL 33137. USA	Operation of radio broadcasting stations	Grupo Latino de Radio, S.L.	76.80%	
GLR Chile Ltda	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Grupo Latino de Radio, S.L.	75.72%	
GLR Colombia, Ltda.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Provision of services to radio broadcasters	Consortio Radial de Chile, S.A.	99.00%	
GLR Midi France, S.A.R.L.	Immeuble Le Periscope, 83-87 Av. d'Italie - Paris, France	Radio broadcasting	Iberoamericana Radio Chile, S.A.	1.00%	
GLR Networks, LLC	Baypoint Office Tower, 4770 Biscayne Boulevard, Suite 700 - Miami (USA)	Provision of services to radio broadcasters	GLR Services Inc.	100.00%	
GLR Services Inc.	4770 Biscayne Blvd Suite 700, Miami FL 33137. USA	Provision of services to radio broadcasters	Caracol, S.A.	0.00%	
GLR Southern California, LLC	3500 Olive Ave, Suite 250 Burbank, CA 91505. USA	Provision of services to radio broadcasters	Grupo Latino de Radio, S.L.	100.00%	
Grupo Latino de Radio, S.L.	Gran Vía, 32 - Madrid	Development of the Latin radio market	Grupo Latino de Radio, S.L.	99.00%	
Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Sale of advertising	GLR Broadcasting LLC	100.00%	
Iberoamerican Radio Holding Chile, S.A.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Holding company and sale of advertising space	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	
La Voz de Colombia	Calle 67, N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Grupo Latino de Radiodifusión Chile Ltda .	100.00%	
LS4 Radio Continental, S.A	Rivadavia 835 Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	Grupo Latino de Radio, S.L.	0.00%	
Promotora de Publicidad Radial, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Iberoamericana Radio Chile, S.A.	100.00%	
Publicitaria y Difusora del Norte Ltda.	Eliodoro Yañex. N° 1783 - Comuna Providencia Santiago. Chile	Radio broadcasting	Consortio Radial de Chile, S.A.	0.00%	
Radio Estéreo, S.A	Rivadavia 835 Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	Caracol, S.A.	0.01%	
			Grupo Latino de Radio, S.L.	75.64%	
			Corporación Argentina de Radiodifusión, S.A.	30.00%	
			GLR Services Inc.	70.00%	
			Grupo Latino de Radio, S.L.	77.04%	
			Consortio Radial de Chile, S.A.	99.00%	
			Iberoamericana Radio Chile, S.A.	1.00%	
			Corporación Argentina de Radiodifusión, S.A.	30.00%	
			GLR Services Inc.	70.00%	

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				OWNERSHIP INTEREST	TAX GROUP
Radio Mercadeo, Ltda.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A. Caracol Estéreo, S.A. Ecos de la Montaña Cadena Radial Andina, S.A. Emisora Mil Veinte, S.A. Grupo Latino de Radio, S.L. Promotora de Publicidad Radial, S.A.	29.85% 0.35% 0.01% 0.35% 48.40% 0.35%	
Sociedad Radiodifusora del Norte, Ltda.	Eliodoro Yañez. N° 1783 - Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Consortio Radial de Chile, S.A. Iberoamericana Radio Chile S.A	80.00% 20.00%	
Sociedad de Radiodifusión El Litoral, S.A.	Eliodoro Yañez. N° 1783 - Comuna Providencia Santiago. Chile	Rental of equipment and advertising sales	Iberoamericana Radio Chile S.A Consortio Radial de Chile, S.A.	99.90% 0.10%	
W3 Comm Inmobiliaria, S.A. de C.V.	Carretera Libre Tijuana Ensenada 3100 Rancho Altamira Blvd Popotla y Camino al FRACC Misión del Mar Playas de Rosarito Baja California. USA	Real estate development services	Grupo Latino de Radio, S.L. Prisa División Internacional, S.L.	99.99% 1 share	
<u>Proportionate Consolidation</u>					
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México Distrito Federal 04870. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V. Sistema Radiópolis, S.A. de C.V. Grupo Latino de Radio, S.L.	0.01% 99.99% 50.00%	
GLR Costa Rica, S.A.	Illorente de Tibás, Edificio La Nación - San José, Costa Rica	Radio broadcasting	Cadena Radiodifusora Mexicana, S.A. de C.V. Sistema Radiópolis, S.A. de C.V.	0.03% 99.97%	
Radio Comerciales, S.A. de C.V.	Rubén Dario n° 158, Guadalajara - Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.00% 1.00%	
Radio Melodia, S.A. de C.V.	Rubén Dario n° 158, Guadalajara - Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.00% 1.00%	
Radio Tapatia, S.A. de C.V.	Rubén Dario n° 158, Guadalajara - Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.00% 1.00%	
Radiotelevisora de Mexicali, S.A. de C.V.	Av. Reforma 1270 Mexicali Baja California. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V. Sistema Radiópolis, S.A. de C.V.	0.01% 99.99%	
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan. N° 3000, Col. Delegación Coyoacan. 04870. Mexico City	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V.	100.00% 0.00%	
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan. N° 3000, Col. Delegación Coyoacan. 04870. Mexico City	Operation of radio broadcasting stations	Xezz, S.A. de C.V. Radio Comerciales, S.A. de C.V.	100.00% 0.00%	
Sistema Radiópolis, S.A. de C.V.	Av. Vasco de Quiroga 2000, Mexico City	Operation of radio broadcasting stations	Grupo Latino de Radio, S.L. Cadena Radiodifusora Mexicana, S.A. de C.V.	50.00% 99.00%	
Xezz, S.A. de C.V.	Rubén Dario n° 158, Guadalajara - Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	1.00%	
<u>Equity Method</u>					
El Dorado Broadcasting Corporation	2100 Coral Way - Miami, Florida, USA	Development of the Latin radio market in USA	GLR Services INC.	25.00%	
Green Emerald Business Inc.	Calle 54 Obarrio N° 4, Ciudad de Panamá - Panama	Development of the Latin radio market in Panama	Grupo Latino de Radio, S.L.	34.95%	
WSUA Broadcasting Corporation	2100 Coral Way - Miami, Florida, USA	Radio broadcasting	El Dorado Broadcasting Corporation	100.00%	
W3 Comm Concesionaria, S.A. de C.V.	Carretera Libre Tijuana ensenada 3100 Rancho Altamira Blvd Popotla y Camino al FRACC Misión del Mar Playas de Rosarito Baja California. USA	Advisory services on business administration and organisation	Grupo Latino de Radio, S.L.	48.98%	
MUSIC					
<u>Full Consolidation</u>					
Compañía Discográfica Muxxic Records, S.A.	Gran Via, 32 - Madrid	Production and recording of sound media	Gran Via Musical de Ediciones, S.L. Nova Ediciones Musicales, S.A.	100.00% 0.00%	
Lirics and Music, S.L.	Gran Via, 32 - Madrid	Music publishing	Gran Via Musical de Ediciones, S.L.	100.00%	
Media Festivals, S.A.	Gran Via, 32 - Madrid	Production and organisation of shows and events	Gran Via Musical de Ediciones, S.L. Nova Ediciones Musicales, S.A.	99.97% 0.03%	
Merchandising On Stage, S.L.	Ulises, 49. 28043. Madrid.	Manufacture and/or import of textiles, jewellery, graphic materials, phonographic and/or audiovisual formats and their lamination, stamping or printing by any means or process.	Gran Via Musical de Ediciones, S.L.	70.00%	
Nova Ediciones Musicales, S.A.	Gran Via, 32 - Madrid	Music publishing	Gran Via Musical de Ediciones, S.L. Promotora de Informaciones, S.A.	100.00% 0.00%	
Planet Events, S.A.	Gran Via, 32 - Madrid	Production and organisation of shows and events	Gran Via Musical de Ediciones, S.L. Nova Ediciones Musicales, S.A.	70.00% 0.01%	
RLM, S.A.	Puerto de Santa María, 65. 28043. Madrid.	Production and organisation of shows and events	Gran Via Musical de Ediciones, S.L.	70.00%	
Sogecable Música, S.L.	Gran Via, 32 - Madrid	Creation, broadcasting, distribution and operation of thematic TV channels	Gran Via Musical de Ediciones, S.L. Compañía Independiente de Televisión, S.L.	50.00% 50.00%	

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				OWNERSHIP INTEREST	TAX GROUP(*)
AUDIOVISUAL					
SOGECABLE					
<i>Full Consolidation</i>					
Audiovisual Sport, S.L.	C/ Diagonal, 477 Barcelona	Management and distribution of audiovisual rights	Sogecable, S.A.U.	80.00%	61/96
CanaSatélite Digital, S.L.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Television services	Sogecable, S.A.U.	100.00%	61/96
Centro de Asistencia Telefónica, S.A.	Campezo,1 - Madrid	Services	Compañía Independiente de Televisión, S.L.	0.00%	
			Compañía Independiente de Televisión, S.L.	0.39%	61/96
			Sogecable, S.A.U.	99.61%	
Compañía Independiente de Televisión, S.L.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Management and operation of audiovisual rights	Sogecable, S.A.U.	99.95%	61/96
			Sociedad General de Cine, S.A.	0.05%	
Cinemanía, S.L.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Operation of thematic TV channels	Compañía Independiente de Televisión, S.L.	90.00%	61/96
			Sogecable, S.A.U.	10.00%	
DTS, Distribuidora de Televisión Digital, S.A.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Television services	Sogecable, S.A.U.	100.00%	61/96
			Compañía Independiente de Televisión, S.L.	0.00%	
Promotora Audiovisual de Colombia PACSA, S.A.	Calle 70. N° 4-60. 11001. Bogotá. Colombia	Audiovisual and communication activities	Sogecable, S.A.U.	53.00%	
			Promotora de Actividades Audiovisuales de Colombia, Ltda.	1.00%	
			Grupo Latino de Publicidad Colombia, Ltda.	1.00%	
Sociedad General de Cine, S.A.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Production and management of audiovisual rights	Sogecable, S.A.U.	100.00%	61/96
			Compañía Independiente de Televisión, S.L.	0.00%	
Sogecable, S.A.U.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	TV activities	Promotora de Informaciones, S.A.	100.00%	61/96
Sogecable Editorial, S.L.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Management of intellectual property rights	Compañía Independiente de Televisión, S.L.	0.07%	61/96
			Sogecable, S.A.U.	99.93%	
Sogecable Media, S.L.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Sale of advertising space	Sogecable, S.A.U.	100.00%	61/96
Sogepaq, S.A.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Management and distribution of audiovisual rights	Sogecable, S.A.U.	100.00%	61/96
			Sociedad General de Cine, S.A.	0.00%	
Via Atención Comunicación, S.L.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Provision of digital TV services	DTS, Distribuidora de Televisión Digital, S.A.	100.00%	61/96
<i>Equity Method</i>					
Canal Club de Distribución de Ocio y Cultura, S.A.	C/ Hermosilla, 112 - Madrid	Catalogue sales	Sogecable, S.A.U.	25.00%	
Canal + Investment Inc.	Beverly Hills, California, USA	Film production	Sogecable, S.A.U.	60.00%	
Compañía Independiente de Noticias de TV, S.L.	Avenida de los Artesanos, 6 - Tres Cantos - Madrid	Television services	Sogecable, S.A.U.	50.00%	
Sogecable Música, S.L.	Gran Vía, 32 - Madrid	Creation, broadcasting, distribution and operation of thematic TV channels	Gran Vía Musical de Ediciones, S.L.	50.00%	
			Compañía Independiente de Televisión, S.L.	50.00%	
LOCAL TELEVISION CHANNELS					
<i>Full Consolidation</i>					
Axarquía Visión, S.A.	Paseo de Reding, 7 - Malaga	Local TV services	Málaga Altavisión, S.A.	80.00%	
Canal 4 Navarra, S.L.	Avenida Sancho el Fuerte, 18 - Pamplona	Production and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Canal 4 Navarra Digital, S.A.	Polígono Industrial Cordovilla - Navarra	Local TV services	Canal 4 Navarra, S.L.	100.00%	2/91
Collserola Audiovisual, S.L.	Plaza Narcis Oller N° 6 1º, 1ª - 08006 Barcelona	Local TV services	Legal Affairs Consilium, S.L.	92.00%	
			Promotora de Emisoras de Televisión, S.A.	0.50%	
Comunicación Radiofónica, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting stations	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Comunicaciones y Medios Audiovisuales Tele Alcalá, S.L.	Encomienda, 33 - Alcalá de Henares, Madrid	Local TV services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Legal Affairs Consilium, S.L.	Plaza Narcis Oller N° 6 1º, 1ª - 08006 Barcelona	Local TV services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Localia TV Madrid, S.A.	Gran Vía, 32 - Madrid	Local TV services	Promotora de Emisoras, S.L.	1 share	2/91
			Promotora de Emisoras de Televisión, S.A.	100.00%	
Localia TV Valencia, S.A.	Don Juan de Austria 3 - 46002 Valencia	Local TV services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Málaga Altavisión, S.A.	Paseo de Reding, 7 - Malaga	Production and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A.	87.24%	
Marbella Digital Televisión, S.A.	Paseo de Reding, 7 - Malaga	Local TV services	Málaga Altavisión, S.A.	100.00%	
Productora Asturiana de Televisión, S.A.	Asturias, 19 - Oviedo	Local TV services	Promotora de Emisoras de Televisión, S.A.	59.99%	
Productora Audiovisual de Badajoz, S.A.	Ramón Albarrán, 2 - Badajoz	Local TV services	Promotora de Emisoras de Televisión, S.A.	61.45%	
Productora Audiovisual de Mallorca, S.A.	Puerto Rico, 15 - Palma de Mallorca	Local TV services	Promotora de Emisoras de Televisión, S.A.	99.84%	2/91
Productora de Comunicación Toledo, S.A.	Carreteros, 1 - Toledo	Local TV services	Promotora de Emisoras de Televisión, S.A.	84.90%	
Productora de Televisión de Córdoba, S.A.	Amatista s/n, Polígono El Granadall - Cordoba	Local TV services	Localia TV Madrid, S.A.	0.01%	2/91
			Promotora de Emisoras de Televisión, S.A.	99.99%	

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

(*) Consolidated tax group of Sogecable, S.A.U. : 61/96

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				OWNERSHIP INTEREST	TAX GROUP(*)
Productora Digital de Medios Audiovisuales, S.A. Productora Extremeña de Televisión, S.A. Promociones Audiovisuales Sevillanas, S.A. Promoción de Actividades Audiovisuales en Canarias, S.A. Promotora Audiovisual de Zaragoza, S.L.	Juan de la Cierva, 72 - Polígono Industrial Prado Regordóño - Móstoles. Madrid J.M. R. "Azorin", Ed. Zeus, Polígono La Corchera - Mérida, Badajoz Rafael González Abreu, 3 - Sevilla Avenida Anaga, 35 - Santa Cruz de Tenerife Emilia Pardo Bazán, 18 - Zaragoza	Local TV services Local TV services Production and broadcasting of videos and TV programmes TV communication activities in the Canary Islands Local TV services	Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras de Televisión, S.A. Localia TV Madrid, S.A. Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras de Televisión, S.A.	100.00% 66.00% 55.00% 100.00% 0.10% 99.90% 75.10%	2/91
Televisión Ciudad Real, S.L.	Ronda Carmen, 4 - Ciudad Real	Production, broadcasting, publishing and distribution of media and advertising activities	Promotora de Emisoras de Televisión, S.A.	75.10%	
Promotora de Emisoras, S.L. Promotora de Emisoras de Televisión, S.A.	Gran Vía, 32 - Madrid Gran Vía, 32 - Madrid	Radio broadcasting service Operation of TV channels	Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras, S.L. Promotora de Emisoras de Televisión, S.A.	100.00% 75.00% 25.00%	2/91 2/91
Telecomunicaciones Antequera, S.A. Televisión, Medios y Publicidad, S.L. TV Local Eivissa, S.L.	Aguardenteros, 15 - Antequera, Málaga Quitana, 38 - Alicante Avenida San Jordi s/n - Edificio Residencial - Ibiza	Local TV services TV services TV services	Málaga Altavisión, S.A. Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras de Televisión, S.A.	100.00% 100.00% 100.00%	2/91 2/91
<i>Equity Method</i>					
Albarizas Comunicación, S.A.	Avenida del Membrillar s/n - Jerez de la Frontera, Cádiz	Productions and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A. Radio Jerez, S.L.	50.00% 50.00%	
Canal Bilbao, S.A.	Ribera Elorrieta, 3 - Bilbao	Local TV services	Promotora de Emisoras de Televisión, S.A.	30.00%	
Canal Gásteiz Televisión, S.L. Compostela Visión, S.L.	Portal de Gamarra 23, Pabellón A-01013 Gásteiz - Vitoria, Alava Rua Nova 32, 2ª planta 15705 Santiago de Compostela - La Coruña	Local TV services Development of the Latin radio market	Promotora de Emisoras de Televisión, S.A. Unión de Televisiónes Gallegas, S.A.	30.00% 100.00%	
Ferrolvisión, S.L. Guipúzcoa Televisión, S.A.	Arce s/n, Ferrol Libertad, 17 - San Sebastián	Local TV services Local TV services	Unión de Televisiónes Gallegas, S.A. Promotora de Emisoras de Televisión, S.A.	100.00% 40.00%	
Grupo de Comunicación y Televisión Castilla La Mancha, S.A. Productora Canaria de Programas, S.A. Productora de Televisión de León, S.A. Productora de Televisión de Salamanca, S.A. Promotora Audiovisual de Jaén, S.A.	C/ País Valenciano 5 - Ciudad Real Enrique Wolfson, 17 - Santa Cruz de Tenerife República Argentina, 28 - León Arco, 16-20 - Salamanca Avenida del Ejército Español, 6 - Jaén	Local TV services Development of a promotional TV channel for the Canary Islands Local TV services Local TV services Local TV services	Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras, S.L. Promotora de Emisoras de Televisión, S.A. Promotora de Emisoras de Televisión, S.A. Diario Jaén, S.A. Promotora de Emisoras de Televisión, S.A. Radio Jaén, S.L.	33.33% 40.00% 31.07% 43.34% 25.00% 20.01% 25.00%	
Radiotelevisión Compostela, S.L. Riotedisa, S.A. Televisión Bidasoa, S.L. Televisión Digital de Baleares, S.L.	Fuencarral, 123 - Madrid Avenida de Portugal, 12 - Logroño Señor Aranzate, 10 20304 - Irún, Guipúzcoa Avenida Setze de Juliol, 53 Palma de Mallorca	Local TV services Audiovisual productions for TV Local TV services Local TV services	Unión de Televisiónes Gallegas, S.A. Promotora de Emisoras de Televisión, S.A. Gipúzcoa Televisión, S.A. Promotora de Emisoras de Televisión, S.A.	100.00% 49.00% 90.00% 0.09%	
Televisión Pontevedra, S.A. Unión de Televisiónes Gallegas, S.A.	Castelao 3 B 1º - Pontevedra Plaza de Orense, 3 - La Coruña	Local TV services Operation of local audiovisual media	Televisión, Medios y Publicidad, S.L. Unión de Televisiónes Gallegas, S.A. Promotora de Emisoras de Televisión, S.A.	39.91% 100.00% 35.40%	
INTERNATIONAL TELEVISION					
<i>Equity Method</i>					
Illimani de Comunicaciones y Asociados del Canal del Valle, S.A. - ATB Cochabamba Televisión S.A.	Calle Tupiza No. 1140 y Av. Pando - Cochabamba, Bolivia		Illimani de Comunicaciones S.A. - ATB Red Nacional Inversiones en Radiodifusión, S.A.	99.99% 0.00%	
ATB Santa Cruz Televisión S.A. - ATB Santa Cruz S.A.	Avenida Cristo Redentor No. 3355 - Santa Cruz, Bolivia	Operation of TV and radio programmes	Inversiones Grupo Multimedia de Comunicaciones, S.A. Illimani de Comunicaciones S.A. - ATB Red Nacional Inversiones en Radiodifusión, S.A.	0.00% 99.62% 0.26%	
Illimani de Comunicaciones S.A. - ATB Red Nacional	Avenida Argentina No. 2057 - La Paz, Bolivia	Operation of TV and radio programmes	Compañía Regional de Televisión Potosí, S. R. L. - ATB Potosí Canal 11 Potosina Inversiones en Radiodifusión, S.A.	0.11% 96.61%	
Inversiones en Radiodifusión S.A.	Calle Federico Zuazo No. 159, Edificio Park Inn, Piso 11 - La Paz, Bolivia	Operation of TV and radio programmes and telecommunications	Inversiones Grupo Multimedia de Comunicaciones, S.A. Promotora de Emisoras de Televisión, S.A.	0.00% 25.00%	

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2008

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP
MEDIA CAPITAL					
<u>Full Consolidation</u>					
Agenciamento e Produção de Espectáculos, Lda. (EVENTOS SPOT)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Music and events	Produção de Eventos, Lda. (MEDIA CAPITAL ENTERTAINMENT)	50.00%	
Argumentos para Audiovisual, Lda. (CASA DA CRIAÇÃO)	Av. Liberdade, Nº 144/156 - 6º Dto. 1250-146. Lisbon. Portugal	Audiovisual production	Plural Entertainment Portugal, S.A.	90.00%	
Chip Audiovisual, S.A.	Coso, 100 planta 3ª puerta 4-50001. Zaragoza	Audiovisual productions for TV	Empresa de Teatro Estúdio de Lisboa, S.A. (FEALMAR)	10.00%	
Desenvolvimento de Sistemas de Comunicação, S.A. (MEDIA CAPITAL TECHNOLOGIES)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Digital	Factoria Plural, S.L.	50.00%	
Editora Multimédia, S.A. (MULTIMÉDIA)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Digital	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Emissões de Radiodifusão, S.A. (RADIO REGIONAL DE LISBOA)	Rua Sampaio e Pina, 24/26. 1099-044. Lisbon. Portugal	Radio	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Empresa de Meios Audiovisuais, Lda. (EMAV)	Quinta Do Olival Das Minas. Lote 9. Vialonga. 2625-577. Vialonga. Portugal	Audiovisual production	Media Capital Rádios, S.A. (MCR II)	100.00%	
Empresa de Teatro Estúdio de Lisboa, S.A. (FEALMAR)	R. José Falcão, 57 - 3º Dt. 1000-184. Lisbon. Portugal	Audiovisual production	Plural Entertainment Portugal, S.A.	100.00%	
Empresa Portuguesa de Cenários, Lda. (EPC)	Quinta Do Olival Das Minas. Lote 9. Vialonga. 2625-577. Vialonga. Portugal	Audiovisual production	Media Capital Produções - Investimentos, SGPS, S.A.	100.00%	
Equipamento de Imagem e Som, S.A. (MULTICENA)	R. José Falcão, 57 - 3º Dt. 1000-184. Lisbon. Portugal	Audiovisual production	Plural Entertainment Portugal, S.A.	66.67%	
Factoria Plural, S.L.	C/ Biarritz, 2 - 50017 Zaragoza	Production and distribution of audiovisual content	Plural Entertainment Portugal, S.A.	33.33%	
Grupo Media Capital, SGPS, S. A.	Rua Mário Castelhana nº 40, Queluz de Baixo, Portugal	Production and distribution TV and radio programmes and magazines	Plural Entertainment España, S.L.	51.00%	
Kimberley Trading, S.A. (KIMBERLEY)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Television	Vertix, SGPS, S.A.	94.69%	
Ludicodrome Editora Unipessoal, Lda.	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Digital	Media Global, SGPS, S.A. (MEGLO)	100.00%	
MC Internet, S.A.	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Digital	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Música e Entretenimento, S.A. (MCME)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Music and events	Editora Multimédia, S.A. (MULTIMÉDIA)	100.00%	
Media Capital Produções, S.A. (MCP)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Audiovisual production	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Produções - Investimentos, SGPS, S.A.	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Audiovisual production	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Rádios, S.A. (MCR II)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Radio	Media Capital Produções, S.A. (MCP)	100.00%	
Media Capital Telecomunicações, S.A. (MCT)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Digital	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Global, SGPS, S.A. (MEGLO)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Other	Editora Multimédia, S.A. (MULTIMÉDIA)	100.00%	
Multimedia, S.A. (CLMC)	Rua de Santo Amaro à Estrela, Nº 17 A. 1249-028. Lisbon. Portugal	Audiovisual distribution	Grupo Media Capital, SGPS, S.A.	100.00%	
NBP Brasil, S.A.	Rua Padre Adelino, nº 758, 3º andar, Quarta Parada, CEP 03303-904. Brazil	Audiovisual production	Media Global, SGPS, S.A. (MEGLO)	90.00%	
Plural Entertainment Canarias, S.L.	Dársena Pesquera - Edif. Plató del Atlántico - San Andrés 38180. Santa Cruz de Tenerife	Production and distribution of audiovisual content	Plural Entertainment Portugal, S.A.	100.00%	
Plural Entertainment España, S.L.	Gran Via, 32 - Madrid	Production and distribution of audiovisual content	Plural Entertainment Portugal, S.A.	100.00%	2/91
Plural Entertainment Inc.	1680 Michigan Avenue, Suite 730 - Miami Beach - USA	Production and distribution of audiovisual content	Media Capital Produções - Investimentos, SGPS, S.A.	100.00%	
Plural Entertainment Portugal, S.A. (formerly Produção em Vídeo, S.A. - NBP)	R. José Falcão, 57 - 3º Dt. 1000-184. Lisbon. Portugal	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	100.00%	
Produção de Eventos, Lda. (MEDIA CAPITAL ENTERTAINMENT)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Music and events	Media Capital Produções - Investimentos, SGPS, S.A.	100.00%	
Produções Audiovisuais, S.A. (NBP IBERICA)	Almagro 13. 1ª Izquierda. 28010. Madrid	Production of audiovisual content	Media Capital Música e Entretenimento, S.A. (MCME)	100.00%	
Produções Audiovisuais, S.A. (RADIO CIDADE)	Rua Sampaio e Pina, 24/26. 1099-044. Lisbon. Portugal	Radio	Plural Entertainment Portugal, S.A.	36.00%	
Projectos de Media e Publicidade Unipessoal, Lda. (PUPLIPARTNER)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Other	Empresa de Teatro Estúdio de Lisboa, S.A. (FEALMAR)	32.00%	
Promocão de Projectos de Media, S.A. (UNIDIVISA)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Digital	Equipamento de Imagem e Som, S.A. (MULTICENA)	32.00%	
Radio Comercial, S.A. (COMERCIAL)	Rua Sampaio e Pina, 24/26. 1099-044. Lisbon. Portugal	Radio	Media Capital Rádios, S.A. (MCR II)	100.00%	
RADIO XXI, Lda. (XXI)	Rua Sampaio e Pina, 24/26. 1099-044. Lisbon. Portugal	Radio	Serviços de Consultoria e Gestão, S.A. (MEDIA CAPITAL SERVIÇOS)	100.00%	
Rede Televisora Independente, S.A. (RETI)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Television	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Serviços de Consultoria e Gestão, S.A. (MEDIA CAPITAL SERVIÇOS)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Other	Media Capital Rádios, S.A. (MCR II)	100.00%	
Serviços de Internet, S.A. (DIRETORIO IOL)	Rua Tenente Valadim, Nº 181, 4100-479. Porto. Portugal	Digital	Television Independente, S.A. (IVI)	100.00%	
Sociedad Canaria de Televisión Regional, S.A.	Avniada de Madrid s/n - Santa Cruz de Tenerife	Audiovisual productions for TV	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Sociedade de Produção e Edição Audiovisual, Lda. (FAROL MÚSICA)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Music and events	Media Capital Telecomunicações, S.A. (MCT)	69.30%	
Televisão Independente, S.A. (IVI)	Rua Mário Castelhana, Nº 40, 2734-502. Barcarena. Portugal	Television	Plural Entertainment Portugal, S.A.	40.00%	
Tesela Produções Cinematográficas, S.L.	Gran Via, 32 - Madrid	Production and distribution of audiovisual content	Media Capital Música e Entretenimento, S.A. (MCME)	100.00%	
Vertix, SGPS, S. A.	Rua de las Amoreiras, 107 - Lisbon, Portugal	Holding company	Kimberley Trading, S.A. (KIMBERLEY)	100.00%	
Vertix, SGPS, S. A.	Rua de las Amoreiras, 107 - Lisbon, Portugal	Holding company	Plural Entertainment España, S.L.	80.80%	2/91
Vertix, SGPS, S. A.	Rua de las Amoreiras, 107 - Lisbon, Portugal	Holding company	Promotora de Informaciones, S.A.	100.00%	
<u>Equity Method</u>					
Edições de Publicações, S.A. (TRANSJORNAL)	Edifício Amoreiras Square. Rua Joshua Benoliel, 1. 4º C. 1250-133. Lisbon. Portugal	Press	Media Global, SGPS, S.A. (MEGLO)	35.00%	
Empresa Europeia de Produção de Documentários, Lda. (Nannok)	Av. Elias Garcia 57 - 7º. 1000-148. Lisbon. Portugal	Audiovisual production	Plural Entertainment Portugal, S.A.	26.00%	
Play Entertainment, ACE.	Rua de Santo Amaro à Estrela, Nº 17 A. 1249-028. Lisbon. Portugal	Audiovisual distribution	Multimedia, S.A. (CLMC)	50.00%	
União de Leiria, SAD. (UNIAO DE LEIRIA)	Estádio Dr. Magalhães Pessoa. 2400-000. Leiria. Portugal	Other	Media Global, SGPS, S.A. (MEGLO)	20.16%	
<u>Proportionate Consolidation</u>					
Plural - Jempsa, S.L.	Gran Via, 32 - Madrid	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	50.00%	

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2008

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP(*)
DIGITAL					
<u>Full Consolidation</u> Prisacom, S.A.	Gran Vía, 32 - Madrid	Internet services	Promotora de Informaciones, S.A.	100.00%	2/91
Infotecnia 11824, S.L.	Ronda de Poniente 7, Tres Cantos - Madrid	Telecommunications services	Oficina del Autor, S.L. Prisacom, S.A.	0.00% 60.00%	
<u>Proportionate Consolidation</u> Santillana en Red, S.L.	Ribera del Sena s/n. Edificio APOT. Madrid	Multimedia publishing	Prisacom, S.A. Santillana Educación, S.L.	50.00% 50.00%	2/91
PRINTING					
<u>Full Consolidation</u> Prisaprint, S.L.	Gran Vía, 32 - Madrid	Management of printing companies	Promotora de Informaciones, S.A. Grupo Empresarial de Medios Impresos, S.L.	100.00% 0.00%	2/91
<u>Equity Method</u> Altamira, S.A.	Carretera de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	Dédalo Heliocolor, S.A.	100.00%	2/91
Bidasoa Press, S.L.	C/ Malilla nº 134 - 46026 Valencia	Printing of published materials	Dédalo Grupo Gráfico, S.L.	100.00%	
Dédalo Grupo Gráfico, S.L.	Carretera de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	Prisaprint, S.L.	40.00%	
Dédalo Heliocolor, S.A.	Ctra.Nacional II, Km. 48,500 Pol. Ind. nº 1 - 19171 Cabanillas del Campo - (Guadalajara)	Printing of published materials	Dédalo Grupo Gráfico, S.L.	100.00%	
Dédalo Offset, S.L.	Carretera de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	Dédalo Grupo Gráfico, S.L.	100.00%	
Distribuciones Aliadas, S.A.	Poligono Industrial La Isla, Parcela 53 - 41700 Dos Hermanas (Seville)	Printing of published materials	Dédalo Grupo Gráfico, S.L.	100.00%	
Gráficas Integradas, S.A.	C/ Camino de los Afligidos S/N - Alcalá de Henares - Madrid	Printing of published materials	Dédalo Heliocolor, S. A.	100.00%	
Norprensa, S.A.	Parque Empresarial IN-E, C/ Costureiras, s/n 27003 - Lugo	Printing of published materials	Dédalo Grupo Gráfico, S.L.	100.00%	

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	December 2008	
				OWNERSHIP INTEREST	TAX GROUP(*)
DISTRIBUTION					
<i>Full Consolidation</i>					
Aldipren, S.L. (Previously Aldipren, S.A.)	Polígono Campollano. Calle D. Número 34-38. Albacete	Storage and distribution of published materials	Grupo Cronos Distribución Integral, S.L.	65.00%	
Cronodis Logística Integral, S.L.	C/ El Rayo, Parcela 2,4,2 Polígono Industrial La Quinta /R2. 19171 Cabanillas del Campo (Guadalajara)	Storage and distribution of published materials	Grupo Cronos Distribución Integral, S.L.	95.00%	
Districuen, S.L.	Polígono La Cerrajera. Parcela 36. Cuenca	Storage and distribution of published materials	Grupo Cronos Distribución Integral, S.L.	65.00%	
Distritoledo, S.L.	Polígono Industrial de Toledo II Fase. C/ Arrollo Gadea,9 (45007) Toledo	Distribution and sale of published materials	Grupo Cronos Distribución Integral, S.L.	79.50%	
Gelesa Gestión Logística, S.L.	Almanaque Nº 5. Polígono Fin de Semana. 28022. Madrid.	Distribution of publications	Grupo Cronos Distribución Integral, S.L.	100.00%	
Grupo Cronos Distribución Integral, S.L.	Samaniego s/n nave 19 Madrid	Distribution and sale of published materials	Redprensa, S.L.	50.00%	
Redprensa, S.A.	Gran Vía, 32 - Madrid	Holding company	Promotora de Informaciones, S.A.	100.00%	2/91
<i>Equity Method</i>					
Beralán, S.L.	Igarategi Industrialdea. Nº 58. (20130) Urnieta (Guipúzcoa)	Distribution of published materials	Redprensa, S.L.	22.25%	
Cirpress, S.L.	Polígono Tazaba II. Parcela 31. Logreza-Carreño. (33438) Asturias	Distribution of published materials	Redprensa, S.L.	24.70%	
Diserpe, S.R.L.U.	C/ Dels Argenters 4, P.I. Vara de Quart. - 46014 Valencia	Distribution of published materials	Val Disme, S.L.	100.00%	
Distribuciones Papiro, S.L.	Dtor. Ferrán s/n, Polígono Industrial El Montalbo - Carbajosa de la Sagrada, Salamanca	Distribution of published materials	Redprensa, S.L.	25.14%	
Distribuciones Ricardo Rodríguez, S.L.	Polígono Asegra. C/ Córdoba. 18-20. Granada	Distribution of published materials	Distrimedios, S.L.	70.00%	
Distribuidora Almeriense de Publicaciones, S.L.	Sierra Cabrera, 1. Polígono Industrial La Juaida - Viator, Almería	Distribution of published materials	Distrimedios, S.L.	70.00%	
Distribuidora Cordobesa de Medios Editoriales, S.L.	C/ Prolongación Ingeniero Torres Quevedo s/n. Polígono Industrial de la Torrecilla. 14013 (Cordoba)	Distribution of published materials	Distrimedios, S.L.	70.00%	
Distribuidora de Publicaciones Boreal, S.L.	Avenida de Fuentemar, 29 - Coslada, Madrid	Distribution of published materials	Redprensa, S.L.	29.00%	
Distribuidora Extremeña de Publicaciones, S.L.	Polígono Industrial El Nevero. C/ El Nevero Quince. 30/32. 60068. Badajoz	Distribution of published materials	Distrimedios, S.L.	70.00%	
Distribuidora Jienense de Publicaciones, S.L.	Polígono Industrial Los Olivares, calle 5, parcela 526 - Jaen	Distribution of published materials	Distrimedios, S.L.	100.00%	
Distrigalicia, S.L.	Carretera de Catabais Km. 3,300 de Ferrol (A Coruña)	Storage and distribution of published materials	Distribuidora de Publicaciones Boreal, S.L.	100.00%	
Distrimedios, S.L.	Agricultura, Parcela D-10 (P. Empresarial) - Jerez, Cadiz	Distribution of published materials	Redprensa, S.L.	29.00%	
Marina Press Distribuciones, S.L.	Pere IV, 467 - Barcelona	Distribution of published materials	Redprensa, S.L.	30.00%	
Prensa Serviodiel, S.L.	Polígono Tartessos 309, Calle A - 21610 San Juan del Puerto (Huelva)	Distribution of published materials	Distrimedios, S.L.	70.00%	
Souto, S.L.	Polígono Industrial Ocea, C/ Da Industria, 107. 27290. Lugo	Distribution of publications	Distribuidora de Publicaciones Boreal, S.L.	100.00%	
Suscripciones de Medios Editoriales, S.L.	C/ De la Agricultura, Parque Empresarial Parcela D1 - 11407 Jerez de la Frontera	Distribution of published materials	Distrimedios, S.L.	100.00%	
Trecedis, S.L.	C/ Avenida de Bruselas, 5. Arrollo de la Vega - 28108 Alcobendas. Madrid	Distribution of publications	Beralán, S.L.	8.14%	
			Cirpress, S.L.	8.14%	
			Distribuciones Papiro, S.L.	8.14%	
			Distribuidora de Publicaciones Boreal, S.L.	8.14%	
			Distrimedios, S.L.	8.14%	
			Grupo Cronos Distribución Integral, S.L.	8.14%	
			Marina Press Distribuciones, S.L.	8.14%	
			Val Disme, S.L.	8.14%	
Val Disme, S.L.	Polígono Industrial Vara de Quart. 46014. C/ dels Argenters. 4. Valencia	Distribution of published materials	Redprensa, S.L.	23.75%	
MEDIA ADVERTISING SALES					
<i>Full Consolidation</i>					
Gerencia de Medios, S.A.	Gran Vía, 32 - Madrid	Contracting of advertising exclusives	Promotora de Informaciones, S.A.	100.00%	2/91
Prisa Innova, S.L.	Gran Vía, 32 - Madrid	Management of promotional products and services	Redprensa, S.L.	0.01%	
			Diario El País, S.L.	0.05%	2/91
Solomedios, S.A.	Gran Vía, 32 - Madrid	Advertising management	Gerencia de Medios, S.A.	99.95%	
			Promotora de Informaciones, S.A.	0.03%	2/91
<i>Equity Method</i>					
Box News Publicidad, S.L. (Anteriormente, Box News Comunicación, S.L.)	Gran Vía, 32 - Madrid	Advertising and public relations services	Promotora General de Revistas, S.A.	40.13%	2/91
			Grupo Empresarial de Medios Impresos, S.L.	0.00%	
			Gerencia de Medios, S.A.	25.63%	
			Diario El País, S.L.	34.24%	

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

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2008

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY OWNING THE HOLDING	Diciembre 2008	
				OWNERSHIP INTEREST	TAX GROUP(*)
OTHERS					
<i>Full Consolidation</i>					
GLP Colombia, Ltda Oficina del Autor, S.L.	Carrera 9, 9907 Oficina 1200, Bogotá, Colombia Gran Via, 32 - Madrid	Operation and sale of all manner of advertising Management of publishing rights and author representation	Prisa División Internacional, S.L. Prisacom, S.A.	100.00% 0.01%	2/91
Prisa División Inmobiliaria, S.L.	Gran Via, 32 - Madrid	Lease of commercial and industrial premises	Promotora de Informaciones, S.A. Promotora de Informaciones, S.A.	100.00% 100.00%	2/91
Prisa División Internacional, S.L.	Gran Via, 32 - Madrid	Holdings in foreign companies	Grupo Santillana de Ediciones, S.L. Promotora de Informaciones, S.A. Grupo Empresarial de Medios Impresos, S.L.	0.00% 100.00% 0.00%	2/91
Prisa Finance (Netherlands) BV Prisa Inc. Promotora de Actividades América 2010, S.L.	Gran Via, 32 - Madrid 5300 First Union Financial Centre, Miami, Florida, USA Gran Via, 32 - Madrid	Investment and funding of companies Business management in the US and North America Production and organisation of activities and projects marking the bicentenary of American Independence	Promotora de Informaciones, S.A. Prisa División Internacional, S.L. Promotora de Informaciones, S.A.	100.00% 100.00% 99.00%	2/91
Promotora de Actividades América 2010 - México, S.A. de C.V.	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600. México City	Development, coordination and management of national and international projects marking the bicentenary of the Independence of the American Nations	Prisa División Internacional, S.L. Promotora de Actividades América 2010, S.L. Prisa División Internacional, S.L.	1.00% 100.00% 0.00%	
Promotora de Actividades América 2010 Colombia, Ltda.	Carrera 9 N° 74-08 - Oficina 504. Bogotá. Colombia	Development, coordination and management of national and international projects marking the bicentenary of the Independence of the American Nations	Promotora de Actividades América 2010, S.L. Prisa División Internacional, S.L.	98.33% 1.67%	
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 Bogotá D.C. (Colombia)	Production and distribution of audiovisual content	Prisa División Internacional, S.L. Promotora de Informaciones, S.A.	99.00% 1.00%	

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

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

Consolidated Directors' Report for 2008

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

PROMOTORA DE INFORMACIONES, S.A. (PRISA)
AND SUBSIDIARIES
CONSOLIDATED DIRECTORS' REPORT FOR 2008

1. BUSINESS PERFORMANCE

Organisational matters

The Group's activities are organised into four main areas: Press, Radio, Education-Publishing and Audiovisual, complemented by the Digital activity, which operates across all the areas.

Press activities include the El País, As, Cinco Días and magazine businesses as well as the International Press business. In 2008, Media Capital transferred its magazine business to the Press unit.

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

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

Audiovisual activities bring together the Sogecable and Media Capital businesses. In 2008, Media Capital became the leader of the Group's audiovisual production business, combining the audiovisual production businesses in Spain and Portugal. In addition, in 2008 Prisa discontinued its operation at Localia TV.

The Digital business includes the activities of Prisacom.

The *most significant events* in the period from January to December 2008 were as follows:

- **PRISA'S EBITDA REACHED €948.34 MILLION (+21.6%).**
- *Revenues increased by 8.3% to reach €4,001.35 million and EBIT was €698.19 million (+34.3%)*
- **Santillana increased** its revenues by **8.5%** and improved its **EBITDA** by **12.0%** to €134.35 million. The publishing group breaks its records. It is worth highlighting the performance of education in **Spain** (+15.2%), **Venezuela** (+38.6%), **Argentina** (+19.4%) and **Perú** (+96.7%). Regular sales in **Brazil** increased by 30.0% compared to the previous year.
- **Cadena SER**, with 4,705,000 listeners according to the third survey of EGM, maintained its **leadership** position and surpassed the sum of its three main competitors' audience in the private generalist radio. All the programs of SER continued being leaders in their respective 24 hours a day slots.

- **International Radio revenues increased** by 7.0% to reach €94.80 million and improved its EBITDA margins.
- In spite of the declining of the market, the sale of newspapers and magazines remained stable, **El País strengthened its leadership position** and finished 2008 with a average daily circulation of 431,034 copies. El País designed **a new organizational model** and **merged its printed and online versions**. **Box New Publicidad** has been created to **jointly commercialize advertising for press and internet**.
- Revenues from **Sogecable** registered a new record as of December 31st 2008, and reached €1,872.87 million. It is worth highlighting the **improvement of its financial position**.
- **DIGITAL+** increased its EBIT by 34.6% to €237.83 million, improving its margins significantly (15.4% versus 11.6%).
- **Cuatro increased its revenues by 13.7%** and reached **an average audience share of 8.6%** in 2008, only in three full years of broadcasting (7.7% in 2007).
- **TVI (Portugal)** maintained its leadership in 2008 and registered its best audience data, with an average audience share of 36.0% and 41.3% in prime time. **TVI increased its advertising revenues** by 4.9% in 2008.
- **Revenues from audiovisual production** increased by 10.9%.
- **Internet (Prisacom)** continued a positive trend and **increased advertising revenues** by 22.4%.
- Prisa **sold three of its main buildings** for a total amount of €300 million.
- Implementation of a **cost saving plan**.

Other important events during the year 2008 were the following:

- **Prisa acquired 100% of Sogecable** after the end of the tender offer process.
- As of December 5th, 2008, Prisa held an **Extraordinary General Meeting** and approved **the merger between Sogecable and Prisa**. Shareholders and investors gave the Board of Directors the authority **to recapitalize the Group and restructure its debt**.
- Following the announcement of **Ignacio Polanco** to become a **non executive Chairman**, **Juan Luis Cebrián** (Prisa's CEO) was appointed **Chairman of the Executive Committee**. **Manuel Polanco** was appointed as a **new member** of the **Executive Committee** and an **International Advisory Committee** will be created.
- **Prisa ceased its activity in Localia TV**.

- Prisa **formalized the investment agreement** already announced in December 2007 by means of which **3i Group plc** takes an 8.14% stake in **Union Radio**. 3i will increase its stake up to 16.63% investing €125 million through different capital increases, reaching a total investment of €225 million.
- Prisa reorganized its audiovisual production activity within Media Capital joining **audiovisual production activities in Spain and Portugal**.
- The **Media Capital magazines** business is being integrated within Progresa.
- Prisa reduced its stake in **Iberbanda** from 21.69% to 15.38%.

Changes in the scope of consolidation:

- **Media Capital** has been fully consolidated in Prisa's figures since February 1st, 2007.
- **Iberoamericana Radio Chile** has been fully consolidated since July 1st, 2007.
- **Regional Press** (El Correo de Andalucía, Diario Jaén and Novotécnica) ceased to contribute to the consolidated figures on July 1st, 2007 after its disposal.
- **Localia TV** is included in the 2008 profit and loss account as a **discontinued activity**. In 2007 the profit and loss account reflected the revenues and losses of the activity.

PROFIT AND LOSS ACCOUNT

€Million	JANUARY - DECEMBER		
	2008	2007	Chg.%
Operating Revenues	4,001.35	3,696.03	8.3
EBITDA	948.34	779.62	21.6
EBIT	698.19	519.93	34.3
Net financial result	(397.07)	(195.26)	(103.4)
Interest on debt	(290.94)	(185.96)	(56.5)
Other financial results ¹	(106.13)	(9.30)	-
Result from associates	(8.94)	(35.67)	74.9
Profit before tax	292.18	289.00	1.1
Income tax expense	(90.44)	(26.92)	-
Results from discontinued activities	(75.35)	0.00	-
Minority interest	(43.40)	(70.11)	38.1
Net profit	83.00	191.97	(56.8)
EBITDA Margin	23.7%	21.1%	
EBIT Margin	17.4%	14.1%	

OPERATING REVENUES

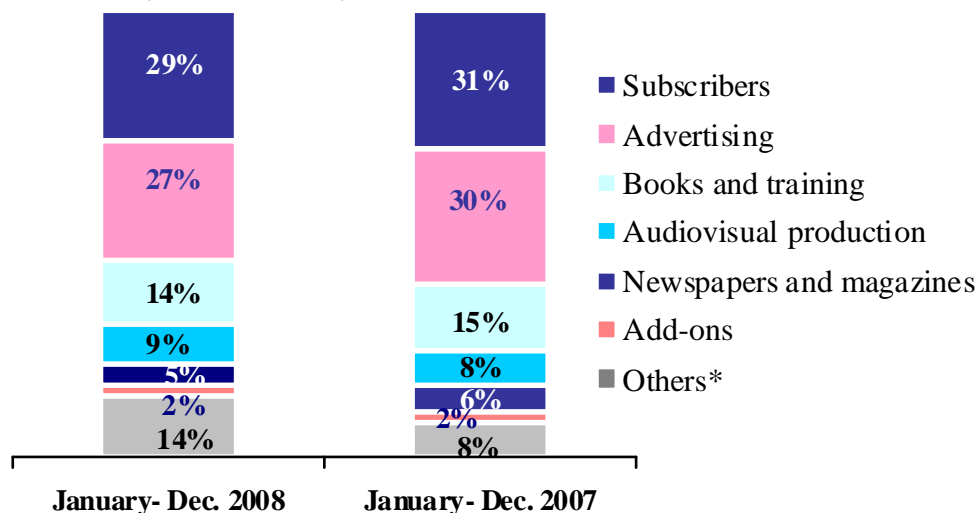
Revenues increased by 8.3% to reach €4,001.35 million, compared to €3,696.03 million in 2007. By line of activity, the breakdown is as follows:

€Million	JANUARY - DECEMBER		
	2008	2007	Chg. %
Advertising	1,067.07	1,122.27	(4.9)
Books and training	579.74	536.47	8.1
Newspapers and magazine sales	209.86	210.52	(0.3)
Subscriber revenues	1,141.10	1,136.32	0.4
Audiovisual production revenues	347.79	313.71	10.9
Add-ons revenues	73.10	88.09	(17.0)
Revenues from fixed assets	297.10	22.38	-
Other revenues ²	285.58	266.27	7.3
Total operating revenues	4,001.35	3,696.03	8.3

¹ Include: Exchange differences, adjustments for inflation, change in value of financial instruments, results coming from the settlement of financial hedges, allowances on loans to associates, revenues coming from current financial investments and other financial results.

² Include: services of telephone marketing, transmission services, advertising services, magazine services, distribution services, printing sales, events, music sales, e-commerce, Internet services, bookshops sales, rentals and other revenues.

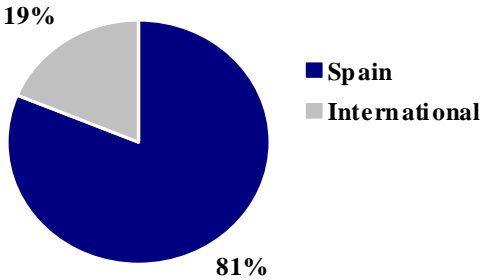
Revenue contribution by line of activity:



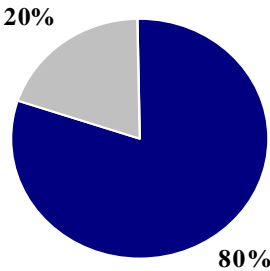
* In 2008, "Others" include the capital gain coming from the sale of the Real Estate (€226.78 million). Excluding this impact, advertising revenues would have represented 28% of the total Group revenues.

Geographic breakdown:

January- December 2008



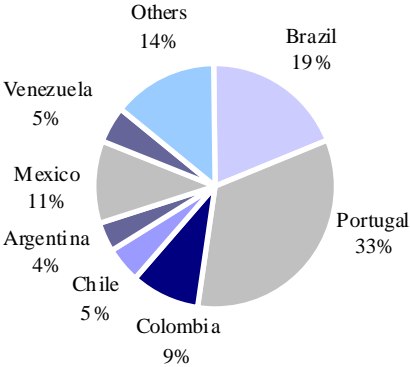
January- December 2007



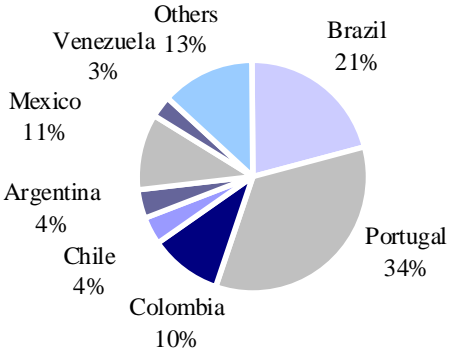
In 2008, revenues coming from the international area accounted for 19%. The 53% of the International revenues came from Santillana, 32% from Media Capital and the remaining from press and radio activities.

The breakdown of international revenues by country is the following:

January- December 2008



January- December 2007



➤ **Advertising**

Total advertising revenues (€1,067.07 million) decreased by 4.9%, improving the estimates for the overall market, due to the leadership of the Group’s brands, the diversified portfolio of its clients and its exposure to national, local and international advertising.

€Million	JANUARY - DECEMBER		
	2008	2007	% Chg.
Press	219.50	272.49	(19.4%)
El Pais	170.00	218.22	(22.1%)
AS	19.88	21.67	(8.3%)
Cinco Días	10.88	11.73	(7.2%)
Regional Press/ Dominical ¹	3.51	8.69	(59.6%)
Magazines ²	12.69	9.72	30.5%
International Press	3.93	3.98	(1.4%)
Consolidation adjustments	(1.38)	(1.53)	9.9%
Radio	348.27	353.85	(1.6%)
Radio in Spain	259.20	270.55	(4.2%)
International Radio ³	89.25	82.82	7.8%
Music	0.00	0.50	(100.0%)
Consolidation adjustments	(0.19)	(0.02)	---
Audiovisual	491.90	491.70	0.0%
Sogecable	319.11	301.19	5.9%
Cuatro	292.92	272.70	7.4%
Digital+	26.20	28.49	(8.1%)
Media Capital ⁴	172.79	170.46	1.4%
Local TV ⁵	---	20.05	---
Digital	19.35	15.81	22.4%
Others	0.29	0.11	173.0%
Consolidation adjustments	(12.24)	(11.68)	(4.8%)
TOTAL	1,067.07	1,122.27	(4.9%)

1. In 2008, Regional Press includes figures coming from the El Dominical supplement. El Correo de Andalucía and Diario Jaén contributed to advertising revenues until June, 2007.
2. Magazines includes the activity of the Portuguese magazines since August 2008, previously included in Media Capital.
3. Iberoamericana Radio Chile has been fully consolidated since July 1st, 2007.
4. Media Capital has been fully consolidated since February 1st, 2007.
5. Local TV is included in the 2008 figures as a discontinued activity.

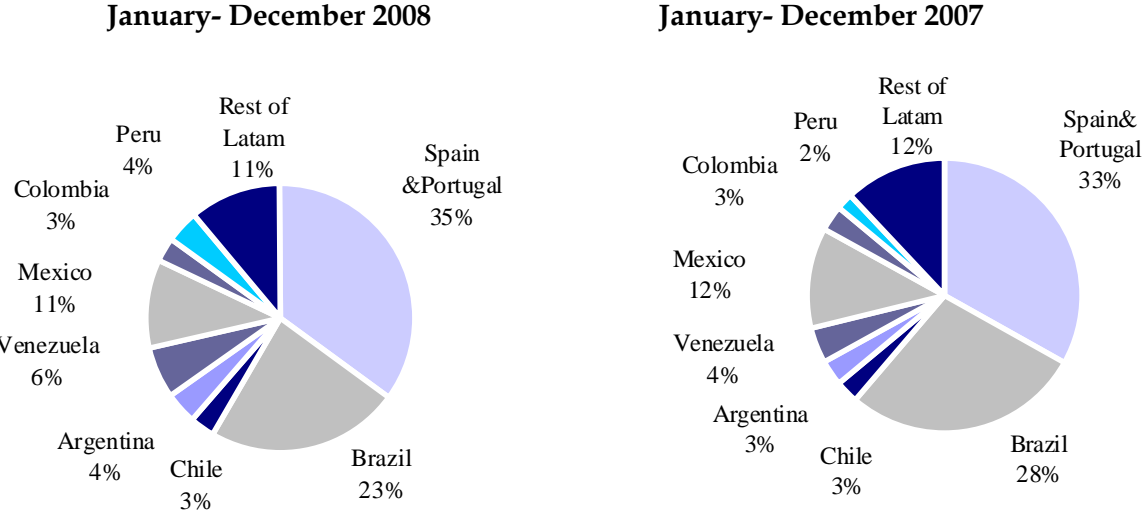
➤ Books and training

Books and training sales increased by 8.1% (€579.74 million compared to €536.47 million in 2007).

In the **northern campaigns, Spain** stood out, increased its revenues by €25.66 million compared to 2007 (+15.2%), and **improved its market share**. It is also worth highlighting the regular campaign of **Venezuela**, where revenues increased by 38.6% to reach €33.87 million, **breaking its records**.

The evolution of the **southern campaigns** has been very positive. It is worth highlighting **Argentina** (+19.4%) and **Peru** (+96.7%). Revenues coming from the **regular campaign** of **Brazil** increased by 30.0% compared to 2007. Regarding the institutional sale in Brazil in 2008, a replacement year within Brazil's institutional sale cycle, revenues amounted to €61.56 million and the market share for Primary and Secondary reached 26%.

Geographic breakdown of revenues:



Depreciation of dollar against the euro negatively affected Santillana revenues by €22.05 million. Discounting this currency effect, revenues would have increased by 12.4%.

➤ **Newspapers and magazines**

Newspapers and magazines sales (€209.86 million) remained stable compared to 2007.

In February 2008, **El País** increased its cover price for the Sunday edition by €0.20 to €2.20. At the end of May 2008, the daily edition increased its cover price by €0.10 € to €1.10.

El País has merged its printed and online versions and has designed a **new organizational model** to update its production and editorial structure to gain competitiveness. This new organization includes the set up of two additional companies: administrative and technological services and production.

In the current environment **El País**, with an average daily circulation of 431,034 copies, **has strengthened its leadership position**. El País average daily circulation has slightly decreased compared to the previous year, but it has widened the gap with its main competitor.

According to the **third survey of EGM**, El País has **renewed its hegemony** among paid press, registering an average of 2,218,000 daily readers. The gap between El País and its main competitor reached 870,000 readers (+64.5%), a 4.1% over last year.

In 2008, **AS continued to reduce the distance with its main competitor** and reached an average daily circulation of 230,492 copies. AS maintained its leadership position in Madrid

and ended 2008 being the leader also in Castilla La Mancha. In Cataluña, and especially in Barcelona, AS has maintained its position ahead of its main competitor and continued to grow in the rest of Spain.

AS reached 1,266,000 readers according to the last survey of EGM and gained 96,000 readers in the last year.

Cinco Días reached an average daily circulation of 40,077 copies in 2008. This represents a slight decrease compared to the circulation of 2007 (-1.2%), when Cinco Días registered its record of circulation.

In 2008, Cinco Días **registered profits during four consecutive years** and obtained its best audience figure according to the third survey of EGM, reaching 90,000 readers.

Average daily circulation of the Group’s newspapers

	January- Dec. 2008	January- Dec. 2007	Chg. %
El País	431,034	435,083	(0.9)
AS	230,492	233,529	(1.3)
Cinco Días	40,077	40,552	(1.2)

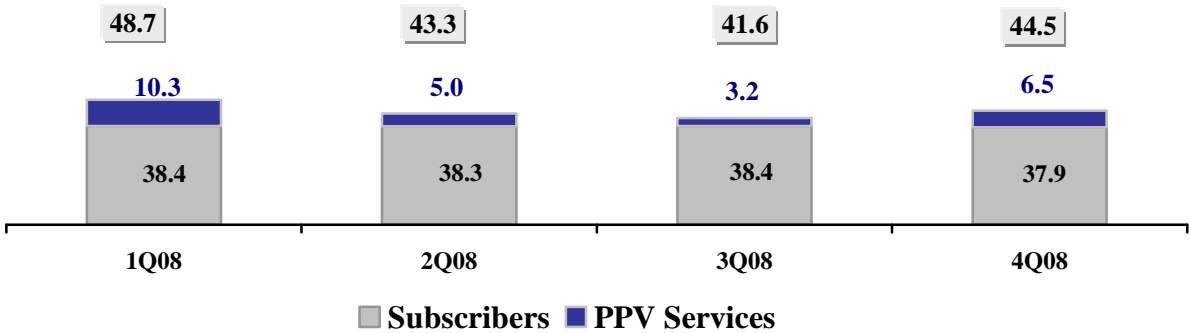
(*) 2008 figures audited by OJD until June.

➤ **Subscriber revenues**

Subscriber revenues reached €1,141.10 million (+0.4%).

The subscriber base of DIGITAL+ as of December 2008 reached 2,035,000 subscribers. The average revenue in the fourth quarter stood at €44.5 per subscriber per month:

DIGITAL+ ARPU evolution (euros)



The churn rate as of December 2008 stood at 13.2% (11.9% as of December 2007).

➤ Audiovisual Production

Audiovisual production revenues increased by 10.9% to reach €347.79 million compared to €313.71 million in 2007.

This line includes the activities of selling audiovisual rights, the sale and production of programs, the revenues coming from the cinema distribution activity and the sale of different channels to cable operators at Sogecable. Revenues coming from the sale and production of programs in Plural reached €54.18 million in 2008 (+18.8%).

➤ Add-ons revenues

Add-ons revenues reached €73.10 million (-17.0%).

The Group continued managing its **international add-on activity** in Europe and Latam through **Prisa Innova**. Prisa Innova generated €13.96 million compared to €9.06 million in 2007 (+54.1%) with an EBITDA of €2.51 million (+46.0%).

➤ Revenues from fixed assets

Revenues from fixed assets reached €297.10 million in 2008. This figure includes the capital gains from the following operations:

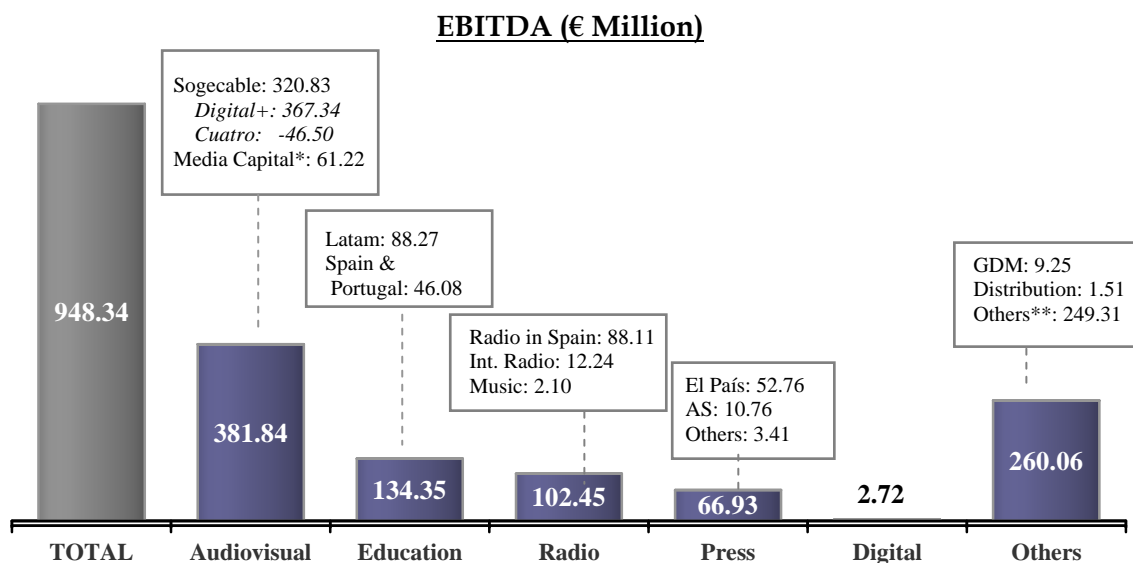
- Sale of three of the main buildings of the Group in Madrid and Barcelona to Longshore, S.L. (€226.78 million of capital gain, €300 million of cash received).
- Sale of a stake in Unión Radio to 3i Group plc (€59.68 million).
- Sale of 50% of Jetix Spain (€3.85 million).
- Sale of a 10% stake in Radio Zaragoza (€3.17 million).

In 2007 revenues from fixed assets included the following capital gains:

- Disposal of Media Capital's outdoor business (€16.88 million).
- Disposal of Regional Press (€3.47 million).

EBITDA

The EBITDA reached €948.34 million compared to €779.62 million obtained in 2007 (+21.6%).



* Media Capital includes 2008 Plural figures.

** "Others" include mainly the activities of Prisa Innova, Real Estate and Head Quarters.

The EBITDA margin was 23.7%, compared to 21.1% obtained last year. This improvement is mainly due to the sale of three of the main buildings of the Group.

The EBITDA of **Editorial** increased by €14.43 million (+12.0%), with an improvement in margins. Margins in Latam increased to 22.5% and improved by one point.

Pay TV activity increased its EBITDA by 10.4% compared to last year. The operations of **Cuatro** included the exploitation of the Eurocup.

EBIT reached €698.19 million (€519.93 million in 2007), an increase of 34.3%. Within this improvement it is worth highlighting Digital+, which increased its EBIT by 34.6% to reach €237.83 million and improved its margins by almost four points. The EBIT margin in the Group was 17.4% compared to 14.1% of the previous year.

The net financial result was a €397.07 million loss, compared to a loss of €195.26 million registered in 2007.

Debt financial expenses (€290.94 million) increased by €104.98 million, due to a higher average interest rate as well as to a higher level of debt incurred for new acquisitions, mainly Sogecable.

In addition, during 2008 €88.31 million were registered as a financial expense due to the deterioration of loans to the Printing business.

Results from associates was a loss of €8.94 million compared to the loss of €35.67 million last year. In 2007, the Printing business included the impact of its restructuring plan.

The income tax expense compares negatively with the previous year as it includes the tax coming from the sale of the Real Estate in 2008. In 2007 a deduction was registered in this line due to the acquisition of Media Capital (€36.64 million).

Results from discontinued activities include the impact of the cessation of the activity in Localia as well as its 2008 operating results.

The change in the result attributable to minority interests is mainly due to the increase in the stake in Sogecable in 2008 up to 100%.

Net profit reached €83.00 million compared to €191.97 million in 2007 (-56.8%). This evolution is mainly explained because the negative impact of the financial expenses as well as to the extraordinary losses registered in 2008.

BALANCE SHEET

€Million	ASSETS	
	12/31/2008	12/31/2007
FIXED ASSETS	6,512.27	4,832.05
Property, plant and equipment	397.93	423.16
Investment property	0.03	0.09
Goodwill	4,302.74	2,420.08
Intangible assets	400.08	444.34
Long term financial investments	93.34	157.17
Investment in associates	12.94	13.25
Deferred tax assets	1,298.47	1,364.97
Other non current assets	6.73	9.00
CURRENT ASSETS	1,594.30	1,621.42
Inventories	306.08	325.16
Accounts receivable	1,237.95	1,215.98
Short term financial investments	0.84	7.46
Cash & cash equivalents	49.43	72.83
ASSETS HELD FOR SALE	0.52	72.89
TOTAL ASSETS	8,107.09	6,526.36

€Million	LIABILITIES	
	12/31/2008	12/31/2007
SHAREHOLDERS EQUITY	1,258.24	1,353.55
Issued capital	21.91	22.04
Reserves	1,052.06	927.93
Income attributable to the parent company	83.00	191.97
Minority interest	101.27	211.61
NON CURRENT LIABILITIES	2,751.37	3,124.84
Long term financial debt	2,348.08	2,558.37
Issued exchangeable bonds	---	158.41
Deferred tax liabilities	79.28	112.93
Provisions	74.81	67.35
Other non current liabilities	249.21	227.79
CURRENT LIABILITIES	4,097.48	2,047.97
Short term financial debt	2,532.09	536.05
Trade accounts payable	1,257.95	1,233.14
Other short term liabilities	280.88	245.48
Accrual accounts	26.56	33.31
TOTAL LIABILITIES	8,107.09	6,526.36

The increase in the "Goodwill" is due to the increase in Sogecable stake up to 100%.

The exchangeable bond was settled in cash as of December 19th 2008.

INVESTMENTS

Total investments reached €2,262.08 million. By business units, investments were as follows:

€Million	CAPEX	Long term financial investments	TOTAL
Press	10.30	0.92	11.21
El País	7.88	0.92	8.80
AS	0.09	---	0.09
Cinco Días	0.03	---	0.03
Magazines	0.17	---	0.17
International Press	0.16	---	0.16
Others	1.95	---	1.95
Radio	17.23	11.56	28.79
Radio in Spain	11.21	0.24	11.45
International Radio	5.85	---	5.85
Music	0.17	11.32	11.49
Education-Publishing	52.05	---	52.05
Audiovisual	98.88	0.70	99.58
Sogecable	72.23	0.22	72.45
Media Capital	26.21	0.17	26.38
Local TV	0.44	0.31	0.76
Digital	3.06	---	3.06
Others	8.98	2,058.42	2,067.40
Prisa	3.79	2,056.89	2,060.69
Distribution	3.36	1.35	4.70
Prisa División Inmobiliaria	1.07	0.18	1.25
GDM	0.74	---	0.74
Others	0.02	---	0.02
Total	190.49	2,071.59	2,262.08

NET FINANCIAL POSITION

Net financial position as of December 31st 2008, including Sogecable's subordinated debt, reached €5,044.10 million compared to €3,216.51 million as of December 2007.

NET DEBT	€Million	
	12/31/2008	12/31/2007
Prisa (includes Media Capital)	4,008.06	2,157.66
Sogecable	821.84	856.48
Net bank debt	4,829.90	3,014.13
Sogecable- subordinated debt	214.20	202.38
Toral net debt	5,044.10	3,216.51

Prisa's net financial position increased by €1,850.40 million compared to December 2007, due to the increase in Sogecable stake up to 100% as well as the settlement of the exchangeable bond in cash. These figures were partially offset by the €300 million cash received from the disposal of the real estate. It is worth highlighting the improvement in Sogecable's net financial position.

As of December 5th 2008, Prisa held an **Extraordinary General Meeting** in which its shareholders and investors gave the Board of Directors the authority to **recapitalize** the Group and **restructure its debt**.

CASH FLOW STATEMENT

€Million	12/31/2008	12/31/2007
EBITDA	948.34	779.62
Change in working capital	(8.96)	(29.16)
Capex	(190.49)	(212.60)
Operating cashflow	748.89	537.86
Financial investments	(2,071.59)	(655.62)
Interests paid	(268.93)	(180.05)
Dividends paid	(48.68)	(47.35)
Taxes paid	(31.76)	10.08
Other	(155.51)	(122.85)
NET DEBT CHANGE	1,827.59	457.93

It is worth highlighting the **improvement of the working capital**, as well as the **reduction in Capex**. Excluding the sale of the real estate, operating cash flow reached €534.14 million, in line with the previous year.

In 2008 "Others" include mainly the settlement in cash of the exchangeable bond (€162.30 million).

2. EVENTS AFTER THE BALANCE SHEET DATE

In January 2009 Promotora de Informaciones, S.A. sold to Akaishi Investments, S.L. the 25% ownership interest in the share capital in the Bolivian company Inversiones en Radiodifusión, S.A., owner of the ATB TV broadcasting network, for USD 4.1 million.

Also, Akaishi Investments, S.L. acquired a purchase option on the shares held by the Prisa Group in the Bolivian company Inversiones Grupo Multimedia de Comunicaciones, S.A., owner of the La Razón and El Extra newspapers.

3. PRINCIPAL RISKS ASSOCIATED WITH THE BUSINESS

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

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

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

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

4. MAIN FINANCIAL RISKS AND USE OF FINANCIAL INSTRUMENTS

Exposure to foreign currency risk

The foreign currency risk assumed by the Group relates mainly to the following transactions:

- In 2008 close to 81% of the Prisa Group's consolidated income was generated in the domestic market and 19% in the international market, mainly in South America and Portugal.
- Results from activities carried on in non-euro area countries which are tied to the performance of their respective currencies: around 17% of the Group's results (before minority interests and taxes) at 31 December 2008 were generated in the Americas.
- Financial investments made to acquire ownership interests in foreign companies: these are long-term investments aimed at maintaining stable ownership interests in companies, although such investments are exposed to changes in their net asset value,

not only as a result of their activity, but also due to the effect of exchange rate fluctuations.

- Debt denominated in foreign currency: only 1.22% of the Group's total bank borrowings at 31 December 2008 was denominated in foreign currency.

In this context, the Group is exposed to the risk of changes in foreign exchange rates in the various countries in which it operates. In order to mitigate this risk, the Prisa Group arranges hedges to cover the risk of changes in exchange rates (mainly foreign currency hedges, forwards and options) on the basis of the its projections and budgets.

The Group is also exposed to foreign currency risk as a result of potential fluctuations in the various currencies in which its bank borrowings are denominated. The Group hedges this type of transaction every year (basically through foreign currency hedges) on the basis of its projections and budgets.

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

Exposure to interest rate risk

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

5. ANNUAL CORPORATE GOVERNANCE REPORT

(See Appendix II)

6. TREASURY SHARES

At 31 December 2008, Promotora de Informaciones, S.A. owned 10,940,625 treasury shares, representing 4.99% of its share capital. The total cost of these shares was EUR 24,726 thousand, with a cost per share of EUR 2.26.

The Company planned to cover the exchangeable bond issue with treasury shares. The exchangeable bond issue was finally settled in cash on 19 December 2008.

At 31 December 2008 the Company did not hold any shares on loan.

7. SHARE PERFORMANCE

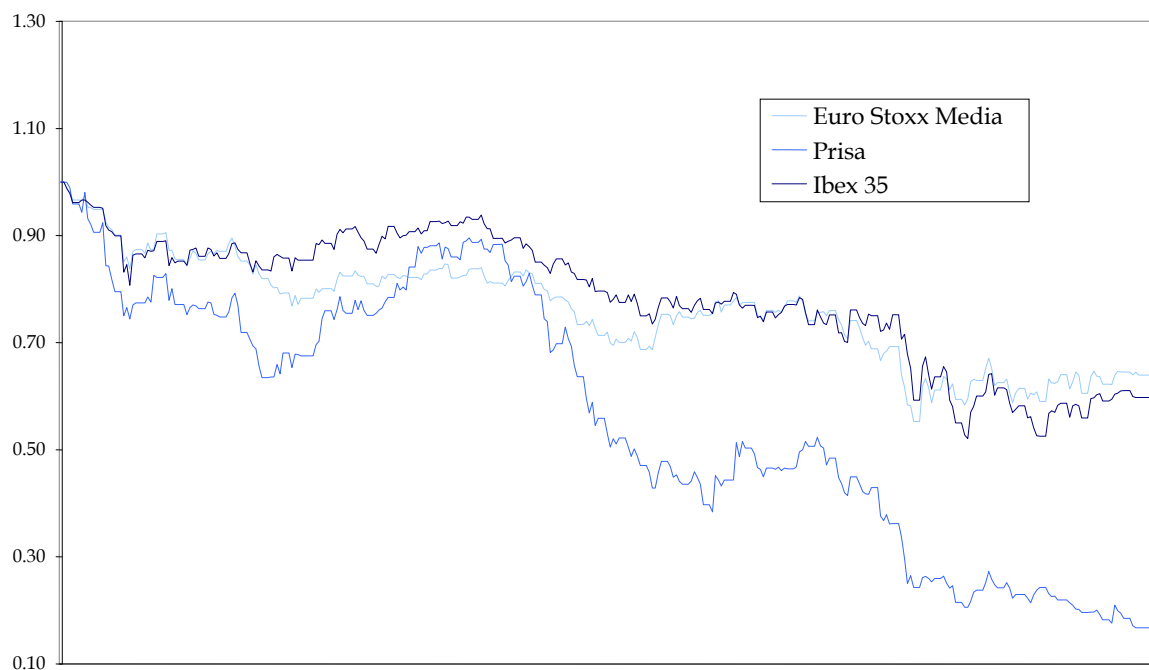
Prisa shares

Prisa shares closed the year at EUR 2.26 per share, with a market capitalisation of EUR 495 million at 31 December 2008. Prisa shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

Number of ordinary shares:	219,135,500
Free-float:	26.5%
Treasury shares:	10,940,625
Earnings per share:	0.38
Earnings per share from continuing operations:	0.72

Share performance

Following is a comparison of the performance of Prisa shares from 28 December 2007 to 30 December 2008 with the Ibx and Euro Stoxx Media indexes:



12/28/07

12/30/08

Market price 2008

Beginning (12/28/07)	12.84
High	12.83
Low	2.13
Average	7.23
Closing (12/30/08)	2.26

8. 2009 REMUNERATION POLICY

The Board of Directors and the Corporate Governance, Nomination and Remuneration Committee of Promotora de Informaciones, S.A. (PRISA), within the scope of their respective powers, approved the 2009 remuneration policy for Board members and the management team.

This policy addresses the following matters:

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

- EUR 1,386 thousand to be paid in the year, where applicable, under the agreed terms and conditions.
- Fees for attending Board and Committee meetings, estimated at EUR 1,758 thousand for 2009.
- The Board members will also be entitled to the private health insurance taken out by the Company to cover any risks affecting the directors in this connection.

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

8.2. 2009 MANAGEMENT TEAM REMUNERATION POLICY

The management team consists of the executive directors¹ and senior executives². The remuneration of the executive directors was approved by the Board of Directors at the proposal of the Corporate Governance, Nomination and Remuneration Committee and that of the senior executives was approved by the latter.

The report on 2008 remuneration policy did not include the remuneration of the members of the management team who discharged executive duties at Sogecable, S.A. and Grupo Media Capital, S.G.P.S, S.A. since these companies were officially listed and the related remuneration was approved by their respective managing bodies. The report on 2009 remuneration policy includes the remuneration of the members of the management team that discharge executive duties in other Group companies that are no longer officially listed.

¹ The executive directors of Promotora de Informaciones, S.A. are Ignacio Polanco Moreno, Juan Luis Cebrían Echarri, Francisco Javier Díez de Polanco, Alfonso López Casas, Emiliano Martínez Rodríguez and Manuel Polanco Moreno

² In accordance with the Unified Code, senior executives include those executives that report directly to Chief Executive Officer (members of the Management Committee, Business Committee and Corporate Committee who are not executive directors) and the internal audit director of Promotora de Informaciones, S.A., namely Ignacio Santillana del Barrio, Fernando Martínez Albacete, Augusto Delkader Teig, Jesús Ceberio Galardi, Miguel Ángel Cayuela Sebastián, Matilde Casado Moreno, Jaime de Polanco Soutullo, Iñigo Dago Elorza, Oscar Gómez Barrero, Bárbara Manrique de Lara, Enrique Polanco González and Virginia Fernández Iribarnegaray.

- **Fixed remuneration:** the fixed remuneration of the management team in 2009 will amount to EUR 7,503 thousand, the detail being as follows:

	Thousands of euros
	2009 fixed remuneration
Executive directors	3,577
Senior executives	3,926
	7,503

In 2009, the Company froze the fixed remuneration of members of Group management earning EUR 80 thousand or more, a decision that was announced by the Company's CEO at the Extraordinary General Meeting held on 5 December 2008.

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

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

The annual incentive amount is directly related to a performance scale that links the level of objective achievement to the percentage reward applicable to the reference bonus. No bonus is paid if objective achievement is below 60%. Also, the maximum variable remuneration is 130% of the reference bonus amount, which corresponds to an objective achievement of 120%.

The bonus for 2009 will be paid after year-end once the Group's consolidated financial statements have been authorised for issue.

The reference bonus of the management team for 2009 is as follows:

	Thousands of euros
	2009 reference bonus
Executive directors	2,660
Senior executives	1,836
	4,496

- **Share Plan:** Pursuant to the resolution of the Annual General Meeting of PRISA of 13 March 2008, the Board of Directors Meeting of 19 February 2009 resolved to deliver for no consideration Company shares in 2009 to employees and managers in the professional categories stated in the aforementioned resolution, the limit per beneficiary being EUR 12,000.

These shares were delivered to employees on 9 March 2009. The unit value of the distributed shares was EUR 1.12, calculated on the basis of the average closing price of the shares on the Spanish Stock Market Interconnection System in the six trading days prior to the date of delivery. The shares were delivered to the members of the management team as follows:

	Number of shares
Executive directors	32,142
Senior executives	42,856
	74,998

Also, at the proposal of the Corporate Governance, Nomination and Remuneration Committee, the Board of Directors will propose at the 2009 Annual General Meeting, that a resolution similar to that indicated in the preceding paragraph be adopted, which would come into effect in 2010.

- **In-kind remuneration plan:** the Group has taken out an insurance policy with an insurance company to cover the risks of death or serious accident with an insured sum equal to one year's total remuneration of the beneficiary. The Group also provides private health insurance, under the expense refund system, for members of the management team and their families.
- **Share option plans:** in 2008, Promotora de Informaciones, S.A. implemented a remuneration plan through which options on the Company's shares were delivered so that the executive directors and management of the Prisa Group might enter into or increase their ownership interests in the Company, pursuant to the authorisation granted by the shareholders at the Annual General Meeting held on 13 March 2008, under the amendment approved in the Extraordinary General Meeting of 5 December 2008.

At the proposal of the Corporate Governance, Nomination and Remuneration Committee, the Board of Directors, in its meeting held on 18 December 2008, approved the inclusion of 243 participants in this plan with a total of 1,550,000 options. The following options were granted to the members of the management team:

	Number of options
Executive directors	177,500
Senior executives	217,500
	395,000

The options will grant entitlement to acquire additional Company shares and they may be exercised from 31 December 2009 to 31 December 2010 inclusive. The exercise price of each option is EUR 2.94, equal to the simple arithmetic mean of the closing price of the Company's shares on the Spanish Stock Market Interconnection System during the 30 trading days prior to the Extraordinary General Meeting held on 5 December 2008.

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

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

It also includes the executive directors that discharge executive duties in other Group companies.

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

8.4. MOST SIGNIFICANT CHANGES IN REMUNERATION POLICY WITH RESPECT TO THE 2008 REMUNERATION POLICY APPLIED AND OVERVIEW OF THE REMUNERATION POLICY APPLIED IN 2008.

- **Overview of the 2008 remuneration policy applied:**

For the purpose of the comparisons made in this section, the remuneration of the executive directors that discharged executive duties in Sogecable, S.A. and Grupo Media Capital S.G.P.S., S.A. in 2008 is not included; which was approved by the respective managing bodies of these companies and not included in the report on 2008 remuneration policy. However, as mentioned previously, the report on 2009 remuneration policy includes the remuneration of members of the management team who carry on executive duties in other Group companies.

On the whole the projections included in the 2007 Directors' Report were achieved. The differences illustrated are due to the changes in the composition of the management team, due to the death of Isabel Polanco Moreno in March, which reduced the remuneration of the executive directors, and to the nomination of Miguel Ángel Cayuela Sebastián as CEO of Grupo Santillana de Ediciones, S.L., which increased the remuneration of senior executives:

	Thousands of euros	
	Projected 2008 fixed remuneration	Actual 2008 fixed remuneration
Executive directors	2,970	2,390
Senior executives	4,356	4,415
	7,326	6,805

	Thousands of euros	
	2008 Reference bonus	2008 Actual bonus
Executive directors	1,890	1,883
Senior executives	2,100	1,956
	3,990	3,839

- **Most significant changes in the 2009 remuneration policy with respect to that applied in 2008:**

This section includes the remuneration of the executive directors that discharged executive duties in Sogecable, S.A. and Grupo Media Capital S.G.P.S., S.A. in 2008 to facilitate the comparison with the 2009 remuneration policy.

	Thousands of euros	
	2008	2009
Remuneration of the Board	1,386	1,386
Board attendance fees	2,176	1,758
	3,562	3,144

	Thousands of euros	
	Actual 2008 fixed remuneration	2009 fixed remuneration
Executive directors	3,662	3,577
Senior executives	4,416	3,926
	8,078	7,503

	Thousands of euros	
	2008 Actual bonus	2009 Reference bonus
Executive directors	2,709	2,660
Senior executives	1,956	1,836
	4,665	4,496

The other aspects of the remuneration policy will be in line with those of 2007, taking into account points 2 and 3 of this section in relation to the new share option plan and the new LTI.

The differences between the actual remuneration in 2008 and the remuneration projected for 2009, which has been reduced in 2009, are due to changes in the composition of senior management.

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

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

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

b) Any restriction on the transferability of securities.

There are no restrictions on the transferability of securities.

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

Rucandio, S.A. has a significant indirect ownership interest in Prisa of 150,200,832 shares, representing 68.542% of the subscribed share capital with voting rights.

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

- Promotora de Publicaciones, S.L., holder of 86,076,108 shares, representing 39.280% of the subscribed share capital with voting rights.
- Asgard Inversiones, S.L.U., holder of 35,487,164 shares, representing 16.194% of the subscribed share capital with voting rights.
- Sabara Investment, S.L., holder of 20,709,420 shares, representing 9.451% of the subscribed share capital with voting rights.
-

d) Restrictions on voting rights.

There are no restrictions on voting rights.

e) Shareholders agreements

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

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

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

- (i) The syndicated shareholders and directors must meet prior to the holding of General and Board Meetings to decide upon how the syndicated shareholders will vote, being bound to vote in the same manner in the General Meeting, on the basis of the vote determined by the meeting of the syndicated shareholders;
- (ii) Should express agreement of the syndicate not be obtained on any of the proposals presented at the General Meeting, it shall be considered that sufficient agreement does not exist in the syndicate and, in consequence, each syndicated shareholder may cast his or her vote freely;
- (iii) The members of the syndicate are obliged to attend the meetings of the shareholders in person, or to delegate their voting rights to the person agreed upon by the syndicate, unless expressly agreed otherwise by the syndicate, and to vote in accordance with the instructions agreed upon by the syndicate, and not exercise on an individual basis any right as a shareholder unless previously debated and agreed upon at the syndicated shareholder meeting; and
- (iv) The members of the syndicate undertake not to transfer or dispose of, in any way, the shares of Rucandio, S.A. until ten years have elapsed from the death of Jesús de Polanco Gutiérrez, the consensus of all the shareholders being required, in all cases, for any type of transfer to a third party. Any exception to the aforementioned term requires the unanimous agreement of all the shareholders. This limitation is also established in the specific case of the shares of Promotora de Informaciones, S.A. which are directly or indirectly held by Rucandio, S.A.

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

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

- (i) Each majority shareholder shall have, as a minimum, one representative on Prisa’s Board of Directors and, as far as possible, the managing body of Promotora de Publicaciones, S.A. shall have the same composition as that of Prisa;
- (ii) The use of the voting rights of the shares of Promotora de Publicaciones, S.L. in the General Meetings of Prisa shall be that determined previously by the majority shareholders and the shareholders of Promotora de Publicaciones, S.L. who are members of the Board of Directors of Prisa shall vote in the same way following the instructions of the majority shareholders; and

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

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

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

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

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

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

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

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

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

Also, Javier Díez de Polanco has been conferred powers of attorney for the exercise of certain powers.

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

- Resolution on derivative acquisition of Prisa shares, adopted by the shareholders at the Annual General Meeting on 13 March 2008, in force until 13 September 2009.
- Resolution on the remuneration plan adopted by the shareholders at the Annual General Meeting on 13 March 2008, through the delivery of share options for the Company's executive directors and management, with authorisation and delegation by the Board of Directors to increase capital and the power to disapply the pre-emption right. The options will give entitlement to acquire additional Company shares after more than twelve months and less than 24 months have elapsed from the date that the options are delivered (December 2008).
- Resolution by the Board of Directors adopted by the shareholders at the Annual General Meeting held on 5 December 2008 and in force until December 2013, to delegate the power to increase capital, with the power to exclude, where applicable, any pre-emption rights.
- Resolution by the Board of Directors, adopted by the shareholders at the Annual General Meeting held on 5 December 2008 and in force until December 2013, to delegate the power to issue fixed-income securities, both non-convertible and convertible into newly-issued shares and/or exchangeable for outstanding shares of Prisa or other companies, warrants (options to subscribe new shares or acquire outstanding shares of Prisa or other companies), promissory notes and preference shares, and delegation of the power to increase capital by the amount required to cover the requests to convert debentures or to exercise warrants, and to disapply the pre-emption right of the shareholders and holders of convertible debentures or warrants on newly-issued shares.

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

- Prisa share option plan (December 2008).
 - Participants in the Plan may exercise their options early within the 30 days following the publication of the outcome of a takeover bid for the shares of Prisa.
- Shareholders agreement entered into by Prisa and Grupo Godó de Comunicación, S.A. (June 2006).
 - The Godó de Comunicación Group has a put option on its entire ownership interest in Unión Radio, exercisable during the following three months.

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

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

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

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

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

10. OUTLOOK

The media industry is sensitive to trends in the main macroeconomic variables and, in particular, to the advertising cycle, which is very closely related to GDP. However, the Prisa Group's exposure to the performance of the advertising market is limited, due to the diversification of its revenue sources, with advertising revenue representing only 27% of total revenue in 2008 (28% excluding the sale transaction of the three Group buildings). Also, the leadership of its brands enables it to constantly perform above the market average.

Also, Prisa has solid businesses that are not affected by the economic cycle, such as Educational-Publishing, which in 2008 represented 15% of the Group's total revenue. In addition, revenue from the international area in 2008 accounted for 19% of the Group's total revenue.

All these factors, together with the cost-containment policy and policy to restructure certain Group businesses in order to boost existing synergies, will enable the Group to manage more flexibly and efficiently the adverse effect that the current Spanish and international economic situation is expected to have on the Group's aggregates in the coming year.