

**ANNUAL REPORT ON CORPORATE GOVERNANCE**

**LISTED COMPANIES**

**DATA IDENTIFYING ISSUER**

**FINANCIAL YEAR** 31.12.2007

**TAX ID CODE:** A-28297059

Corporate Name:

**PROMOTORA DE INFORMACIONES, S.A.**

## **A OWNERSHIP STRUCTURE**

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

| <b>Date Last Modified</b> | <b>Share Capital (€)</b> | <b>Number of Shares</b> | <b>Number of Voting Rights</b> |
|---------------------------|--------------------------|-------------------------|--------------------------------|
| 19-04-2007                | 22,035,550               | 220,355.500             | 220,355,500                    |

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

Yes  No

| <b>Class</b> | <b>Number of Shares</b> | <b>Nominal Unit Value</b> | <b>Voting rights per share</b> | <b>Different Rights</b>                   |
|--------------|-------------------------|---------------------------|--------------------------------|---|
| Class A      | 218,812,500             | 0,1                       | 1                              |   |
| Class B      | 1,543,000               | 0,1                       | 1                              | See the note in section G of this report. |

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

| <b>Shareholder's Name</b>        | <b>Number of Direct Voting Rights</b> | <b>Number of Indirect Voting Rights (*)</b> | <b>Total % of Voting Rights</b> |
|----------------------------------|---------------------------------------|---|---------------------------------|
| PROMOTORA DE PUBLICACIONES, S.L. | 97,449,219                            |   | 44.224                          |
| TIMÓN, S.A.                      | 40,434,942                            |   | 18.350                          |
| RUCANDIO, S.A.                   |                                       | 140,839,650                                 | 63.915                          |

(\*) Through:

| <b>Direct Shareholder's Name</b> | <b>Number of Voting Rights</b> | <b>Total % of Voting Rights</b> |
|----------------------------------|--------------------------------|---------------------------------|
| PROMOTORA DE PUBLICACIONES, S.L. | 97,449,219                     | 44.224                          |
| TIMON, S.A.                      | 40,434,942                     | 18.350                          |
|                                  |                                |                                 |

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

| <b>Shareholder's Name</b> | <b>Date of Transaction</b> | <b>Description of Transaction</b> |
|---------------------------|----------------------------|-----------------------------------|
|                           |                            |                                   |

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

| <b>Name or Corporate Name of Board Member</b> | <b>Number of Direct Voting Rights</b> | <b>Number of Indirect Voting Rights (*)</b> | <b>Total % of Voting Rights</b> |
|---|---------------------------------------|---|---------------------------------|
| IGNACIO POLANCO MORENO                        | 475                                   | 18,012                                      | 0.008                           |
| JUAN LUIS CEBRIÁN ECHARRI                     | 1,139,883                             | 85,100                                      | 0.556                           |
| MATÍAS CORTÉS DOMÍNGUEZ                       | 75                                    | 0   | 0.000                           |
| FRANCISCO JAVIER DIEZ DE POLANCO              | 16,500                                | 120   | 0.007                           |
| DIEGO HIDALGO SCHNUR                          | 150                                   | 0   | 0.000                           |
| GREGORIO MARAÑÓN BERTRÁN DE LIS               | 75                                    | 23,225                                      | 0.010                           |
| EMILIANO MARTINEZ RODRIGUEZ                   | 29,636                                | 0   | 0.013                           |
| RAMÓN MENDOZA SOLANO                          | 120                                   | 0   | 0.000                           |
| AGNES NOGUERA BOREL                           | 100                                   | 500   | 0.000                           |
| BORJA JESÚS PÉREZ ARAUNA                      | 8,000                                 | 5,950                                       | 0.006                           |
| FRANCISCO PÉREZ GONZÁLEZ                      | 175                                   | 18,000                                      | 0.008                           |
| ISABEL POLANCO MORENO                         | 9,645                                 | 0   | 0.004                           |
| MANUEL POLANCO MORENO                         | 2,863                                 | 0   | 0.001                           |
| JUAN SALVAT DALMAU                            | 425                                   | 0   | 0.000                           |
| JESÚS DE LA SERNA GUTIÉRREZ REPIDE            | 525                                   | 0   | 0.000                           |
| JOSÉ BUENAVENTURA TERCEIRO LOMBA              | 300                                   | 0   | 0.000                           |
| ADOLFO VALERO CASCANTE                        | 350                                   | 16,200                                      | 0.007                           |
| MANUEL VARELA UÑA                             | 250                                   | 13,000                                      | 0.006                           |

(\*) Through:

| <b>Direct Shareholder's Name</b> | <b>Number of Direct Voting Rights</b> | <b>Total % of Voting Rights</b> |
|----------------------------------|---------------------------------------|---------------------------------|
|                                  |                                       |                                 |

|   |       |
|---|-------|
| Total % of Voting Rights controlled by the Board of Directors | 0,631 |
|---|-------|

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

| Director's Name                  | Number of Direct Stock Options | Number of Indirect Stock Options | Number of Equivalent Shares | Total % of Voting Rights |
|----------------------------------|--------------------------------|----------------------------------|-----------------------------|--------------------------|
| IGNACIO POLANCO MORENO           | 25,000                         | 8,907,057                        | 8,932,057                   | 4.053                    |
| JUAN LUIS CEBRIÁN ECHARRI        | 30,000                         | 0                                | 30,000                      | 0.014                    |
| FRANCISCO JAVIER DIEZ DE POLANCO | 25,000                         | 0                                | 25,000                      | 0.011                    |
| ISABEL POLANCO MORENO            | 25,000                         | 0                                | 25,000                      | 0.011                    |
| MANUEL POLANCO MORENO            | 25,000                         | 0                                | 25,000                      | 0.011                    |

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

| Names of the Related Persons or Entities | Type of Relationship | Brief Description   |
|--|----------------------|---|
| TIMÓN, S.A.                              | Corporate            | Rucandio, S.A.. controls Timón, S.A.  |
| TIMÓN, S.A.                              | Corporate            | Timón, S.A. holds 48.5889% of the share capital of Promotora de Publicaciones, S.L.   |
| Promotora de Publicaciones, S.L.         | Corporate            | Rucandio, S.A. controls Promotora de Publicaciones, S.L. through its interest in Timón, S.A. and through an indirect 4.9706% interest in Promotora de Publicaciones, S.L. |

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

| Names of the Related Persons or Entities | Type of Relationship | Brief Description  |
|--|----------------------|--|
| Rucandio, S.A.                           | Corporate            | Rucandio, S.A. holds a 47.086% indirect interest in Sogecable, S.A. through Promotora de Informaciones, S.A. |

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

Yes  No

| <b>Parties to the Shareholders' Agreement</b> | <b>% of share capital</b> | <b>Brief Description of the Agreement</b>   |
|---|---------------------------|---|
| D. IGNACIO POLANCO MORENO                     | 100.00                    | Shareholders' Agreement in Rucandio, S.A. (See the note in section G)                   |
| D <sup>a</sup> ISABEL POLANCO MORENO          | 100.00                    | Shareholders' Agreement in Rucandio, S.A. (See the note in section G)                   |
| D. MANUEL POLANCO MORENO                      | 100.00                    | Shareholders' Agreement in Rucandio, S.A. (See the note in section G)                   |
| D <sup>a</sup> MARIA JESÚS POLANCO MORENO     | 100.00                    | Shareholders' Agreement in Rucandio, S.A. (See the note in section G)                   |
| D <sup>a</sup> ISABEL MORENO PUNCEL           | 100.00                    | Shareholders' Agreement in Rucandio, S.A. (See the note in section G)                   |
| TIMÓN, S.A.                                   | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| RUCANDIO, S.A.                                | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| LIBERTAS 7, S.A.                              | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| INVERSIONES MENDOZA SOLANO, S.L.              | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| MR. MANUEL VARELA UÑA                         | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| MS. CARMEN DEL MORAL RUIZ                     | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| MR. MANUEL VARELA ENTRECANALES                | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| MS. ANA VARELA ENTRECANALES                   | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| MR. ANDRÉS VARELA ENTRECANALES                | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| MS. ISABEL VARELA ENTRECANALES                | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |
| EVIEND SARL                                   | 85.709                    | Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G) |

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

Yes  No

| <b>Parties to the Concerted Action</b> | <b>% of Share Capital Affected</b> | <b>Brief Description of the Concerted Action</b> |
|--|------------------------------------|--|
|  |                                    |  |

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

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

Yes  No

|                |
|----------------|
| Name           |
| RUCANDIO, S.A. |

|              |
|--------------|
| Observations |
|              |

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

At year's end:

| Number of Direct Shares | Number of Indirect Shares (*) | Total % of Share Capital |
|-------------------------|-------------------------------|--------------------------|
| 10,940,625              | 0                             | 4.965                    |

(\*) Through:

| Direct Shareholder's Name | Number of Direct Shares |
|---------------------------|-------------------------|
|                           |                         |
| <b>Total:</b>             |                         |

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

| Date of communication | Number of Direct Shares acquired | Number of Indirect Shares acquired | % of Total Share Capital |
|-----------------------|----------------------------------|------------------------------------|--------------------------|
|                       |                                  |                                    |                          |

|   |   |
|---|---|
| Gains/(losses) from treasury stock operations during the financial year | 0 |
|---|---|

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

The Annual Shareholders' Meeting held on March 22, 2007 passed the following resolution:

*"To authorize the Board of Directors to make a derivative acquisition of the Company's treasury stock, either directly or through any of its subsidiaries, by means of purchase or through any other inter vivos act for valuable consideration, during a maximum term of eighteen months from the date on which the Shareholders' Meeting is held, as well as to subsequently convey or redeem those shares, pursuant to Article 75 and other related provisions of the Corporations Law.*

*To revoke the powers conferred at the Shareholders' Meeting on March 23, 2006.*

*To approve the limitations and requisites applicable to these acquisitions in the following terms:*

- The face value of the acquired shares when added to those that the Company and its subsidiaries already possess, shall at no time exceed the maximum permitted by law.*

- *The shares acquired shall be free of all charges and encumbrances, fully paid up and not subject to any obligation of any nature.*
- *A restricted reserve shall be provided for under the liabilities column of the Company's balance sheet that is equivalent to the sum of the treasury stock entered under assets. This reserve shall be maintained as long as the shares are not transferred or redeemed.*
- *The acquisition price shall not be lower than the nominal value and no more than 20% higher than the listed price. Treasury stock purchase transactions must conform to stock market rules and practices.*
- *Maximum daily trading volume may not exceed 25% of the average total volume of Company shares traded in the last ten trading sessions.*

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

*i) the Remuneration Package to grant stock options approved at the Annual Shareholders' Meeting held on April 15, 2004, when those entitled to exercise their stock options decide to do so.*

*ii) a plan to grant shares during the 2008 financial year which, as part of the Company's remuneration policy and up to a maximum of 0.5% of the present share capital, is intended for the following personnel categories: executive directors, directors general, communications media directors, secretaries of the boards of directors and other directors of the company and its group who carry out similar functions, and who meet the conditions set forth by the Board of Directors. The shares granted to each person in question shall be free-of-charge and shall not exceed 12,000 € annually, based on the average value of the shares on the Continuous Market during the seven trading days prior to their delivery. The Board of Directors is granted broad powers to further define and implement this share plan."*

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

**Indicate any legal restrictions on the exercise of voting rights:**

Yes  No

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

**Indicate any restrictions in the bylaws on the exercise of voting rights:**

Yes  No

|   |  |
|---|--|
| Maximum percent of voting rights that a shareholder may exercise pursuant to restrictions in the bylaws |  |
|---|--|

Description of legal restrictions and restrictions in the bylaws on voting rights

**Indicate whether there are legal restrictions on the acquisition or transfer of shares:**

Yes  No

Description of legal restrictions on the acquisition or transfer of shares

**A.11 Indicate whether shareholders at the Annual Meeting have resolved to adopt any anti-takeover measures pursuant to Law 6/2007.**

Yes  No

**If applicable, explain the measures passed and the terms in which restrictions would not apply:**

**B COMPANY MANAGEMENT STRUCTURE**

**B.1 Board of Directors**

**B.1.1. Indicate the maximum and minimum number of directors provided for in the Bylaws:**

|                             |    |
|-----------------------------|----|
| Maximum Number of Directors | 21 |
| Minimum Number of Directors | 3  |

**B.1.2. Complete the following table providing information concerning Board Members:**

| Director's Name                  | Representative | Position on the Board   | Date of First Appointment | Date of Last Appointment | How Elected                                   |
|----------------------------------|----------------|-------------------------|---------------------------|--------------------------|---|
| IGNACIO POLANCO MORENO           |                | CHAIRMAN                | 18 Mar 93                 | 10 Apr 03                | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING |
| JUAN LUIS CEBRIÁN ECHARRI        |                | CHIEF EXECUTIVE OFFICER | 15 Jun 83                 | 15 Apr 04                | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING |
| MATÍAS CORTÉS DOMÍNGUEZ          |                | DIRECTOR                | 25 Mar 77                 | 15 Apr 04                | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING |
| FRANCISCO JAVIER DIEZ DE POLANCO |                | DIRECTOR                | 18 May 00                 | 17 March 05              | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING |
| DIEGO HIDALGO SCHNUR             |                | DIRECTOR                | 17 Jun 82                 | 10 Apr 03                | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING |
| GREGORIO MARAÑÓN BERTRÁN DE LIS  |                | DIRECTOR                | 15 Jun 83                 | 15 Apr 04                | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING |
| EMILIANO MARTINEZ RODRIGUEZ      |                | DIRECTOR                | 15 Jun 89                 | 15 Apr 04                | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING |



|                                    |  |          |           |             |   |
|------------------------------------|--|----------|-----------|-------------|---|
| RAMÓN MENDOZA SOLANO               |  | DIRECTOR | 19 Apr 01 | 23 March 06 | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| AGNES NOGUERA BOREL                |  | DIRECTOR | 20 Apr 06 | 22 March 07 | APPOINTMENT BY THE BOARD RATIFIED AT THE ANNUAL SHAREHOLDERS' MEETING |
| BORJA JESÚS PÉREZ ARAUNA           |  | DIRECTOR | 18 May 00 | 17 March 05 | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| FRANCISCO PÉREZ GONZÁLEZ           |  | DIRECTOR | 25 Mar 77 | 15 Apr 04   | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| ISABEL POLANCO MORENO              |  | DIRECTOR | 19 Jun 97 | 22 March 07 | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| MANUEL POLANCO MORENO              |  | DIRECTOR | 19 Apr 01 | 23 March 06 | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| JUAN SALVAT DALMAU                 |  | DIRECTOR | 25 May 79 | 23 March 06 | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| JESÚS DE LA SERNA GUTIÉRREZ REPIDE |  | DIRECTOR | 19 Jun 84 | 17 March 05 | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| JOSÉ BUENAVENTURA TERCEIRO LOMBA   |  | DIRECTOR | 15 Nov 90 | 23 March 06 | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| ADOLFO VALERO CASCANTE             |  | DIRECTOR | 20 Oct 88 | 15 Apr 04   | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |
| MANUEL VARELA UÑA                  |  | DIRECTOR | 25 Mar 77 | 15 Apr 04   | APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING                         |

|                                      |    |
|--------------------------------------|----|
| <b>Total Number of Board Members</b> | 18 |
|--------------------------------------|----|

**Indicate any Members retiring from the Board of Directors during the financial year**

| <b>Board Member</b>        | <b>Retirement Date</b> |
|----------------------------|------------------------|
| JESUS DE POLANCO GUTIERREZ | 21 July 07             |

**B.1.3 Complete the following tables concerning the Members of the Board and their functions:**

**EXECUTIVE DIRECTORS**

| Director's Name                      | Committee Proposing His/Her Appointment                       | Post or Functions |
|--------------------------------------|---|-------------------|
| MR. IGNACIO POLANCO MORENO           | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | CHAIRMAN          |
| MR. JUAN LUIS CEBRIÁN ECHARRI        | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | CEO               |
| MR. FRANCISCO JAVIER DIEZ DE POLANCO | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | DIRECTOR          |
| MR. EMILIANO MARTÍNEZ RODRÍGUEZ      | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | DIRECTOR          |
| MRS. ISABEL POLANCO MORENO           | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | DIRECTOR          |
| MR. MANUEL POLANCO MORENO            | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | DIRECTOR          |

|  |              |
|--|--------------|
| <b>Total Number of Executive Directors</b> | <b>6</b>     |
| <b>% of the Board</b>                      | <b>33,33</b> |

**EXTERNAL DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDINGS**

| Director's Name              | Committee that Proposed His/Her Appointment                   | Name of Significant Shareholder Who He/She Represents or Who Proposed His/Her Appointment |
|------------------------------|---|---|
| MR. DIEGO HIDALGO SCHNUR     | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | PROMOTORA DE PUBLICACIONES, S.L.  |
| MR. RAMÓN MENDOZA SOLANO     | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | PROMOTORA DE PUBLICACIONES, S.L.  |
| MRS. AGNES NOGUERA BOREL     | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | PROMOTORA DE PUBLICACIONES, S.L.  |
| MR. BORJA JESÚS PÉREZ ARAUNA | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | TIMÓN, S.A.   |
| MR. FRANCISCO PÉREZ GONZÁLEZ | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | TIMÓN, S.A.   |
| MR. ADOLFO VALERO CASCANTE   | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | TIMÓN, S.A.   |
| MR. MANUEL VARELA UÑA        | CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | PROMOTORA DE PUBLICACIONES, S.L.  |

|  |              |
|--|--------------|
| <b>Total number of external directors representing significant shareholdings</b> | <b>7</b>     |
| <b>% of the Board</b>  | <b>38,88</b> |

**INDEPENDENT EXTERNAL DIRECTORS**

| Director's Name                          | Profession                     |
|--|--------------------------------|
| MR. MATÍAS CORTÉS DOMÍNGUEZ              | LAWYER                         |
| MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS    | LAWYER                         |
| MR. JUAN SALVAT DALMAU                   | PUBLISHER                      |
| MR. JESÚS DE LA SERNA Y GUTIÉRREZ-RÉPIDE | JOURNALIST                     |
| MR. JOSÉ BUENAVENTURA TERCEIRO LOMBA     | PROFESSOR OF APPLIED ECONOMICS |

|  |       |
|--|-------|
| Total number of independent external directors | 5     |
| % of the Board                                 | 27,77 |

### **OTHER EXTERNAL DIRECTORS**

| Director's Name | Committee that Proposed His/Her Appointment |
|-----------------|---|
|                 |   |

|  |  |
|--|--|
| Total number of other external directors |  |
| % of the Board                           |  |

**Explain why they may not be considered significant shareholders or independent and their relationships with the company, its directors or shareholders:**

| Director's Name | Reasons | Related company, director or shareholder |
|-----------------|---------|--|
|                 |         |  |

**If applicable, indicate any changes that have occurred during the year in each director's status:**

| Director's Name | Date of Change | Previous Status | Present Status |
|-----------------|----------------|-----------------|----------------|
|                 |                |                 |                |

**B.1.4 Explain, if applicable, why directors representing significant shareholdings have been appointed at the request of shareholders whose stake is less than 5% of share capital:**

| Name of Shareholder | Reason |
|---------------------|--------|
|                     |        |

**Indicate whether formal requests for representation on the board have been denied shareholders whose stake is equal or higher than others whose requests to appoint a director to represent a significant shareholding was granted. If so, explain why such requests were denied:**

Yes

No

| Name of Significant Shareholder | Explication |
|---------------------------------|-------------|
|                                 |             |

**B.1.5 Indicate whether any board member has left his post before the end of his mandate, whether he explained his reasons to the board and by what means, and if expressed in writing to the entire board, provide the reasons given:**

| Director's Name                | Reason |
|--------------------------------|--------|
| MR. JESUS DE POLANCO GUTIERREZ | DEATH  |

**B.1.6. If applicable, indicate the powers delegated to members of the Board of Directors:**

| Board Member's Name       | Brief Description   |
|---------------------------|---|
| IGNACIO POLANCO MORENO    | HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW |
| JUAN LUIS CEBRIÁN ECHARRI | HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW |

**B.1.7. If applicable, identify board members who hold posts as directors or officers in subsidiary companies within the listed company's group:**

| Director's Name           | Name of the Group Company                            | Position                      |
|---------------------------|--|-------------------------------|
| IGNACIO POLANCO MORENO    | DIARIO EL PAIS, S.L.                                 | CHAIRMAN                      |
| IGNACIO POLANCO MORENO    | SOCIEDAD DE SERVICIOS RADIOFÓNICOS UNIÓN RADIO, S.L. | CHAIRMAN                      |
| IGNACIO POLANCO MORENO    | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.A.             | CHAIRMAN                      |
| IGNACIO POLANCO MORENO    | GRUPO SANTILLANA DE EDICIONES, S.L.                  | DIRECTOR                      |
| IGNACIO POLANCO MORENO    | PRISAPRINT, S.L.                                     | DIRECTOR                      |
| JUAN LUIS CEBRIAN ECHARRI | DIARIO EL PAIS, S.L.                                 | CHIEF EXECUTIVE OFFICER       |
| JUAN LUIS CEBRIAN ECHARRI | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.A.             | DIRECTOR EXERCISING DELEGATED |

|                                     |   |  |
|-------------------------------------|---|--|
|                                     |   | POWERS   |
| JUAN LUIS CEBRIAN ECHARRI           | SOCIEDAD DE SERVICIOS RADIOFÓNICOS<br>UNIÓN RADIO, S.L. | DIRECTOR   |
| JUAN LUIS CEBRIAN ECHARRI           | PRISA DIVISION INTERNACIONAL, S.L.                      | DIRECTOR<br>(REPRESENTATIVE<br>OF PROMOTORA<br>DE<br>INFORMACIONES,<br>S.A.) |
| JUAN LUIS CEBRIAN ECHARRI           | GRUPO MEDIA CAPITAL, SGPS, S.A.                         | DIRECTOR   |
| FRANCISCO JAVIER DIEZ DE<br>POLANCO | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN,<br>S.A.             | DIRECTOR   |
| FRANCISCO JAVIER DIEZ DE<br>POLANCO | SOCIEDAD DE SERVICIOS RADIOFÓNICOS<br>UNIÓN RADIO, S.L. | DIRECTOR   |
| FRANCISCO JAVIER DIEZ DE<br>POLANCO | PRISA DIVISION INTERNACIONAL, S.L.                      | DIRECTOR<br>(REPRESENTING<br>PROMOTORA DE<br>PUBLICACIONES,<br>S.L.)         |
| DIEGO HIDALGO SCHNUR                | DIARIO EL PAIS, S.L.                                    | DIRECTOR   |
| DIEGO HIDALGO SCHNUR                | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN,<br>S.A.             | DIRECTOR   |
| GREGORIO MARAÑÓN BERTRÁN DE<br>LIS  | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN,<br>S.A.             | DIRECTOR   |
| GREGORIO MARAÑÓN BERTRÁN DE<br>LIS  | SOCIEDAD DE SERVICIOS RADIOFÓNICOS<br>UNIÓN RADIO, S.L. | DIRECTOR   |
| EMILIANO MARTINEZ RODRIGUEZ         | RICHMOND PUBLISHING, S.A. DE CV –<br>MÉXICO-            | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | SANTILLANA, S.A. – COSTA RICA-                          | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | EDITORIAL SANTILLANA, S.A.-<br>GUATEMALA-               | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | SANTILLANA, S.A.- ECUADOR                               | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | SANTILLANA, SA. — PERÚ                                  | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | EDICIONES SANTILLANA, INC- PUERTO<br>RICO               | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | EDITORIAL SANTILLANA, S.A.- VENEZUELA                   | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | SANTILLANA DE EDICIONES, S.A.- BOLIVIA                  | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | CONSTANCIA EDITORES, S.A.- PORTUGAL                     | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | EDITORIAL NUEVO MÉXICO, S.A. DE CV.-<br>MÉXICO          | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | EDITORIAL SANTILLANA, S.A. DE C.V.-<br>MÉXICO           | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | LANZA, S.A. DE C.V.- MÉXICO                             | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | AGUILAR CHILENA DE EDICIONES, S.A.-<br>CHILE-           | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ         | SANTILLANA DEL PACÍFICO, S.A. DE<br>EDICIONES-CHILE     | CHAIRMAN   |

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| EMILIANO MARTINEZ RODRIGUEZ | EDICIONES SANTILLANA, S.A.-URUGUAY                               | CHAIRMAN        |
| EMILIANO MARTINEZ RODRIGUEZ | GRUPO SANTILLANA DE EDICIONES, S.L.                              | CHAIRMAN        |
| EMILIANO MARTINEZ RODRIGUEZ | SANTILLANA SOCIEDAD ANÓNIMA – PARAGUAY-                          | CHAIRMAN        |
| EMILIANO MARTINEZ RODRIGUEZ | EDICIONES SANTILLANA, S.A. – REPÚBLICA DOMINICANA-               | CHAIRMAN        |
| EMILIANO MARTINEZ RODRIGUEZ | AGUILAR, ALTEA, TAURUS, ALFAGUARA, S.A. DE EDICIONES- ARGENTINA- | CHAIRMAN        |
| EMILIANO MARTINEZ RODRIGUEZ | EDICIONES SANTILLANA, S.A. – ARGENTINA-                          | CHAIRMAN        |
| EMILIANO MARTINEZ RODRIGUEZ | PUNTO DE LECTURA, S.A.-ARGENTINA-                                | CHAIRMAN        |
| EMILIANO MARTINEZ RODRIGUEZ | INSTITUTO UNIVERSITARIO DE POSGRADO, S.A.                        | DEPUTY CHAIRMAN |
| EMILIANO MARTINEZ RODRIGUEZ | SANTILLANA EDICIONES GENERALES, S.A. DE CV- MÉXICO-              | DIRECTOR        |
| EMILIANO MARTINEZ RODRIGUEZ | EDITORIAL SANTILLANA, S.A.- HONDURAS-                            | DIRECTOR        |
| EMILIANO MARTINEZ RODRIGUEZ | PUNTO DE LECTURA, S.L.   | DIRECTOR        |
| EMILIANO MARTINEZ RODRIGUEZ | EDITORA MODERNA LTDA.- BRASIL                                    | DIRECTOR        |
| EMILIANO MARTINEZ RODRIGUEZ | EDITORIAL SANTILLANA, S.A. DE CV- EL SALVADOR-                   | DIRECTOR        |
| EMILIANO MARTINEZ RODRIGUEZ | DIARIO EL PAÍS, S.L.   | DIRECTOR        |
| RAMÓN MENDOZA SOLANO        | DIARIO EL PAÍS, S.L.   | DIRECTOR        |
| AGNES NOGUERA BOREL         | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, SA.                          | DIRECTOR        |
| AGNES NOGUERA BOREL         | SOCIEDAD DE SERVICIOS RADIOFONICOS UNION RADIO, S.L.             | DIRECTOR        |
| AGNES NOGUERA BOREL         | DIARIO EL PAÍS, S.L.   | DIRECTOR        |
| BORJA JESUS PEREZ ARAUNA    | SOCIEDAD DE SERVICIOS RADIOFÓNICOS UNIÓN RADIO, S.L.             | DIRECTOR        |
| FRANCISCO PEREZ GONZALEZ    | DIARIO EL PAÍS, S.L  | DIRECTOR        |
| FRANCISCO PEREZ GONZALEZ    | SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.A.                         | DIRECTOR        |
| ISABEL POLANCO MORENO       | EDITORIAL SANTILLANA, S.A.- HONDURAS-                            | CHAIRMAN        |
| ISABEL POLANCO MORENO       | SANTILLANA FORMACION, S.L. (COLOMBIA)                            | CHAIRMAN        |
| ISABEL POLANCO MORENO       | EDITORA MODERNA LTDA-BRASIL                                      | CHAIRMAN        |
| ISABEL POLANCO MORENO       | EDITORA OBJETIVA LTDA-BRASIL                                     | CHAIRMAN        |
| ISABEL POLANCO MORENO       | SANTILLANA USA PUBLISHING COMPANY INC                            | CHAIRMAN        |
| ISABEL POLANCO MORENO       | SANTILLANA EDICIONES GENERALES, S.A. DE CV – MÉXICO-             | CHAIRMAN        |
| ISABEL POLANCO MORENO       | PUNTO DE LECTURA, S.A. DE CV- MÉXICO-                            | CHAIRMAN        |

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| ISABEL POLANCO MORENO | DISTRIBUIDORA Y EDITORA AGUILAR, ALTEA, TAURUS, ALFAGUARA, SA.- COLOMBIA | CHAIRMAN                             |
| ISABEL POLANCO MORENO | EDITORA SANTILLANA, SA.- COLOMBIA  | CHAIRMAN                             |
| ISABEL POLANCO MORENO | DISTRIBUIDORA Y EDITORA RICHMOND, S.A.- COLOMBIA                         | CHAIRMAN                             |
| ISABEL POLANCO MORENO | EDITORIAL SANTILLANA SA DE CV-EL SALVADOR-                               | CHAIRMAN                             |
| ISABEL POLANCO MORENO | PUNTO DE LECTURA, S.L.   | CHAIRMAN AND CHIEF EXECUTIVE OFFICER |
| ISABEL POLANCO MORENO | AGUILAR CHILENA DE EDICIONES, S.A.- CHILE-                               | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | SANTILLANA DEL PACÍFICO, S.A. DE EDICIONES- CHILE-                       | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | SANTILLANA, SA.- PARAGUAY  | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | SANTILLANA EDICIONES, S.A.- BOLIVIA-                                     | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | EDICIONES SANTILLANA, S.A. – REPÚBLICA DOMINICANA-                       | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | EDICIONES SANTILLANA, S.A.- GUATEMALA-                                   | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | AGUILAR, ALTEA, TAURUS, ALFAGUARA, S.A. DE EDICIONES, S.A. –ARGENTINA-   | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | EDICIONES SANTILLANA, S.A. URUGUAY                                       | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | EDICIONES SANTILLANA, SA.- ARGENTINA                                     | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | SANTILLANA, SA.- PERÚ  | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | EDICIONES SANTILLANA, INC PUERTO RICO                                    | DEPUTY CHAIRMAN                      |
| ISABEL POLANCO MORENO | GRUPO SANTILLANA DE EDICIONES, S.L.                                      | CHIEF EXECUTIVE OFFICER              |
| ISABEL POLANCO MORENO | INSTITUTO UNIVERSITARIO DE POSGRADO, SA.                                 | CHIEF EXECUTIVE OFFICER              |
| ISABEL POLANCO MORENO | DIARIO EL PAÍS, S.L.   | DIRECTOR                             |
| ISABEL POLANCO MORENO | LANZA, S.A. DE C.V.- MÉXICO  | DIRECTOR                             |
| ISABEL POLANCO MORENO | EDITORIAL NUEVO MÉXICO, SA. DE C.V.- MÉXICO                              | DIRECTOR                             |
| ISABEL POLANCO MORENO | EDITORIAL SANTILLANA, S.A. DE C.V.- MÉXICO                               | DIRECTOR                             |
| ISABEL POLANCO MORENO | RICHMOND PUBLISHING, S.A. DE CV- MÉXICO-                                 | DIRECTOR                             |
| ISABEL POLANCO MORENO | EDITORIAL SANTILLANA, SA.- VENEZUELA                                     | DIRECTOR                             |
| ISABEL POLANCO MORENO | PUNTO DE LECTURA, S.A.- ARGENTINA-                                       | DIRECTOR                             |
| ISABEL POLANCO MORENO | SANTILLANA, S.A. – COSTA RICA-   | DIRECTOR                             |
| ISABEL POLANCO MORENO | SANTILLANA, S.A. – ECUADOR-  | DIRECTOR                             |
| ISABEL POLANCO MORENO | CONSTANCIA EDITORA, S.A. – PORTUGAL-                                     | DIRECTOR                             |
| ISABEL POLANCO MORENO | CANAL DE EDITORIALES, S.A.   | JOINT DIRECTOR                       |

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| ISABEL POLANCO MORENO | OFICINA DEL AUTOR, S.L   | JOINT DIRECTOR  |
| ISABEL POLANCO MORENO | SANTILLANA EDICIONES GENERALES, S.L.   | JOINT DIRECTOR  |
| SABEL POLANCO MORENO  | SANTILLANA EDUCACIÓN, S.L.   | JOINT DIRECTOR  |
| ISABEL POLANCO MORENO | SANTILLANA EN RED, S.L.  | JOINT DIRECTOR  |
| ISABEL POLANCO MORENO | SANTILLANA FORMACIÓN, S.L.   | JOINT DIRECTOR  |
| ISABEL POLANCO MORENO | ITACA, S.L.  | JOINT DIRECTOR  |
| ISABEL POLANCO MORENO | N. EDITORIAL, S.L  | JOINT DIRECTOR  |
| ISABEL POLANCO MORENO | PRISACOM, S.A.   | DIRECTOR<br>(REPRESENTING<br>GRUPO<br>SANTILLANA DE<br>EDICIONES, S.L). |
| MANUEL POLANCO MORENO | VERTIX, SGPS, S.A.   | CHAIRMAN  |
| MANUEL POLANCO MORENO | MEGLO MEDIA GLOBAL, SGPS, SA   | CHAIRMAN  |
| MANUEL POLANCO MORENO | MEDIA CAPITAL - SERVIÇOS DE<br>CONSULTORIA E GESTAO, S.A.                                    | CHAIRMAN  |
| MANUEL POLANCO MORENO | MEDIA CAPITAL - EDITORA MULTIMEDIA,<br>SA  | CHAIRMAN  |
| MANUEL POLANCO MORENO | MEDIA CAPITAL - TELECOMUNICAÇÕES, SA   | CHAIRMAN  |
| MANUEL POLANCO MORENO | UNIDIVISA - PROMOÇÃO DE PROJECTOS DE<br>MEDIA, SA  | CHAIRMAN  |
| MANUEL POLANCO MORENO | MED CAP TECHNOLOGIES -<br>DESENVOLVIMENTO ECOMERCIALIZAÇÃO<br>E SISTEMAS DE COMUNICAÇÃO, SA. | CHAIRMAN  |
| MANUEL POLANCO MORENO | CENTRAL DISCOS - PRODUÇÕES<br>DISCOGRÁFICAS, SA  | CHAIRMAN  |
| MANUEL POLANCO MORENO | KIMBERLEY TRADING, SA  | CHAIRMAN  |
| MANUEL POLANCO MORENO | TVI - TELEVISÃO INDEPENDENTE, SA   | CHAIRMAN  |
| MANUEL POLANCO MORENO | CENA EDITORIAL - EDIÇÃO DE<br>PUBLICAÇÕES PERIÓDICAS, SA                                     | CHAIRMAN  |
| MANUEL POLANCO MORENO | RETI- REDE TELEDIFUSORA<br>INDEPENDENTE, S.A.  | CHAIRMAN  |
| MANUEL POLANCO MORENO | NBP - PRODUÇÃO DE VIDEO, SA  | CHAIRMAN  |
| MANUEL POLANCO MORENO | MULTICENA - EQUIPAMENTO DE SOM E<br>IMAGEM, SA   | CHAIRMAN  |
| MANUEL POLANCO MORENO | FEALMAR - EMPRESA DE TEATRO ESTUDIO<br>DE LISBOA, SA   | CHAIRMAN  |
| MANUEL POLANCO MORENO | MEDIA CAPITAL INTERNET, S.A.   | CHAIRMAN  |
| MANUEL POLANCO MORENO | GRUPO MEDIA CAPITAL, SGPS, S.A.  | CHIEF EXECUTIVE<br>OFFICER  |
| MANUEL POLANCO MORENO | CLMC - MULTIMEDIA, SA  | DIRECTOR  |



|                        |  |               |
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| MANUEL POLANCO MORENO  | MCE - MEDIA CAPITAL EDIÇÕES, LDª                               | DIRECTOR      |
| MANUEL POLANCO MORENO  | MEDIA CAPITAL ENTERTAINMENT - PRODUÇÃO DE EVENTOS, LDª         | DIRECTOR      |
| MANUEL POLANCO MORENO  | FAROL MÚSICA - SOCIEDADE DE PRODUÇÃO E EDIÇÃO AUDIOVISUAL, LDª | DIRECTOR      |
| MANUEL POLANCO MORENO  | PROMOTORA DE EMISORAS DE TELEVISIÓN, S.A.                      | DIRECTOR      |
| MANUEL POLANCO MORENO  | PRISAPRINT, S.L.   | DIRECTOR      |
| MANUEL POLANCO MORENO  | DIARIO AS, S.L.  | DIRECTOR      |
| MANUEL POLANCO MORENO  | DIARIO EL PAIS MEXICO, S.A. DE CV                              | SOLE DIRECTOR |
| UAN SALVAT DALMAU      | DIARIO EL PAIS, S.L.   | DIRECTOR      |
| JUAN SALVAT DALMAU     | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, SA.                        | DIRECTOR      |
| ADOLFO VALERO CASCANTE | PRISAPRINT, S.L.   | CHAIRMAN      |
| ADOLFO VALERO CASCANTE | DIARIO EL PAIS, S.L.   | DIRECTOR      |
| ADOLFO VALERO CASCANTE | GRUPO SANTILLANA DE EDICIONES, S.L.                            | DIRECTOR      |
| ADOLFO VALERO CASCANTE | SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.A.                       | DIRECTOR      |
| ADOLFO VALERO CASCANTE | SOCIEDAD DE SERVICIOS RADIOFONICOS UNION RADIO, S.L.           | DIRECTOR      |
| MANUEL VARELA UÑA      | DIARIO EL PAIS, S.L.   | DIRECTOR      |

**B.1.8. If applicable, indicate the directors of your company who are members of the boards of directors of other companies listed on official Spanish securities markets, other than companies in your own group, which have been reported to the company:**

| Director's Name           | Name of Listed Company              | Position        |
|---------------------------|-------------------------------------|-----------------|
| IGNACIO POLANCO MORENO    | RUCANDIO INVERSIONES SICAV, S.A.    | CHAIRMAN        |
| IGNACIO POLANCO MORENO    | NOMIT III INTERNACIONAL SICAV, S.A. | CHAIRMAN        |
| IGNACIO POLANCO MORENO    | EURE K INVERSIONES SICAV, S.A.      | CHAIRMAN        |
| IGNACIO POLANCO MORENO    | NOMIT INVERSIONES SICAV, S.A.       | CHAIRMAN        |
| IGNACIO POLANCO MORENO    | NOMIT IV GLOBAL SICAV, S.A.         | CHAIRMAN        |
| IGNACIO POLANCO MORENO    | SOGEABLE, S.A.                      | DIRECTOR        |
| JUAN LUIS CEBRIAN ECHARRI | SAPRI INVERSIONES 2000 SICAV, S.A.  | CHAIRMAN        |
| JUAN LUIS CEBRIAN ECHARRI | SOGEABLE, S.A.                      | DEPUTY CHAIRMAN |
| MATIAS CORTES DOMINGUEZ   | SACYR                               | DIRECTOR        |

|                                   |  |                         |
|-----------------------------------|--|-------------------------|
|                                   | VALLEHERMOSO                                       |                         |
| FRANCISCO JAVIER DÍEZ DE POLANCO  | SOGECABLE, S.A.                                    | CHIEF EXECUTIVE OFFICER |
| DIEGO HIDALGO SCHNUR              | SOGECABLE, S.A.                                    | DIRECTOR                |
| GREGORIO MARAÑÓN Y BERTRÁN DE LIS | COMPañIA DE DISTRIBUCION INTEGRAL LOGISTA, S.A.    | DIRECTOR                |
| GREGORIO MARAÑÓN Y BERTRÁN DE LIS | SOGECABLE, S.A.                                    | DIRECTOR                |
| GREGORIO MARAÑÓN Y BERTRÁN DE LIS | ALTADIS, S.A.                                      | DIRECTOR                |
| GREGORIO MARAÑÓN Y BERTRÁN DE LIS | VISCOFAN, S.A.                                     | DIRECTOR                |
| AGNES NOGUERA BOREL               | SOGECABLE, S.A.                                    | DIRECTOR                |
| AGNES NOGUERA BOREL               | LIBERTAS 7, S.A.                                   | CHIEF EXECUTIVE OFFICER |
| BORJA JESUS PEREZ ARAUNA          | CARAUNA INVERSIONES SICAV, S.A.                    | CHAIRMAN                |
| BORJA JESUS PEREZ ARAUNA          | VALSEL INVERSIONES SICAV, S.A.                     | DIRECTOR                |
| FRANCISCO PÉREZ GONZÁLEZ          | SOGECABLE, S.A.                                    | DIRECTOR                |
| FRANCISCO PÉREZ GONZÁLEZ          | VALSEL INVERSIONES SICAV, S.A.                     | CHAIRMAN                |
| ISABEL POLANCO MORENO             | BANCO ESPAÑOL DE CREDITO                           | DIRECTOR                |
| MANUEL POLANCO MORENO             | SOGECABLE, S.A.                                    | DIRECTOR                |
| JOSÉ BUENAVENTURA TERCEIRO LOMBA  | UNIÓN FENOSA, S.A.                                 | DIRECTOR                |
| JOSÉ BUENAVENTURA TERCEIRO LOMBA  | EFFICIENT ASSET ALLOCATION INVESTMENTS, SICAV, S.A | DIRECTOR                |
| JOSÉ BUENAVENTURA TERCEIRO LOMBA  | IBERIA LINEAS AEREAS DE ESPAÑA, S.A.               | DIRECTOR                |
| ADOLFO VALERO CASCANTE            | RUCANDIO INVERSIONES SICAV, S.A.                   | DIRECTOR                |
| ADOLFO VALERO CASCANTE            | NOMIT III INTERNACIONAL SICAV,S.A                  | DIRECTOR                |
| ADOLFO VALERO CASCANTE            | NOMIT IV GLOBAL SICAV, S.A.                        | DIRECTOR                |
| ADOLFO VALERO CASCANTE            | NOMIT INVERSIONES SICAV, S.A                       | DIRECTOR                |
| ADOLFO VALERO CASCANTE            | EURE K INVERSIONES SICAV, S.A.                     | DIRECTOR                |
| ADOLFO VALERO CASCANTE            | INVERSIONES BANIAR SICAV, S.A.                     | CHAIRMAN                |
| MANUEL VARELA UÑA                 | MAIVAREN, SICAV, S.A.                              | CHAIRMAN                |
| MANUEL VARELA UÑA                 | MAIVAREN INVERSIONES SICAV SA                      | CHAIRMAN                |

**B.1.9 Indicate, and if applicable explain, whether the company has established rules regarding the number of boards on which its directors may sit:**

Yes

No

| Description of the rules |
|--------------------------|
|                          |

**B.1.10 In accordance with Recommendation 8 of the Unified Code, indicate the general company policies and strategies that must be approved by the board in full:**

|  | Yes | No |
|--|-----|----|
| Investment and financing policy  | X   |    |
| Definition of group company structure  | X   |    |
| Corporate governance policy  | X   |    |
| Corporate social responsibility policy   | X   |    |
| Strategic or business plan, as well as management goals and annual budgets                                     | X   |    |
| Remuneration policy and assessment of performance of senior management   | X   |    |
| Risk management and control policy, as well as periodic monitoring of internal information and control systems | X   |    |
| Dividends policy, and treasury stock policy, particularly with regard to limitations thereon                   | X   |    |

**B.1.11. Complete the following tables concerning the aggregate remuneration of directors paid during the financial year:**

a) In the Company that is the subject of this report:

| Payments  | Euros 000    |
|---|--------------|
| Fixed Salaries  | 1,749        |
| Variable Salaries   | 1,945        |
| Allowances  | 912          |
| Remuneration Stipulated in the Bylaws                       | 1,322        |
| Stock Options and/or Options in Other Financial Instruments | 0            |
| Others  | 69           |
| <b>Total:</b>   | <b>5,997</b> |

| Other Benefits                               | Euros 000 |
|--|-----------|
| Advances                                     | 0         |
| Loans  | 0         |
| Pension Funds and Plans: Contributions       | 0         |
| Pension Funds and Plans: Obligations Assumed | 0         |
| Life Insurance Premiums                      | 21        |

|   |   |
|---|---|
| Guarantees assumed by the Company in the benefit of Directors | 0 |
|---|---|

**b) To Company Board Members for serving on the boards of directors and/or exercising management functions in the Group's subsidiary companies:**

| Payments  | Euros 000    |
|---|--------------|
| Fixed Salaries  | 2,040        |
| Variable Salaries   | 1,270        |
| Allowances  | 533          |
| Remuneration Stipulated in the Bylaws                       | 392          |
| Stock Options and/or Options in Other Financial Instruments | 0            |
| Others  | 46           |
| <b>Total:</b>   | <b>4,281</b> |

| Other Benefits   | Euros 000 |
|--|-----------|
| Advances   | 0         |
| Loans  | 0         |
| Pension Funds and Plans: Contributions                     | 0         |
| Pension Funds and Plans: Obligations Assumed               | 0         |
| Life Insurance Premiums                                    | 14        |
| Guarantees assumed by the Company to benefit the Directors | 0         |

**c) Total Remuneration for Each Category of Director:**

| Category  | By Company   | By Group     |
|---|--------------|--------------|
| Executive Directors                                       | 4,691        | 3,922        |
| External Directors Representing Significant Shareholdings | 754          | 255          |
| Independent External Directors                            | 552          | 104          |
| Other External Directors                                  |              |              |
| <b>Total</b>  | <b>5,997</b> | <b>4,281</b> |

**d) In relation to Profits Attributed to the Parent Company:**

|   |        |
|---|--------|
| <b>Total Directors' Remunerations<br/>(in Euros 000)</b>                                  | 10,278 |
| <b>Total Directors' Remunerations/Profits Attributed to the<br/>Parent Company (in %)</b> | 5.392% |

**B.1.12. Identify members of senior management who are not executive directors and indicate the total remunerations paid in their favor during the financial year:**

| Name                            | Position  |
|---------------------------------|---|
| IGNACIO SANTILLANA DEL BARRIO   | CHIEF OPERATING OFFICER                                       |
| MIGUEL SATRÚSTEGUI GIL- DELGADO | GENERAL SECRETARY AND SECRETARY OF THE BOARD OF DIRECTORS     |
| JAIME DE POLANCO SOUTULLO       | MANAGING DIRECTOR STRATEGY PLANNING AND CORPORATE VEVELOPMENT |
| AUGUSTO DELKADER TEIG           | CHIEF EXECUTIVE OFFICER OF UNION RADIO                        |
| JESUS CEBERIO GALARDI           | GENERAL PRESS DIRECTOR AND GENERAL DIRECTOR OF EL PAIS        |
| PEDRO GARCÍA GUILLÉN            | GENERAL DIRECTOR OF EL PAÍS                                   |
| JOSE LUIS SAINZ DIAZ            | CHIEF EXECUTIVE OFFICER OF PRETESA AND                        |

|                                  |                                       |
|----------------------------------|---------------------------------------|
|                                  | PLURAL                                |
| MATILDE CASADO MORENO            | CHIEF FINANCIAL OFFICER               |
| JOSÉ CARLOS HERREROS DIAZ-BERRIO | COMERCIAL MANAGER                     |
| MANUEL MIRAT SANTIAGO            | CHIEF EXECUTIVE OFFICER OF PRISACOM   |
| MIGUEL ANGEL CAYUELA             | CHIEF OPERATING OFFICER OF SANTILLANA |
| VIRGINIA FERNANDEZ IRIBARNEGARAY | INTERNAL AUDIT DIRECTOR               |

|  |              |
|--|--------------|
| <b>Total Senior Management Salaries (in Euros 000)</b> | <b>6,525</b> |
|--|--------------|

**B.1.13. Indicate in general terms if there are any guarantee or “golden parachute” clauses benefiting senior managers (including executive directors) of the Company and its Group in the event of dismissal or changes in control. Indicate whether such contracts must be reported and/or approved by the governing bodies of the Company or Group:**

|                         |   |
|-------------------------|---|
| Number of Beneficiaries | 9 |
|-------------------------|---|

|                                |                    |                       |
|--------------------------------|--------------------|-----------------------|
|                                | Board of Directors | Shareholders' Meeting |
| Body authorizing these clauses | X                  |                       |

|  |     |    |
|--|-----|----|
|  | YES | NO |
| Are the participants at the Shareholders' Meeting informed of these clauses? | x   |    |

**B.1.14. Indicate the process for determining the remuneration of members of the Board of Directors and any relevant clauses in the bylaws.**

In accordance with the provisions of Article 19 of the Company Bylaws, remuneration for board members, which is compatible with the payment of allowances when they attend board meetings, shall be a maximum of 10% of after-tax profits, as proposed by the Board at the Annual Shareholders' Meeting, provided that the provisions of Article 130 of the Corporations Law have been observed. The Board shall determine the remuneration for each director, based on his functions. Board Members may likewise be remunerated with stock in the Company, stock options, or by means of any other remuneration system linked to share prices, in the terms set forth in Article 130 of the Corporations Law.

According to the provisions of Article 28 of the Company Bylaws, the Chairman's remuneration and, if applicable, the remuneration of the Deputy Chairmen and Chief Executive Officer shall be determined by the Board of Directors, without prejudice to any amounts that may be due them pursuant to Article 19 of the Company Bylaws.

Likewise and as set forth in Article 25 of the Company Bylaws, the remuneration for directors provided for in the bylaws is compatible with and independent of any salaries, payments, indemnification, pensions or compensation of any nature established either generally or individually for members of the Board of Directors who hold a paid post or position of responsibility (whether under a contract of employment or otherwise) in the Company or the companies within its Group, i.e., those defined as such within the scope of Article 42 of the Commercial Code.

**Indicate whether the full board has reserved the right to approve the following decisions:**

|  |     |    |
|--|-----|----|
|  | Yes | No |
| At the proposal of the chief executive officer of the company, the appointment and possible termination of senior managers, as well as their compensation clauses. |     | X  |

|   |   |  |
|---|---|--|
| Remuneration of directors as well as in the case of executive directors, additional remuneration for those duties and other conditions provided for in their contracts. | X |  |
|---|---|--|

**B.1.15 Indicate whether the board of directors approves a detailed remuneration policy and specify the matters on which it issues an opinion:**

Yes  No

|  | Yes | No |
|--|-----|----|
| Amount of fixed remuneration with a breakdown, if applicable, of per diem allowances for serving on the board and board committees, and an estimate of the resulting fixed annual remuneration | X   |    |
| Variable remuneration  | X   |    |
| Main features of benefits system, with an estimate of its annual cost or equivalent  |     | X  |
| Conditions that must be respected in the contracts of executive directors who perform senior management duties   | X   |    |

**B.1.16 Indicate whether the board issues a report on the remuneration policy of directors as a separate item on the agenda, to be submitted to a non-binding vote at the shareholders meeting. If so, explain aspects of the report describing the remuneration policy approved by the board for the following years, the most significant changes in that policy vis-à-vis the policy applied this year, and a summary of how this year's policy was applied. Describe the role played by the Remuneration Committee and, if external advice was sought, the names of the external consultants who provided such advice:**

Yes  No

| Issues Addressed in the Remuneration Policy Report   |
|--|
| The report on remuneration policy included in the Management Report addresses the following issues: 1.-Remuneration for the board of directors provided in the bylaws (Article 19); 2.- Remuneration policy with respect to the management team: fixed salary; Variable short-term remuneration; Stock plan; Remuneration in kind plan; Stock option plan; 3.- Other aspects of management remuneration; Long-term incentives; Guarantee clauses; 4.-Summary of the application of the remuneration policy in 2007 and the most significant changes in remuneration policy for 2008 vs. the policy applied in 2007. The latter includes: |

**The most significant changes in remuneration policy applied during 2007 and a summary of the application of the remuneration policy for 2007<sup>3</sup>.**

- **Summary of the application of the remuneration policy in 2007:** in general, the provisions included in last year's Management Report have been met, with the following variations:

|                     | Euros 000                                 |                                       |
|---------------------|---|---------------------------------------|
|                     | <b>2007 Forecasted Fixed Remuneration</b> | <b>2007 Actual Fixed Remuneration</b> |
| Executive Directors | 3,074                                     | 2,764                                 |
| Senior Managers     | 3,554                                     | 4,118                                 |
|                     | <b>6,628</b>                              | <b>6,882</b>                          |

<sup>3</sup> To facilitate comparison in this section, remuneration for executive directors performing executive duties in Sogecable, SA. and Grupo Media Capital S.G.P.S., S.A. have been excluded (a total of 1,726,000 euros including salaries and bonuses) since they are approved by the respective boards of those companies.

|                     | Euros 000                     |                            |
|---------------------|-------------------------------|----------------------------|
|                     | <b>2007 Reference Bonuses</b> | <b>Actual 2007 Bonuses</b> |
| Executive Directors | 2,027                         | 1,976                      |
| Senior Managers     | 1,683                         | 2,073                      |
|                     | <b>3,710</b>                  | <b>4,049</b>               |

The differences shown above are the result of changes in the composition of the board due to the death of Mr. Jesús de Polanco Gutiérrez in July, which is reflected in the lower figure for remuneration of executive directors, and the addition of two new senior managers, which is reflected in the increased amount of remuneration for this group.

The 2004 Stock Option Plan has been liquidated, and directors exercised fewer options than the number actually granted:

|                     | <b>Options granted</b> | <b>Options exercised</b> |
|---------------------|------------------------|--------------------------|
| Executive directors | 185,000                | 55,000                   |
| Senior managers     | 250,000                | 80,000                   |
|                     | <b>435,000</b>         | <b>135,000</b>           |

In other respects, once the 2007 accounts were closed, the long-term incentives for reaching objectives in compliance with the Group's Strategic Plan for 2005-2007 accrued, affecting the 35 managers most responsible for achieving those objectives.

Given that the objectives of the Strategic Plan have been achieved, during this period the total Long-Term Incentives (LTI) accrued amount to 9,894,000 euro. Of this total LTI figure, the following correspond to members of the management team:

|                     | <b>Estimated<br/>LTI 2005-2007</b> | <b>Actual<br/>LTI 2005-2007</b> |
|---------------------|------------------------------------|---------------------------------|
| Executive directors | 2,750                              | 2,873                           |
| Senior managers     | 4,500                              | 4,329                           |
|                     | <b>7,250</b>                       | <b>7,202</b>                    |

The above includes executive directors who perform executive duties for Sogecable, S.A. and Grupo Media Capital, S.G.P.S, S.A.

- Most significant changes in the 2008 forecasted remuneration policy vis-à-vis the policy applied in 2007:**

|                           | Euro 000     |              |
|---------------------------|--------------|--------------|
|                           | <b>2007</b>  | <b>2008</b>  |
| As provided in the bylaws | 1,322        | 1,386        |
| Per diem allowances       | 912          | 1,338        |
|                           | <b>2,234</b> | <b>2,724</b> |

  

|                     | Euro 000                                  |                                    |
|---------------------|---|------------------------------------|
|                     | <b>Actual Fixed Remuneration<br/>2007</b> | <b>Fixed Remuneration<br/>2008</b> |
| Executive directors | 2.764                                     | 2.970                              |
| Senior managers     | 4.118                                     | 4.356                              |
|                     | <b>6,882</b>                              | <b>7,326</b>                       |

  

|                     | Euro 000                 |                             |
|---------------------|--------------------------|-----------------------------|
|                     | <b>Actual 2007 Bonus</b> | <b>Reference Bonus 2008</b> |
| Executive directors | 1,976                    | 2,105                       |
| Senior managers     | 2,073                    | 2,100                       |
|                     | <b>4,049</b>             | <b>4,205</b>                |

| <b>Role of the Remuneration Committee</b>   |
|---|
| The committee prepared the remuneration policy and proposed the corresponding resolutions to the board of directors in all cases in which this is required under the Bylaws and Board of Directors' Regulation. |

|                                     | Yes | No       |
|-------------------------------------|-----|----------|
| <b>Was outside advice sought?</b>   |     | <b>X</b> |
| <b>Name of external consultants</b> |     |          |



**B.1.17. If applicable, identify the members of the Board of Directors who are likewise members of the boards of directors or management of companies that have significant shareholdings in the listed company and/or in companies within its group:**

| Director's Name                  | Significant Shareholder's Corporate Name | Position                                      |
|----------------------------------|--|---|
| IGNACIO POLANCO MORENO           | TIMÓN, S.A.                              | CHAIRMAN                                      |
| IGNACIO POLANCO MORENO           | PROMOTORA DE PUBLICACIONES, S.L.         | CHAIRMAN                                      |
| IGNACIO POLANCO MORENO           | RUCANDIO, S.A.                           | CHAIRMAN                                      |
| JUAN LUIS CEBRIÁN ECHARRI        | TIMÓN, S.A.                              | DIRECTOR                                      |
| JUAN LUIS CEBRIÁN ECHARRI        | PROMOTORA DE PUBLICACIONES, S.L.         | CHIEF EXECUTIVE OFFICER                       |
| FRANCISCO JAVIER DIEZ DE POLANCO | TIMÓN, S.A.                              | DIRECTOR                                      |
| DIEGO HIDALGO SCHNUR             | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR                                      |
| EMILIANO MARTINEZ RODRIGUEZ      | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR                                      |
| EMILIANO MARTINEZ RODRIGUEZ      | TIMÓN, S.A.                              | DIRECTOR                                      |
| RAMÓN MENDOZA SOLANO             | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR                                      |
| AGNES NOGUERA BOREL              | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR (REPRESENTATIVE OF LIBERTAS 7, S.A.) |
| BORJA PÉREZ ARAUNA               | TIMÓN, S.A.                              | DIRECTOR                                      |
| FRANCISCO PÉREZ GONZÁLEZ         | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR                                      |
| FRANCISCO PÉREZ GONZÁLEZ         | TIMÓN, S.A.                              | DEPUTY CHAIRMAN                               |
| ISABEL DE POLANCO MORENO         | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR                                      |
| ISABEL DE POLANCO MORENO         | TIMÓN, S.A.                              | DEPUTY CHAIRMAN                               |
| ISABEL DE POLANCO MORENO         | RUCANDIO, S.A.                           | DIRECTOR                                      |
| MANUEL POLANCO MORENO            | TIMÓN, S.A.                              | DIRECTOR                                      |
| MANUEL POLANCO MORENO            | RUCANDIO, S.A.                           | DIRECTOR                                      |
| ADOLFO VALERO CASCANTE           | TIMÓN, S.A.                              | DIRECTOR                                      |
| ADOLFO VALERO CASCANTE           | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR                                      |
| ADOLFO VALERO CASCANTE           | RUCANDIO, S.A.                           | DIRECTOR                                      |
| MANUEL VARELA UÑA                | PROMOTORA DE PUBLICACIONES, S.L.         | DIRECTOR                                      |

**If applicable, indicate the relevant relationships (other than those listed in the previous table) existing between members of the Board of Directors and significant shareholders and/or companies in the group:**

| Director's Name | Significant Shareholder's Name | Description of the Relationship |
|-----------------|--------------------------------|---------------------------------|
| IGNACIO POLANCO | RUCANDIO, S.A.                 | THE DIRECTOR OWNS 13.5519%      |

|                                   |                                     |  |
|-----------------------------------|-------------------------------------|--|
| MORENO                            |                                     | OUTRIGHT AND IS THE NAKED OWNER OF 11.4480% OF THE SHARE CAPITAL OF RUCANDIO, S.A.   |
| JUAN LUIS CEBRIÁN ECHARRI         | PROMOTORA DE PUBLICACIONES, S.L.    | THE DIRECTOR HAS DIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.  |
| FRANCISCO JAVIER DIEZ POLANCO     | TIMÓN, S.A.                         | THE DIRECTOR HAS INDIRECT HOLDINGS IN THE SHARE CAPITAL OF TIMÓN, S.A.   |
| DIEGO HIDALGO SCHNUR              | RUCANDIO, S.A.                      | THE DIRECTOR CONTROLS EVIEND SARL, A COMPANY BOUND BY THE SHAREHOLDERS AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L. DESCRIBED IN SECTION A.6.                                   |
| DIEGO HIDALGO SCHNUR              | PROMOTORA DE PUBLICACIONES, S.L.    | THE DIRECTOR HAS INDIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.  |
| GREGORIO MARAÑÓN Y BERTRÁN DE LIS | PROMOTORA DE PUBLICACIONES, S.L.    | THE DIRECTOR HAS INDIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.  |
| EMILIANO MARTÍNEZ RODRIGUEZ       | TIMÓN, S.A.                         | THE DIRECTOR HAS INDIRECT HOLDINGS IN THE SHARE CAPITAL OF TIMÓN, S.A.   |
| EMILIANO MARTÍNEZ RODRIGUEZ       | PROMOTORA DE PUBLICACIONES, S.L.    | THE DIRECTOR HAS DIRECT AND INDIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.   |
| RAMÓN MENDOZA SOLANO              | RUCANDIO, S.A.                      | THE DIRECTOR IS THE CHAIRMAN OF INVERSIONES MENDOZA SOLANO, S.L., A COMPANY BOUND BY THE SHAREHOLDER'S AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L. DESCRIBED IN PARAGRAPH A.6. |
| AGNES NOGUERA BOREL               | RUCANDIO, S.A.                      | THE DIRECTOR IS THE CHIEF EXECUTIVE OFFICER OF LIBERTAS 7, S.A., A COMPANY BOUND BY THE SHAREHOLDERS' AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L. DESCRIBED IN PARAGRAPH A.6.  |
| BORJA JESÚS PÉREZ ARAUNA          | PROMOTORA DE PUBLICACIONES, S.L. DE | THE DIRECTOR HAS DIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.  |
| BORJA JESÚS PÉREZ ARAUNA          | TIMÓN, S.A.                         | THE DIRECTOR HAS AN EMPLOYMENT RELATIONSHIP WITH TIMÓN, S.A.   |
| FRANCISCO PÉREZ GONZÁLEZ          | TIMÓN, S.A.                         | THE DIRECTOR HAS INDIRECT HOLDINGS IN THE SHARE CAPITAL OF TIMÓN, S.A.   |
| FRANCISCO PÉREZ GONZÁLEZ          | PROMOTORA DE PUBLICACIONES, S.L. DE | THE DIRECTOR HAS DIRECT AND INDIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.   |
| ISABEL POLANCO MORENO             | RUCANDIO, S.A.                      | THE DIRECTOR OWNS 13.5519% OUTRIGHT AND IS THE NAKED OWNER OF 11.4480% OF THE SHARE CAPITAL OF RUCANDIO, S.A.  |
| MANUEL POLANCO MORENO             | RUCANDIO, S.A.                      | THE DIRECTOR OWNS 13.5519% OUTRIGHT AND IS THE NAKED OWNER OF 11.4480% OF THE SHARE CAPITAL OF RUCANDIO, S.A.  |
| JUAN SALVAT DALMAU                | PROMOTORA DE PUBLICACIONES, S.L.    | THE DIRECTOR HAS INDIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.  |
| JESÚS DE LA SERNA                 | PROMOTORA DE                        | THE DIRECTOR HAS DIRECT HOLDINGS   |

|                                  |                                  |  |
|----------------------------------|----------------------------------|--|
| GUTIERREZ REPIDE                 | PUBLICACIONES, S.L.              | IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.                                     |
| JOSÉ BUENAVENTURA TERCEIRO LOMBA | PROMOTORA DE PUBLICACIONES, S.L. | THE DIRECTOR HAS DIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.    |
| MATÍAS CORTÉS DOMINGUEZ          | PROMOTORA DE PUBLICACIONES, S.L. | DE THE DIRECTOR HAS DIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L. |
| ADOLFO VALERO CASCANTE           | TIMÓN, S.A.                      | THE DIRECTOR HAS INDIRECT HOLDINGS IN THE SHARE CAPITAL OF TIMÓN, S.A.                       |
| ADOLFO VALERO CASCANTE           | TIMÓN, S.A.                      | THE DIRECTOR HAS AN EMPLOYMENT RELATIONSHIP WITH TIMÓN, S.A.                                 |
| ADOLFO VALERO CASCANTE           | PROMOTORA DE PUBLICACIONES, S.L. | DE THE DIRECTOR HAS DIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L. |
| MANUEL VARELA UÑA                | PROMOTORA DE PUBLICACIONES, S.L. | THE DIRECTOR HAS DIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.    |

**B.1.18. If applicable, indicate any amendments made to the Board Regulations during the year.**

Yes  No

| Description of Amendments   |
|---|
| <p>In its session of January 18, 2007 the Board of Directors resolved to amend the Regulation of the Board of Directors of Promotora de Informaciones, S.A. with a view to guaranteeing improved management of the company, renewing certain aspects of board and committee procedure and adapting the Regulation to specific corporate governance recommendations.</p> <p>Among the amendments approved are the following: the functions of the Board of Directors have been redefined; new rules have been included with regard to the composition of the Board (requiring, for example, that the Corporate Governance, Appointments and Remuneration Committee propose the appointment of independent directors and organizing the succession of the Chairman of the Board); the names and duties of company committees have been amended (Audit Committee and Corporate Governance, Appointments and Remuneration Committee); new rules were adopted with respect notifying situations that may represent conflicts of interests for company directors, as well as the system for authorizing related-party transactions.</p> <p>Subsequently, at its meeting of October 18, 2007 the board of directors amended the Board of Directors' Regulation to improve the efficiency of the operations of the company's governing body by creating an Executive Committee, having delegated powers as envisioned in Articles 17 of the Bylaws, likewise including certain corporate governance recommendations.</p> <p>Among the principal amendments passed, it was resolved that certain decisions reserved for the board of directors may for reasons of urgency be adopted by the Executive Committee; the composition of the Executive Committee was regulated (being composed of a maximum of seven board members including the Chairman, Chief Executive Officer, Chairman of the Audit Committee and Chairman of the Corporate Governance, Appointments and Remuneration Committee); it was determined that without prejudice to the powers of the Chairman and Chief Executive Officer, the Executive Committee shall be delegated all board powers that may legally be delegated, and the operations of the Executive Committee were regulated.</p> <p>Moreover, and as a consequence of the creation of an Executive Committee, the rule requiring monthly board meetings was amended to require a minimum of five meetings a year.</p> <p>Finally, where applicable, directors' duties were extended to the Executive Committee.</p> |

**B.1.19. Indicate the procedures for the appointment, reelection, evaluation and removal of directors. Describe the bodies empowered to do so, the steps to be taken and the criteria to be applied in each of those procedures.**

According to Article 17 of the Company Bylaws, the Board of Directors shall consist of a minimum of three and a maximum of twenty-one Directors, and the participants at the Shareholders' Meetings are empowered to appoint and determine the number of Directors. The Directors will appoint a Chairman from among them, and may also appoint one or several Deputy Chairmen. They may likewise appoint from among their members an executive committee or one or more chief executive officers. The Board will also appoint a secretary, who may or not be a board member, and may also appoint a vice secretary, who likewise may or may not be a board member.

Chapter VI of the Board Regulations provides for the following procedures for appointing, reelection, evaluating and removing Directors:

- Appointment of Directors: Directors shall be appointed by the participants at the Shareholders' Meeting or, provisionally, by the Board of Directors in accordance with the provisions of the Corporations Law and the Company Bylaws.

Proposed appointments submitted by the Board of Directors at the Shareholders' Meeting and board appointments made by virtue of its legally-attributed powers to do so should comply with the provisions of the Board Regulations and be accompanied by the corresponding report from the Corporate Governance, Appointments and Remuneration Committee, which is nevertheless not binding. The appointment of Independent Directors must be necessarily proposed by the Corporate Governance, Appointments and Remuneration Committee.

Within the scope of their respective powers, the Board of Directors and the Corporate Governance, Appointments and Remuneration Committee shall endeavor to ensure that the candidates elected are persons of recognized capacity and experience.

- Reelection and Evaluation of Directors: Proposals for the reelection of Directors that the Board of Directors decides to submit at the Shareholders' Meeting shall be subject to a formal procedure which shall include a report issued by the Corporate Governance, Appointments and Remuneration Committee, which shall evaluate the diligence and commitment of the Directors to their duties during their previous term.

- Term of Office: The Directors will serve for a term of five (5) years, and may be reelected. Directors designated by the Board may exercise their duties until the date of the next Shareholders' Meeting.

- Termination of Directors: Directors will cease in their functions when the term for which they have been appointed expires or when the participants at the Shareholders' Meeting so decide, by virtue of the powers conferred upon them in that regard by law or in the Company Bylaws.

Directors must tender their resignation to the Board of Directors and formally resign if the Board deems it warranted, in the circumstances provided for in Article 21.2 of the Board Regulations, which are described in paragraph B.1.20 below.

- Objectivity and Secrecy of the Voting Process: In compliance with the Board Regulations with respect to possible conflicts of interest, the Directors proposed for reelection or removal shall absent themselves from any deliberations or voting that directly affect them.

**B.1.20. Indicate under what circumstances Directors are obliged to resign.**

As set forth in Article 21.2 of the Board Regulations, Directors must tender their resignation to the Board of Directors and formally resign if the Board deems their resignation warranted in the following circumstances:

- a) When they incur in circumstances legally defined as incompatible or prohibited.
- b) When in relation to an accusation of criminal offense they have been formally indicted in ordinary felony proceedings or have been adjudged guilty in summary criminal proceedings.
- c) When they have been seriously reprimanded by the Board of Directors for having breached their obligations as Directors.
- d) When the reasons for their appointments have ceased to exist and, specifically, when an independent director or a director representing a significant shareholding no longer represents those interests.
- e) When for the period of a year they fail to attend more than three board meetings without justification.

**B.1.21. Indicate whether the functions of Chief Executive Officer of the Company are also performed by the Chairman of the Board of Directors. If so, explain the measures adopted to limit the risks of conferring those powers upon a single person:**

Yes  No

| <b>Risk-Limiting Measures</b>  |
|--|
| The Chairman of the Board of Directors is ultimately responsible for managing the Company. His main assistant is the Chief Executive Officer who manages the Company's daily affairs, always in accordance with the decisions and criteria adopted at the Shareholders' Meeting and by the Board of Directors and the Chairman. There is likewise an Audit Committee and a Corporate Governance, Appointments and Remuneration Committee, and neither the Chairman nor any of the Executive Directors are members of those committees. |

Indicate, and if so explain, whether rules have been passed to enable an independent director to request that a board meeting be held or that new items be included on the agenda, to coordinate and reflect the concerns of external directors and to direct assessment by the board of directors.

Yes  No

| <b>Explanation of rules</b> |
|-----------------------------|
|                             |

**B.1.22. Are reinforced majorities required for taking certain types of decisions, other than those required by law?**

Yes  No

**Describe how board decisions are taken, indicating at least the minimum attendance quorum required and the types of majorities required to pass resolutions:**

**Adoption of Resolutions**

| <b>Type of Resolution</b> | <b>Quorum</b>  | <b>Majority Required</b>   |
|---------------------------|--|--|
| Any type                  | Attendance at the meeting, either in person or by proxy, of half plus one of the board members | An absolute majority of the votes of all directors in attendance or represented by proxy, unless a reinforced majority is required by law. |

**B.1.23. Indicate whether the requirements for being elected Chairman differ from those required for election to the Board:**

Yes  No

| <b>Description of the Requirements</b> |
|--|
|  |

**B.1.24. Indicate whether the Chairman may exercise a casting vote:**

Yes

No

| Matters in which the Chairman has a Casting Vote  |
|---|
| Pursuant to Article 23 of the Company Bylaws and Article 16.2 of the Board Regulations, the Chairman may exercise a casting vote to break any possible ties that may arise concerning any matter. |

**B.1.25. Indicate whether the Bylaws of the Board Regulations set an age limit for Directors:**

Yes

No

|   |  |
|---|--|
| Age limit for the Chairman                |  |
| Age limit for the Chief Executive Officer |  |
| Age limit for Directors                   |  |

**B.1.26. Indicate whether the Bylaws or Board Regulations limit the term of office of independent directors:**

Yes

No

|                        |   |
|------------------------|---|
| Maximum Term of Office | 0 |
|------------------------|---|

**B.1.27 If there are few or no female directors, explain the reasons and the measures adopted to correct this situation.**

| Explanation of reasons and measures |
|-------------------------------------|
|                                     |

**Specifically indicate whether the Appointments and Remuneration Committee has established procedures to ensure that selection processes are not implicitly biased against the selection of female directors and that they deliberately seek female candidates the meet the required profile:**

Yes

No

| Description of the principal procedures |
|---|
|   |

**B.1.28. Indicate whether there are formal procedures for delegating votes on the Board of Directors. If so, describe them briefly:**

Article 23 of the Company Bylaws and Article 16 of the Board Regulations provide that directors may delegate their votes to another director. In that regard, proxies must be in writing and are valid only for the specific board meeting in question.

**B.1.29. Indicate the number of meetings that were held by the Board of Directors during the financial year. Likewise indicate, if applicable, the number of meetings held in the absence of the Board's President:**

|  |    |
|--|----|
| Number of Board Meetings                             | 12 |
| Number of Meetings That the President Did Not Attend | 1  |

Indicate the number of meetings held by the Board's committees:

|   |   |
|---|---|
| Number of meetings of the Executive or Delegated Committee        | 0 |
| Number of meetings of the Audit Committee                         | 6 |
| Number of meetings of the Remuneration and Appointments Committee | 6 |
| Number of meetings of the Strategy and Investments Committee      | 0 |
| Number of meetings of the ____ Committee                          | 0 |

**B.1.30. Indicate the number of meetings held by the Board of Directors during the financial year in which all members were not in attendance. Proxies in attendance without specific instructions should be counted as absent:**

|   |      |
|---|------|
| Number of absences of board members during the year                     | 6    |
| % of absences with respect to the total number of votes during the year | 2.69 |

**B.1.31. Indicate whether the individual and consolidated annual accounts submitted to the Board for its approval are previously certified:**

Yes  No

Identify, if applicable, the person or persons who certified the individual and consolidated annual accounts of the Company, for submission to the Board:

| Name | Position |
|------|----------|
|      |          |

**B.1.32. Explain, if they exist, the mechanisms established by the Board of Directors to prevent the annual and consolidated accounts from being submitted at the Shareholders' Meeting with provisos in the Auditor's Report.**

In accordance with the provisions of Article 24.4.c) of the Board Regulations, the Audit Committee reviews the company accounts, and ensures compliance with legal requirements and the correct application of generally-accepted accounting practices.

**B.1.33. Is the Secretary of the Board of Directors likewise a Director?**

Yes  No

**B.1.34 Explain the procedures for the appointment and removal of the Secretary to the Board, indicating whether the Appointments Committee issued an opinion and the Board approved his appointment and removal.**

| <b>Procedure for appointment and removal</b>  |
|---|
| Pursuant to Article 13 of the Board of Directors Regulation, the Board of Directors appoints a secretary, who must be a lawyer and need not be a member of the Board. Likewise, and in accordance with Article 25.b.2 of the Board of Directors Regulation, one of the main responsibilities of the Corporate Governance, Appointments and Remuneration Committee is to issue an opinion concerning the Board of Directors' proposal for the appointment of the secretary to the board. |

|   | <b>Yes</b> | <b>No</b> |
|---|------------|-----------|
| <b>Does the Appointments Committee issue an opinion concerning the appointment?</b> | <b>X</b>   |           |
| <b>Does the Appointments Committee issue an opinion concerning the removal?</b>     |            | <b>X</b>  |
| <b>Is the appointment approved by the full Board?</b>                               | <b>X</b>   |           |
| <b>Is the removal approved by the full Board?</b>                                   | <b>X</b>   |           |

**Is the Secretary to the Board specifically responsible for overseeing compliance with good governance recommendations?**

Yes  No

| <b>Observations</b>  |
|--|
| Yes, with regard to the recommendations accepted by the Company and including in its internal regulations. |

**B.1.35. Indicate, if applicable, the mechanisms established by the Company to preserve the independence of auditors, financial analysts, investment banks and rating agencies.**

Article 38 of the Board Regulations stipulates that:



1. The Board of Directors shall refrain from proposing the appointment or renewal of a firm of auditors when the fees paid by the Company for all of its services represent more than 5% of the annual income of that auditing firm, based on the average for the last five years.

2. The Board of Directors shall publicize the total fees that the Company has paid to the auditors, differentiating between fees for auditing company accounts and those paid for other services rendered. The Annual Report of company accounts must likewise include a breakdown of the fees paid to auditors, as well as those paid to any company belonging to the firm of auditor's corporate group or to any company sharing common property, management or control with the Company's auditors.

In other respects, paragraph 4a) of Article 24 of the Board Regulations stipulates that the Audit and Compliance Committee is responsible for providing the Board of Directors with information and proposals concerning contract terms, the scope of appointment and, when applicable, the revocation or non-renewal of external auditors, as well as supervising compliance with the terms of the audit contract.

Paragraph 3e) of the aforementioned Article 24 likewise provides that the Audit and Compliance Committee shall be responsible for maintaining contact with the external auditors, in order to receive information concerning issues that could jeopardize their independence or other information related to the progress of the account auditing process, as well as other communications provided for in legislation governing audits and in technical auditing practices.

**B.1.36 Indicate whether during the financial year the company has changed external auditors. If so, specify the former and present auditors:**

Yes  No

| Former auditor | Present auditor |
|----------------|-----------------|
|                |                 |

**In the event there were discrepancies with the former auditor, explain the nature of those discrepancies:**

Yes  No

| Explanation of discrepancies |
|------------------------------|
|                              |

**B.1.37. Indicate whether the auditing firm renders other non-auditing services to the Company and/or its corporate group and, if so, state the amount of fees paid for those services and the percent that this represents of the total fees invoiced to the Company and/or its group.**

Yes  No

|  | Company | Group | Total |
|--|---------|-------|-------|
| Amount paid for non-auditing services (Euros 000)                                      | 31      | 891   | 922   |
| Amount paid for non-auditing services / Total amount invoiced by the auditing firm (%) | 1.15    | 32.91 | 34.06 |

**B.1.38 Indicate whether the report on the audit of the annual accounts for the previous year contained any reservations or qualifications. If so, indicate the reasons provided by the chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.**

Yes

No

| <b>Explanation of the reasons</b>  |
|--|
| <p>The chairman of the Audit Committee presented the Audit Committee's Report for 2006 to the Board of Directors, indicating the following:</p> <p>a) Individual Accounts: The company auditor explained that the company has made a provision for the securities portfolio in those cases in which the value of its holdings is less than their theoretical book value, adjusted (if warranted) for tacit capital gains existing when acquired (goodwill) and which subsisted at December 31, 2006 in the annual group consolidated accounts prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as described in Note 4 of the annual report. It is the Company's opinion that the sole objective of the criterion adopted is to reflect the valuation of those holdings in both the individual and consolidated group in a uniform and consistent way. The company believes that the differences presently existing between the Spanish General Accounting Plan and the International Financial Reporting Standards with respect to reflecting goodwill result in non-uniform entries for the same holdings, based on whether they are included in the individual or consolidated financial statements. For that reason the company decided to apply a single valuation method.</p> <p>In other respects, the Company understands that this difference in reflecting goodwill will be analyzed and resolved in the process of reforming and adapting corporate legislation in matters of accounting. In that regard it should be underscored that the text of the draft law to reform and adapt corporate legislation in matters of accounting to bring it in line with international standards based on European Union legislation provides that goodwill should not be amortized and the corresponding adjustments must be made in the event of depreciation.</p> <p>In the opinion of the Company the sole objective for this change contemplated in the draft law is to eliminate the difference in treatment afforded goodwill presently existing between the two sets of accounting rules, so that individual annual accounts may reflect in all relevant aspects a true and fair view of its financial position, assets and operational results.</p> <p>However, in the opinion of the auditor the Company should have made a provision for the securities portfolio in accordance with the criteria set forth in Valuation Rule 8 "Securities", section 2 "Valuation Adjustments" included in Part Five of the General Accounting Plan and in the technical accounting rules in force in Spain. Thus there should have been an increase of approximately 82.8 million euro in the figure included under "Variation in securities provisions" in the profit and loss account for the 2006 financial year, as a consequence of the effect of the amortization in 2006 of goodwill in PRISA's consolidated accounts at December 31, 2006.</p> <p>b) Consolidated Accounts: On November 2, 2006 legislation was passed including Law 35/2006 on Individual Income Tax and the partial amendment of the laws governing corporate tax, non-residents tax and wealth tax, thus changing the tax rate applied to corporations commencing during the 2007 financial year. The Company has concluded that, without failing to adequately value the fiscal assets and liabilities included in the balance sheet at December 31, 2005 with the new tax rates, the reflection of that valuation should not affect the profit and loss account, so that the view of the performance of operations for the year is not altered by a change in tax legislation, which basically affects assets and liabilities registered in previous years. Therefore the amount resulting from that effect (165 million euro) was recorded as net wealth in the consolidated balance sheet.</p> <p>However, according to the auditor International Financial Reporting Standards provide that this be recorded in the profit and loss account for the year in which the amended tax rate was approved. In that regard, if that criterion had been followed the "profit/loss for the</p> |

parent company” for 2006 would be 71.3 million euro less, once the aforementioned effect of the interests of minority shareholders has been subtracted. This adjustment would not change the consolidated net worth figure recorded on the balance sheet at December 31, 2006.

**B.1.39. Indicate the number of consecutive years that the present auditing firm has audited the annual accounts of the Company and/or its group. Likewise indicate the percent that the number of years with this auditing firm represents with respect to the total number of years that the annual accounts have actually been audited.**

|                             | Company | Group |
|-----------------------------|---------|-------|
| Number of consecutive years | 17      | 16    |

|   | Company | Group   |
|---|---------|---------|
| Number of years audited by the present auditing firm /<br>Number of years that the Company has been audited (%) | 100,000 | 100,000 |

**B.1.40. Indicate the shareholdings that members of the Board of Directors of the Company have in entities engaged in the same, similar or complementary activities as those comprising the Company or the Company’s group’s corporate purpose, of which the Company has been informed. Likewise indicate the positions that they hold or functions that they perform in those entities:**

| Director’s Name                  | Name of the entity in question                     | % Share | Position or functions   |
|----------------------------------|--|---------|---|
| IGNACIO POLANCO MORENO           | SOGEABLE, S.A.                                     | 0.014   | DIRECTOR  |
| JUAN LUIS CEBRIÁN ECHARRI        | SOGEABLE, S.A.                                     | 0.002   | VICE PRESIDENT  |
| JUAN LUIS CEBRIÁN ECHARRI        | LE MONDE, S.A.                                     | 0.000   | DIRECTOR  |
| FRANCISCO JAVIER DIEZ DE POLANCO | CANAL CLUB DE DISTRIBUCIÓN DE OCIO Y CULTURA, S.A. | 0.000   | DIRECTOR  |
| FRANCISCO JAVIER DIEZ DE POLANCO | CANAL SATÉLITE DIGITAL, S.L.                       | 0.000   | CHAIRMAN AND CHIEF EXECUTIVE OFFICER                                    |
| FRANCISCO JAVIER DIEZ DE POLANCO | COMPAÑÍA INDEPENDIENTE DE TELEVISIÓN, S.L.         | 0.000   | CHAIRMAN AND CHIEF EXECUTIVE OFFICER                                    |
| FRANCISCO JAVIER DIEZ DE POLANCO | DTS DISTRIBUIDORA DE TV DIGITAL, S.A.              | 0.000   | CHAIRMAN AND CHIEF EXECUTIVE OFFICER                                    |
| FRANCISCO JAVIER DIEZ DE POLANCO | SOCIEDAD GENERAL DE CINE, S.A.                     | 0.000   | CHAIRMAN AND CHIEF EXECUTIVE OFFICER                                    |
| FRANCISCO JAVIER DIEZ DE POLANCO | SOGEPAQ, S.A.                                      | 0.000   | CHAIRMAN AND CHIEF EXECUTIVE OFFICER                                    |
| FRANCISCO JAVIER DIEZ DE POLANCO | SOGEABLE, S.A.                                     | 0.043   | CHIEF EXECUTIVE OFFICER   |
| FRANCISCO JAVIER DIEZ DE POLANCO | SOGEABLE MEDIA, S.L.                               | 0.000   | CHAIRMAN AND CHIEF EXECUTIVE OFFICER (REPRESENTATIVE OF SOGEABLE, S.A.) |
| FRANCISCO JAVIER DIEZ DE POLANCO | AUDIOVISUAL SPORT, S.L.                            | 0.000   | CHAIRMAN (REPRESENTATIVE OF SOGEABLE, S.A.)                             |

|                                       |  |       |  |
|---------------------------------------|--|-------|--|
| FRANCISCO JAVIER DIEZ DE POLANCO      | CINEMANIA, S.L.  | 0.000 | CHAIRMAN (REPRESENTATIVE OF SOGECABLE, S.A.)                             |
| FRANCISCO JAVIER DIEZ DE POLANCO      | COMPAÑÍA INDEPENDIENTE DE NOTICIAS DE TELEVISIÓN, S.L. | 0.000 | CHAIRMAN (REPRESENTATIVE OF SOGECABLE, S.A.)                             |
| FRANCISCO JAVIER DIEZ DE POLANCO      | SOGECABLE EDITORIAL, S.L.                              | 0.000 | CHAIRMAN AND CHIEF EXECUTIVE OFFICER (REPRESENTATIVE OF SOGECABLE, S.A.) |
| DIEGO HIDALGO SCHNUR                  | SOGECABLE, S.A.  | 0.000 | DIRECTOR   |
| GREGORIO MARAÑÓN Y BERTRÁN DE LIS     | SOGECABLE, S.A.  | 0.000 | DIRECTOR   |
| GREGORIO MARAÑÓN Y BERTRÁN DE LIS     | UNIVERSAL MUSIC SPAIN, S.L.                            | 0.000 | CHAIRMAN   |
| EMILIANO MARTINEZ RODRIGUEZ           | SOGECABLE, S.A.  | 0.011 |  |
| AGNES NOGUERA BOREL                   | SOGECABLE, S.A.  | 0.000 | DIRECTOR   |
| BORJA JESÚS PÉREZ DE ARAUNA           | SOGECABLE, S.A.  | 0.008 |  |
| FRANCISCO PÉREZ GONZÁLEZ              | SOGECABLE, S.A.  | 0.000 | DIRECTOR   |
| ISABEL POLANCO MORENO                 | SOGECABLE, S.A.  | 0.001 |  |
| MANUEL POLANCO MORENO                 | SOGECABLE, S.A.  | 0.000 | DIRECTOR   |
| JUAN SALVAT DALMAU                    | SOGECABLE, S.A.  | 0.012 |  |
| JESÚS DE LA SERNA Y GUTIERREZ- RÉPIDE | SOGECABLE, S.A.  | 0.000 |  |
| ADOLFO VALERO CASCANTE                | SOGECABLE, S.A.  | 0.015 |  |
| MANUEL VARELA UÑA                     | SOGECABLE, S.A.  | 0.008 |  |

**B.1.41. Indicate whether there is a procedure for Directors to obtain outside counsel and, if so, describe that procedure.**

Yes

No

| Description of the Procedure  |
|---|
| The Board Regulations incorporate this principle in the following terms: "Directors shall have broad powers to obtain information and counsel that they may need with regard to any aspect of the Company, provided that it is required in the fulfillment of their duties." (Article 26). Likewise articles 14 and 23 of said Regulation respectively establish that the Executive Commission and the Committees may seek outside advice when they deem it necessary for the fulfillment of their obligations. |

**B.1.42. Indicate whether there is a procedure for Directors to obtain the information they need in sufficient time to enable them to prepare for the meetings of the governing bodies and, if so, describe that procedure:**

Yes

No

| Description of the Procedure |
|------------------------------|
|                              |

Pursuant to Article 13 of the Board Regulations, the Secretary of the Board of Directors must ensure that the Board functions properly, and must specifically provide the necessary counsel and information required by the Directors. Article 15 of the Regulations likewise provides that the announcement of board meetings, which must be made at least seven days in advance, shall always include an agenda for the meeting. It is the responsibility of the Chief Executive Officer to prepare and provide the rest of the Directors with information concerning the progress of the Company and that which is necessary to adopt the resolutions proposed on the agenda of each board and Executive Commission meeting.

In other respects, Article 26 of the Regulations provides that Directors shall have broad powers to seek the information and counsel they may require concerning any aspect of the Company, provided that such information is required in the course of fulfilling their duties. The right to information extends to subsidiary companies, whether domestic or foreign, and shall be channeled through the President, who will respond to the Director's requests, providing them with information directly, referring them to the appropriate sources, or arbitrating in the measures necessary to examine the documents requested.

Among the general obligations of Directors, Article 30 of the Board Regulations includes the duty to inform themselves and adequately prepare for Board Meetings and the meetings of the committees of which they are members.

**B.1.43 . Indicate whether the company has rules (and if so, describe those rules) compelling directors to inform and, if warranted, resign in circumstances that may damage the prestige and reputation of the company:**

Yes  No

| Description of the Procedure  |
|---|
| <p>As established in section 21.2. of the Rules of the Board of Directors, Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in the following cases:</p> <p>a) When they are subject to any of the legally-established prohibitions or grounds for disqualification.</p> <p>b) When based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanor proceeding.</p> <p>c) When they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors.</p> <p>d) When the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director loses his respective status as such.</p> <p>e) When in the course of a year they fail to attend more than three meetings of the Board of Directors without just cause.</p> |

**B.1.44 Indicate whether any member of the Board of Directors has informed the company that he has been prosecuted or that proceedings have been brought against him for any of the offenses listed in Article 124 of the Corporations Law:**

Yes  No

| Director's Name | Criminal Proceedings | Observations |
|-----------------|----------------------|--------------|
|                 |                      |              |

Indicate whether the Board of Directors has analyzed the case. If so, explain the grounds for the decision as to whether the director should continue in his post.

Yes

No

| Decision adopted              | Grounds for the decision |
|-------------------------------|--------------------------|
| May continue/May not continue |                          |

## B.2. Committees of the Board of Directors

### B.2.1. List all Committees of the Board of Directors and their members:

#### EXECUTIVE COMMITTEE

| Name                              | Position | Classification   |
|-----------------------------------|----------|--|
| IGNACIO POLANCO MORENO            | CHAIRMAN | EXECUTIVE DIRECTOR                                       |
| JUAN LUIS CEBRIÁN ECHARRI         | MEMBER   | EXECUTIVE DIRECTOR                                       |
| MATIAS CORTES DOMINGUEZ           | MEMBER   | INDEPENDENT EXTERNAL DIRECTOR                            |
| DIEGO HIDALGO SCHNUR              | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |
| GREGORIO MARAÑON Y BERTRAN DE LIS | MEMBER   | INDEPENDENT EXTERNAL DIRECTOR                            |
| AGNES NOGUERA BOREL               | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |
| ADOLFO VALERO CASCANTE            | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |

#### AUDIT COMMITTEE

| Name                         | Position | Classification   |
|------------------------------|----------|--|
| MR.MATÍAS CORTÉS DOMÍNGUEZ   | CHAIRMAN | INDEPENDENT EXTERNAL DIRECTOR                            |
| MR. JUAN SALVAT DALMAU       | MEMBER   | INDEPENDENT EXTERNAL DIRECTOR                            |
| MRS. AGNES NOGUERA BOREL     | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |
| MR. RAMON MENDOZA SOLANO     | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |
| MR. BORJA JESÚS PÉREZ ARAUNA | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |

## REMUNERATION AND APPOINTMENTS COMMITTEE

| Name                                  | Position | Classification   |
|---------------------------------------|----------|--|
| MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS | CHAIRMAN | INDEPENDENT EXTERNAL DIRECTOR                            |
| MR. JOSE BUENAVENTURA TERCEIRO LOMBA  | MEMBER   | INDEPENDENT EXTERNAL DIRECTOR                            |
| MR. ADOLFO VALERO CASCANTE            | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |
| MR. DIEGO HIDALGO SCHNUR              | MEMBER   | EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS |

## APPOINTMENTS COMMITTEE

| Name | Position | Classification |
|------|----------|----------------|
|      |          |                |
|      |          |                |

## REMUNERATION COMMITTEE

| Name | Position | Classification |
|------|----------|----------------|
|      |          |                |
|      |          |                |

## \_\_\_\_\_ COMMITTEE

| Name | Position | Classification |
|------|----------|----------------|
|      |          |                |
|      |          |                |

### B.2.2 Indicate whether the Audit Committee performs the following duties:

|   | Yes | No |
|---|-----|----|
| Supervision of the preparation and integrity of the company's, and if applicable, the group's financial information, monitoring compliance with regulatory requirements, the appropriate composition of the consolidation perimeter and the correct application of accounting rules | X   |    |
| Periodic review of internal control and risk management systems, so that the main risks are adequately identified, managed and notified   | X   |    |

|  |   |   |
|--|---|---|
| Ensuring the independence and accuracy of the operations of the internal audit department; proposing the selection, appointment, reelection and removal of the head of the internal audit department; receiving periodic information concerning audit activities; and verifying that senior managers take into account the conclusions and recommendations contained its reports | X |   |
| Setting up and supervising a mechanism whereby employees may confidentially and, if deemed appropriate, anonymously notify the company of any potentially relevant irregularities within the company, particularly financial or accounting irregularities, of which they may be aware  |   | X |
| Submission to the Board of Directors of proposals for the selection, appointment, reelection and substitution of the external auditor, as well as the conditions of its contract   | X |   |
| Receiving regularly from the external auditor information concerning the audit plan and the results of its application, and verifying that senior managers take its recommendations into account   | X |   |
| Ensuring the independence of the external auditor  | X |   |
| In the case of group companies, encouraging the group auditor to assume responsibility for auditing group companies.   | X |   |

### **B.2.3. Describe the rules governing the organization and functions, as well as the responsibilities attributed to each of the board committees.**

#### Executive Committee

The rules governing the organization and operations of the Executive Committee that are described below are contained in articles 5 and 14 of the Board of Directors Regulations:

The Executive Committee shall comprise seven board members, which shall always include the Chairman of the Board, Chief Executive Officer, Chairman of the Audit Committee and Chairman of the Corporate Governance, Appointments and Remuneration Committee. Appointment of the members of the Executive Commission shall be made upon a proposal from the Chairman of the Board and a two-thirds favorable vote of board members.

The composition of the Executive Committee with regard to the type of directors shall be similar to that of the Board of Directors.

Members of the Executive Committee shall cease in their functions when they cease to be board members or upon a decision of the Board of Directors.

Without prejudice to the powers vested in the Chairman of the Board and the Chief Executive Officer, all powers of the Board of Directors that may legally be delegated shall be delegated to the Executive Committee.

Likewise, and without prejudice to the decisions vested in the Board of Directors pursuant to Article 5 of the Board of Directors Regulation, some of them may be adopted for reasons of urgency by the Executive Committee. These are: i) Financial information related to listed securities that the Company must disclose periodically, ii) The undertaking of investments, assumption of financial obligations or the granting of any financial commitments that derive, among others, from loans, credits, sureties or other guarantees, as well as entering into contracts that are of significant importance to the



Company or its subsidiary and/or controlled companies, except for cases of extreme urgency in which it is impossible for the Board of Directors to meet, iii) Any transfer or encumbrance of assets relating to the Company or its subsidiary or controlled companies, iv) Strategic alliances of the Company or its controlled companies, v) The creation or acquisition of interests in entities domiciled in countries or territories considered tax havens and iv) Authorization of linked transactions in the terms provide for in the Regulation of The Board of Directors.

The Secretary of the Board of Directors shall serve as Secretary of the Executive Committee, and the provisions of Article 13 above shall likewise apply to the procedures of the Executive Committee.

The Executive Committee shall meet at least six times a year and at anytime that, in the opinion of the Chairman, company interests warrant a meeting or when two or more members of the Executive Committee or the Chief Executive Officer request that a meeting be called, the Chairman being obliged to give notice of meetings sufficiently in advance.

A Committee meeting may be validly held when a majority of the directors on the committee are present or represented by proxy, and members not in attendance may give their proxies to another director who is a committee member.

Resolutions shall be passed by an absolute majority vote of the Executive Committee members present or represented by proxy.

When there are no specific procedures, those set forth in this Regulation for the Board of Directors shall apply to the Executive Committee, provided that they are compatible with the Committee's nature and functions.

When requested to do so, other directors who are not committee members, as well as managers whose reports are necessary for company operations, may attend committee meetings, having voice but no vote.

The Executive Committee shall keep minutes of its meetings in the terms provided for the Board of Directors.

The Executive Committee shall report on its activities at the first full board meeting following its sessions, and shall be accountable for the work it undertakes. The Board shall always be informed of all matters discussed and all resolutions adopted by the Executive Committee. All board members shall receive a copy of the minutes of the Executive Committee's meetings.

The Executive Committee may seek outside expert advice when it is deemed necessary for the fulfillment of its functions.

#### Audit Committee:

The rules governing the organization and operations of the Audit Committee that are described below are contained in article 21bis of the Company Bylaws and Article 24 of the Board of Directors Regulations:

The number of directors on the Audit Committee shall be determined by the Board of Directors from time to time, having a minimum of three (3) and a maximum of five (5) members. The majority of members shall be non-executive Directors who shall not have any other contractual relationship with the Company other than the position for which they are appointed. The Committee shall provide for appropriate representation of independent directors, which shall at least be proportional to their representation on the Board of Directors.

Committee members shall be appointed and removed by the Board of Directors as proposed by the Chairman.

Members shall cease to belong to the Committee when they are no longer directors or when the Board of Directors so decides.

The Chairman of the Committee shall be selected by the Board of Directors from among board members who are independent directors and who do not maintain any contractual relationship with the Company other than the position to which they were appointed. The Chairman of the Committee shall be replaced every four years, and may be reelected after he has ceased in his functions for one year.

The Audit Committee shall perform the tasks attributed to it by law, without prejudice to any other functions that the Board of Directors may determine. The primary function of the Audit Committee is to support the Board of Directors in its task of overseeing the management of the Company.

The Audit Committee has the following basic responsibilities:

- a) Within the scope of its powers, to report at annual shareholders meetings on issues raised by shareholders, pursuant to the provisions of the Law and the Shareholders Meeting Regulation.
- b) To propose to the Board of Directors the appointment of external account auditors pursuant to Section 204 of the consolidated text of the Corporations Law, to be submitted at the annual shareholders meeting.
- c) To supervise internal auditing services.
- d) To supervise the Company's financial information process and internal monitoring systems.
- e) To maintain contact with the external auditors in order to receive information on those issues that could compromise their independence and any others related to the accounts auditing process, together with any other communication provided for in accounts auditing legislation and rules.

In addition, and regardless of other tasks that may be assigned it by the Board of Directors, the Audit Committee shall have the following powers:

- a) To advise and make proposals to the Board of Directors concerning the auditors contract conditions, scope of professional mandate and, if warranted, the revocation or non-renewal of the external auditors, as well as supervising their performance of audit contract obligations;
- b) To propose the selection, appointment, reappointment or removal of the person in charge of the company's internal audit service.
- c) To review the company accounts, oversee compliance with the legal requirements and the proper application of generally accepted accounting principles, as well as to issue opinions on proposals to amend accounting principles and criteria suggested by the management;
- d) To review the issue prospectuses and information concerning the quarterly and half-yearly financial statements that the Board must provide the markets and their supervisory bodies;
- e) To analyze and issue opinions concerning specific investment transactions when, owing to their importance, the Board so requests;
- f) To issue opinions concerning the creation or acquisition of interests in entities domiciled in countries or territories considered as tax havens.
- g) To exercise all other powers granted the committee in this Regulation.

The Audit Committee shall meet periodically as warranted, and at least four (4) times a year.

Any member of the company management team or staff who may be required for such purpose shall be compelled to attend committee meetings and to provide it with assistance and access to any information at his disposal. The committee may likewise request the attendance of the accounts auditors at its meetings.

#### Corporate Governance, Appointments and Remuneration Committee:

The rules governing the organization and operations of the Remuneration and Appointments Committee that are described below are contained in Article 25 of the Board Regulations:

The Corporate Governance, Appointments and Remuneration Committee shall consist of a minimum of three (3) and a maximum of (5) external directors to be determined in a resolution of the Board of Directors upon nomination by its Chairman.

The Corporate Governance, Appointments and Remuneration Committee is empowered to request the assistance at its meetings of the Chief Executive Officer of the Company.

Members of the Corporate Governance, Appointments and Remuneration Committee shall cease to be committee members when they cease in their functions as Directors or if the Board of Directors so decides.

The Chairman of the Committee shall be selected by the Board of Directors from among its independent directors.

In addition to any other tasks that may be assigned to it by the Board of Directors, the Corporate Governance, Appointments and Remuneration Committee has the following basic responsibilities:

- 1) To issue opinions concerning proposals for the appointment of directors and to propose the appointment of independent directors.
- 2) To issue opinions on the proposal for the appointment of the Secretary to the Board.
- 3) To make proposals to the Board concerning: i) the general remuneration policies affecting directors and senior management and ii) the individual remuneration of executive directors and other conditions set forth in their contracts.
- 4) To ensure compliance with the company's remuneration policies
- 5) To approve standard senior management contracts.
- 6) To issue opinions on the proposals for the appointment of the members of the other committees of the Board of Directors.
- 7) To propose the Annual Report on Corporate Governance to the Board of Directors.
- 8) To present a report to the Board of Directors, evaluating the performance and composition of the Board.
- 9) To verify compliance with the Internal Code of Conduct concerning securities markets, this Regulation and, in general, the Company's rules of governance, and to make the proposals required to ensure such compliance. In that regard it shall be the duty of the Corporate Governance, Appointments and Remuneration Committee to receive information and, if warranted, issue reports concerning disciplinary measures taken with respect to senior management.
- 10) To exercise such other powers granted to the committee in this Regulation.

The Corporate Governance, Appointments and Remuneration Committee shall meet whenever the Board of Directors of the Company or its Chairman requests that that it issue a report or approve proposals within the scope of its powers, provided that the Chairman of the Committee deems it warranted in order to adequately carry out their duties.

**B.2.4. Indicate, if applicable, the advisory powers and, if applicable, powers that have been delegated to each of the committees:**

| Committee Name  | Brief Description   |
|---|---|
| EXECUTIVE COMMISSION  | HAS BEEN DELEGATED ALL BOARD POWERS THAT MAY LEGALLY BE DELEGATED                                 |
| AUDIT COMMITTEE   | FOR ADVISORY POWERS, SEE B.2.3 ABOVE. NO DELEGATED POWERS HAVE BEEN ATTRIBUTED TO THIS COMMITTEE. |
| CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE | FOR ADVISORY POWERS, SEE B.2.3 ABOVE. NO DELEGATED POWERS HAVE BEEN ATTRIBUTED TO THIS COMMITTEE. |

**B.2.5. Indicate, if applicable, whether there are board committee regulations, and if so, where they are available for consultation and any amendments made to them during the financial year. Likewise indicate whether any non-mandatory annual reports are issued concerning the activities of each committee:**

The Board of Directors has an Executive Committee, an Audit Committee and a Corporate Governance, Appointments and Remuneration Committee, the composition, operations and powers of which are set forth in the Board of Directors Regulation, which is available on the company website ([www.prisa.es](http://www.prisa.es)).

Amendments to the Board of Directors Regulation approved during the 2007 financial year are described above in B.1.18.

On February 2007 the Audit Committee published a report on its functions and activities during the 2006 financial year.

**B.2.6. Indicate whether the composition of the Executive Committee reflects the Board Member's holdings within their category:**

Yes  No

|  |
|--|
| If not, explain the composition of the Executive Committee |
|  |

**C. RELATED-PARTY TRANSACTIONS**

**C.1 Indicate whether the Board in full has reserved the right to approve the company's transactions with directors, significant shareholders or those represented on the Board, or persons related thereto, after having received the favorable opinion of the Audit Committee or any other committee performing that function:**

Yes  No

**C.2. Describe relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries and the Company's significant shareholders:**

| Significant Shareholder's Name   | Name of the Company or Entity in its Group | Nature of the Relationship | Type of Transaction  | Amount (Euros 000) |
|----------------------------------|--|----------------------------|----------------------|--------------------|
| TIMON, S.A.                      | PROMOTORA DE INFORMACIONES, S.A            | Corporate                  | PAYMENT OF DIVIDENDS | 6,942              |
| PROMOTORA DE PUBLICACIONES, S.L. | PROMOTORA DE INFORMACIONES, S.A            | Corporate                  | PAYMENT OF DIVIDENDS | 15,592             |

**C.3. Describe relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries and the managers or directors of the Company.**

| Manager's or Director's Name | Name of the Company or Entity in its Group | Nature of the Relationship | Type of Transaction | Amount (Euros 000) |
|------------------------------|--|----------------------------|---------------------|--------------------|
|                              |  |                            |                     |                    |
|                              |  |                            |                     |                    |

**C.4. Describe any relevant transactions between the Company and other of its group entities that are not compensated in the consolidated financial statements and whose objectives and conditions are not a part of the Company's normal operations:**

| <b>Name of the Group Entity</b> | <b>Brief Description of the Transaction</b>   | <b>Amount (Euros 000)</b> |
|---------------------------------|---|---------------------------|
| DÉDALO GRUPO GRAFICO, S.L.      | PROVISION OF SERVICES BY SEVERAL COMPANIES IN WHICH DEDALO GRUPO GRAFICOS, S.L. HAS HOLDINGS, TO SEVERAL GRUPO PRISA COMPANIES  | 37,154                    |
| DÉDALO GRUPO GRAFICO, S.L.      | PRISA PROVIDED A JOINT AND SEVERAL GUARANTEE TO DÉDALO GRUPO GRÁFICO, S.L. WITH RESPECT TO THE BANKING SYNDICATE CREATED BY VIRTUE OF THE SYNDICATED CREDIT AND LOAN AGREEMENT SIGNED ON DECEMBER 23, 2003, AND RENEWED ON FEBRUARY 24, 2005 AND MAY 10, 2006, FOR A MAXIMUM OF 15,000,000 EUROS. | 15,000                    |
| DÉDALO GRUPO GRAFICO, S.L.      | PRISAPRINT, S.L., (A SUBSIDIARY OF PRISA), SIGNED LOAN AGREEMENTS WITH DÉDALO GRUPO GRÁFICO, S.L., PURSUANT TO WHICH IT CONTRIBUTED TO THE LATTER 41,000,000 EUROS.   | 41,000                    |
| DÉDALO GRUPO GRAFICO, S.L.      | PRISAPRINT, S.L. (A PRISA SUBSIDIARY) HAS ADVANCED TO DÉDALO GRUPO GRÁFICO, S.L. THE SUM OF 13,132,000 EUROS FOR OPERATING INVESTMENTS.   | 13,132                    |
| DÉDALO GRUPO GRAFICO, S.L.      | PRISAPRINT, S.L. (A PRISA SUBSIDIARY) HAS UNDERTAKEN TO PROVIDE DÉDALO GRUPO GRÁFICO, S.L. FUNDS FOR ITS RESTRUCTURING PROCESS IN THE AMOUNT OF 32,000,000 EUROS  | 32,000                    |
| IBERBANDA, S.A.                 | GUARANTEES GRANTED BY PRISA   | 33,475                    |

**C.5. Identify, if applicable, any circumstances in which company directors are involved that may constitute a conflict of interest, pursuant to the provisions of Article 127ter of the Corporations Law.**

Yes

No

| <b>Director's name</b>           | <b>Description of the conflict of interest</b>   |
|----------------------------------|--|
| IGNACIO POLANCO MORENO           | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF JUNE 21, 2007 |
| FRANCISCO JAVIER DÍEZ DE POLANCO | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF JUNE 21, 2007 |
| EMILIANO MARTINEZ RODRÍGUEZ      | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF JUNE 21, 2007 |
| FRANCISCO PÉREZ GONZÁLEZ         | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF               |

|                                  |  |
|----------------------------------|--|
|                                  | JUNE 21, 2007  |
| BORJA PÉREZ ARAUNA               | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF JUNE 21, 2007 |
| ISABEL POLANCO MORENO            | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF JUNE 21, 2007 |
| MANUEL POLANCO MORENO            | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF JUNE 21, 2007 |
| ADOLFO VALERO CASCANTE           | APPROVAL OF SERVICES AGREEMENTS WITH TIMON, S.A. BY THE SESSION OF THE BOARD OF DIRECTORS OF JUNE 21, 2007 |
| FRANCISCO JAVIER DIEZ DE POLANCO | LAUNCH OF TAKEOVER BID FOR SOGECABLE, S.A. AT THE BOARD MEETING OF DECEMBER 20, 2007                       |

**C.6. Describe the mechanisms in place to detect, determine and resolve possible conflicts of interest between the Company and/or its group and its directors, managers and significant shareholders.**

Pursuant to Article 31 of the Board of Directors Regulations:

1.- Directors shall inform the Company of any situation that may involve a conflict of interest as defined in Chapter V of “Promotora de Informaciones, S.A. and its Group Companies’ Internal Code of Conduct Concerning Securities Market Transactions.”

2.- Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or any of its subsidiaries must be authorized by the Board of Directors after it has considered the opinion of the Corporate Governance, Appointments and Remuneration Committee.

Transactions carried out by persons related to directors and which do not exceed 60,000 euro must be authorized by the Corporate Governance, Appointments and Remuneration Committee.

3.- Directors shall refrain from intervening in deliberations concerning matters in which they have direct or indirect interests. In addition to not exercising their voting rights, directors affected by a linked operation must absent themselves from the boardroom during deliberations and voting on such matters.

4.- Authorization of the Board of Directors shall not be required for linked operations that fulfill the following conditions:

- a) Those involving compliance with standard contract conditions applied extensively to multiple customers;
- b) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question;
- c) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

Likewise, Article 33 of the Board Regulations provides that Directors may not provide their professional services to competitors of the Company, its subsidiaries or companies in which it has holdings. This excludes holding posts in companies that have a significant stable stake in the Company’s shareholdings.

In other respects, Article 34 of the Board of Directors Regulations states that:

1. The Board of Directors formally reserves the right to oversee any Company transaction with a significant shareholder.
2. Under no circumstances shall a transaction be authorized if an opinion of the Corporate Governance, Appointments and Remuneration Committee assessing the operation from the point of view of market conditions has not been issued.
3. Nevertheless, authorization of the Board of Directors shall not be required for those transactions that fulfill all of the conditions set forth in Article 31.4 above.

With respect to the above and to ensure transparency, Article 35 of the Board of Directors Regulations provides that the Board of Directors shall include in its annual public reports a summary of the transactions carried out by the Company with its Directors and significant shareholders. This information shall detail the overall volume of the operations and the nature of the most relevant.

In addition, section V of the “Internal Code of Conduct of Promotora de Informaciones, S.A. and its Corporate Group Concerning Matters Involving Securities Markets” provides the following rules for the conflicts of interest:

5.1. All persons subject to this Internal Code of Conduct must promptly inform the Secretary General of any situations in which a conflict of interests may exist.

In that respect, notification must be made of any situations derived from their activities outside of GRUPO PRISA or those of related persons (to the extent defined in paragraph 5.2. below) that may conflict with the interests of GRUPO PRISA with regard to any specific action, service or operation with

- i) financial intermediaries
- ii) professional investors
- iii) suppliers
- iv) clients
- v) competitors

5.2. With respect to paragraph 5.1 above, the following shall be considered related persons:

(i) a spouse or any person in a relationship that can be equated to marriage;

(ii) the ascendants, descendants and siblings of the person subject to this Code of Conduct or of his/her spouse;

(iii) the spouses of the ascendants, descendants and siblings of the person subject to this Code of Conduct;

(iv) the companies in which the persons subject to this Code of Conduct, either personally or through an intermediary, fall within any of the categories set forth in article 4 of Law 24/1988, of July 28, governing the Securities Market.

5.3. Those persons affected by a conflict of interest shall refrain from deciding, intervening or influencing decisions taken with respect to those actions, services or operations.

## **C.7 Are more than one of the group companies listed in Spain?**

Yes  No

### **Specify the subsidiary companies that are listed in Spain:**

#### **Listed subsidiaries**

Sogecable, S.A.

**Indicate whether their respective areas of activity and business relations have been publicly and clearly defined, as well as those of the dependent listed company with other companies of the group;**

Yes  No

**Define the possible business relationships between the parent company and the listed subsidiary, and the subsidiary's relationship with the other group companies**

1. At December 31, 2007 Sogecable, S.A. did not belong to the Group pursuant to Article 42 of the

Commercial Code, although it is consolidated in the PRISA accounts using the full consolidation method.

2. Once the takeover bid has been concluded, Prisa intends to propose to Sogecable the execution of a framework agreement to define Sogecable's scope of action, regulate the mechanisms needed to prevent and to respond to possible conflicts of interest that may arise, as well as related-party transactions, and to set forth commitments with respect to Sogecable's provision of information to Prisa, as well as the handling of such information. More specifically, it is Prisa's intention to progressively center Prisa Group audiovisual activities in Sogecable.

3. Likewise, in its Annual Report on Corporate Governance Sogecable, S.A. describes its related-party transactions with Prisa. In addition, the Board of Directors Regulation of Sogecable, S.A. sets for rules for resolving possible conflicts of interests with significant shareholders.

**Identify any mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies:**

**Mechanisms for resolving possible conflicts of interest**

Article 35 of Sogecable, S.A.'s Board of Directors Regulation provides the following:

1. The Board, or if applicable the Executive Committee, formally reserves the right to supervise any transaction of the company with a significant shareholder.
2. In no case shall a transaction be authorized without the Corporate Governance, Appointments and Remuneration Committee having issued an opinion, assessing the transaction from the perspective of market conditions.
3. In ordinary transactions, a generic authorization of the operations and the conditions for their execution shall suffice.
- 4.- Notwithstanding the foregoing, the Board's authorization shall not be required for transactions that fulfill the conditions of Article 32.4 above.

**D. RISK CONTROL SYSTEMS**

**D.1. General description of the Company and/or its Group's risk policy, detailing and evaluating the risks covered by the system, together with the justification as to why these systems are deemed adequate for each type of risk.**

GRUPO PRISA's organizational structure and management processes are designed to compensate for the different risks that are inherent in its activities. Risk analysis and control are framed within the Group's management processes and, as such, involve all of the members of the organization in a supervisory environment that is complemented with preventive measures intended to ensure that Group objectives are fulfilled.

The Group continuously monitors the most significant risks that may affect the principal business units. To do so it uses a risk map as a tool that graphically represents the risks inherent in the Group, which is used to identify and assess risks that affect the development of the different business units comprising the Group. The parameters evaluated in each risk to define their location on the risk map are the impact and the probability of occurrence of that risk. The identification of these risks and the operative processes in which each of the risks considered are managed are carried out by the Group's Internal Audit Office, which periodically reports the results of its work to the Audit Committee.

The principal risks considered within the framework of the Group's risk management policy can be classified in the following categories:

- a. Strategic risks
- b. Business process risks
- c. Financial management risks
- d. Risks derived from the reliability of financial information



e. Technological risks

Control systems in place to evaluate, mitigate or reduce the principal risks of the Company and its group:

a. Control of Strategic Risks

Pursuant to the provisions of the Board Regulations (Article 5), the policy of the Board of Directors is to delegate the day-to-day management of the Company to the President, with the assistance of the Chief Executive Officer and management staff, without prejudice to the supervisory functions of the Board, which likewise reserves for itself the powers to make the principal strategic decisions affecting business growth and development and general policy procedures.

Senior group management, under the authority of the Chief Executive Officer, carries out the Group's strategic planning, which is the process in which, based on the situation of the markets, the objectives to be achieved in each business area and the projected growth and development are set forth, both nationally and internationally, within acceptable risk levels. The Strategic Plan and the annual budgets are approved by the Board of Directors.

Compliance with the Strategic Plan and budgets are review periodically, analyzing the degree in which they are being fulfilled, evaluating deviations and proposing corrective measures. Managers from all business units are involved in this process, as are the general and functional committees that issue their reports to senior group management.

b. Control of Business Process Risks

To develop and supervise business activity, the Group relies on a decentralized organization divided into specialized business units with coordinating entities such as the Management Committee, the Business Committee and the Corporate Committee, which carry out analysis and supervisory functions with respect to both the evolution of business activities, as well as the operational environment and problems of the business units.

Transactional business risks and operational, commercial, legal, fiscal and other risks are supervised by their respective organizations, using corporate-level monitoring mechanisms. For example, the Group's fiscal management unit monitors compliance with current tax legislation in each of the geographic and business segments in which it carries out its activity, and manages risks arising from different interpretation of rules that the competent tax authorities may offer in each case. Likewise, risks from new investments and disinvestments are evaluated by the corporate unit to monitor investments and commercial risks, which are related to advertising and adapting our offer of services and products, being the object of continuous monitoring on the part of the Group's Commercial Management Department, a Commercial Committee and another unit specialized in promotions policy. In that regard, it should be underscored that there is less dependence on group revenue with respect to the cycle of advertising sales since the full consolidation of Sogetel in the group accounts for 2006, given that income from subscribers represents the first line of the group's activities. In other respects, the Institutional Projects Committee coordinates various business units to study business opportunities, as well as coordinating joint projects.

c. Control of Financial Management Risks

- Exposure to exchange rate risks

During 2007 almost 82 % of the Prisa Group's consolidated income came from domestic markets, while 18% was from international markets, principally Latin America.

In that context, the Group is exposed to exchange rate fluctuations in the many countries in which it operates. With a view to mitigating this risk, based on its forecasts and budgets the Prisa Group follows the practice of taking out contracts to cover exchange rate risks (principally exchange rate insurance, forward contracts and currency options).

The Group is likewise exposed to exchange rate risks due to the potential variations that may arise in the different currencies in which it has debts with financial entities. At December 31, 2007 the weight of currencies other than the Euro in the Group's debts amounted to 1.93%. Based on its forecasts and budgets, the Group takes out coverage annually for this type of operations, basically through exchange rate insurance contracts.

- Exposure to Interest Rate Risks

The Group is exposed to interest rate fluctuations, since all of its debt with financial entities is at variable interest rates. In that regard, the Company takes out contracts to cover interest rate risk, basically by means of contracts that ensure maximum rates of interest.

- Exposure to Risks Related to the Price of Paper

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

d. Control of Risks Derived from the Reliability of Financial Information

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

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

- Permanent updating of financial information rules and systems

In that regard, mention should be made of the project underway to integrate and standardize information systems by implementing a single system of financial information for all group business units. During 2007 this common information system was successfully implemented in group companies located in Spain, Argentina and the United States, and implementation shall continue in the remaining group companies from 2008 to 2011.

In other respects, in 2007 in the group companies domiciled in Spain, an analysis has been made of the impact of the implementation of the new General Accounting Plan, which must be adopted as of January 1, 2008, as well as the training necessary to ensure that the new accounting rules are accurately applied.

- A system for reviewing economic and financial information through manuals, instructions and internal rules (manual of valuation and accounting policy, instructions for the closing of accounts, annual calendar of economic and financial information, corporate accounting plan, operational rules, intra-group balances), and for verifying compliance with internal control systems through internal and external audits. In that regard, together with the implementation of a single system of financial information, conversion to a common accounting plan for group companies is being carried out, both in Spain and at the international level. The object of having different companies adopt the same account headings is to facilitate the integration, reporting, analysis and monitoring of financial information, and to enable all group companies to share a common financial "language".

e. Control of Technological Risks

During the fiscal year 2007 Prisa created a Corporate Security Management Department, reporting directly to the Chief Executive Officer, which includes the Physical Security and Information Security Units. This allows security to be managed independently of the business units and facilitates a decentralization of those functions inherent in the business units.

The Corporate Security Management Department provides advice in matters of physical and information security, and on the adoption of coordinated measures to reinforce and protect the confidentiality, integrity and availability of information and information systems, as well as the security of group personnel, assets and installations, thanks to having put into place a legal framework, ongoing processes for risk management and the implementation of security control and monitoring systems.

The Corporate Security Management Department works with the Secretary General and the Department of Human Resources in the areas of data protection and workplace safety.

During 2007 projects have been carried out to increase security levels of both common group infrastructures, as well as those of each business unit (review and updating "Risk Analysis," "Safety Information and Awareness"), and in 2008 security levels will continue to be increased and improved, principally through a thorough review of the "Group Security Guidelines", which addresses all areas of corporate physical and information security. During the year other projects will likewise be concluded, such as "Analysis of Physical Risks", "Communications Security", "Management of Incidents", "Analysis of Vulnerabilities", and "Security Audits".

In other respects, mention should be made of Grupo Prisa’s Technological Observatory that performs prospective functions with regard to risks and business opportunities for the Group arising from technological developments.

f. Insurance and Insurance Policy

All Group companies are protected by insurance that reasonably covers possible risks of damage and contingencies arising from their business activities. The policies taken out may be classified as followed:

- All-risk insurance covering material damage to tangible operational assets
- Insurance covering the transportation of goods
- Insurance against loss of profits
- Liability insurance covering operations, employment and products
- Directors’ and officers’ liability insurance
- Life and accident insurance
- Liability and contingency insurance covering risks in the organization of events
- Credit and surety insurance.

The Group’s insurance policy is reviewed and monitored annually by the different business units in consultation with an external company, in order to update existing insurance coverage and subscribe new policies.

**D.2 Indicate whether during the financial year any of the different types of risks affecting the company or its group (operational, technological, financial, legal, reputational, fiscal ...) have actually materialized:**

Yes  No

**If so, indicate the circumstances that prompted the risk and whether established control systems were effective.**

| Risk materialized during the year | Circumstances that prompted the risk | Effectiveness of control systems |
|-----------------------------------|--------------------------------------|----------------------------------|
|                                   |                                      |                                  |

**D.3. Indicate whether there is a committee or other governing body in charge of establishing and supervising those control mechanisms:**

Yes  No

**If so, explain its duties.**

| Name of committee or body | Description of its duties   |
|---------------------------|---|
| Audit Committee           | One of the main responsibilities of the Audit Committee is to “supervise the financial information process and the Company’s internal control systems.” (Article 24.3.d of the Board of Directors Regulations). |

**D.4. Identify and describe the compliance processes for the different regulations governing your Company and/or its Group.**

The Board of Directors Regulations state that:

- The Directors and senior management have the obligation to be informed of, and comply with and compel compliance with these Regulations (Article 4).

- In any event, the Secretary of the Board of Directors shall ensure the formal and material lawfulness of all Board activities and that its procedures and rules of governance are obeyed (Article 13).

- Among the powers of the Corporate Governance, Appointments and Remunerations Committee is the power to verify compliance with the Internal Code of Conduct with respect to securities markets, Board Regulations and, in general, all rules governing the Company, and to propose changes for their improvement. In particular, Corporate Governance, Appointments and Remunerations Committee shall receive information and, when warranted, issue reports to the senior company management concerning any disciplinary. (Article 25, paragraph b) 9)

Section 10 of the Internal Code of Conduct provides for the following:

10.1. In order to ensure compliance with the provisions of this Code, the Secretary General of GRUPO PRISA will have the following responsibilities and powers:

(i) To maintain, in coordination with the Director of Human Resources, an updated list of those persons subject to this Internal Code.

(ii) To receive and preserve communications reflecting transactions with respect to the Securities and to the securities of other companies included within the accounts consolidation perimeter of Promotora de Informaciones, S.A., from the persons subject to this Internal Code, and to annually request the interested parties to confirm the balances of the securities included in the corresponding file.

(iii) To bring any Relevant Information to the attention of the CNMV, following consultation with the Chairman or Chief Executive Officer.

(iv) To pay particular attention to the quotation of the Securities during the review or negotiation phases of any type of legal or financial transaction that could have a noticeable effect on the quotation of the Securities.

(v) To monitor news that the professional sources of financial information and the media issue and which could affect the evolution on the market of the Securities and, following consultation with the Chairman or Chief Executive Officer, to confirm or deny as the case may be, any public information on circumstances deemed to be relevant information.

(vi) To maintain a Central Register of Privileged Information.

(vii) Following consultation with the Chairman or Chief Executive Officer and pursuant to the provision of sections II and IX herein, to determine those who shall be subject to the Internal Code of Conduct.

10.2. In order to ensure compliance with this Code, the Director of Finances and Administration of GRUPO PRISA shall have the following responsibilities and powers:

(i) To have access to the communications referred to in section 10.1. ii) of this Code.

(ii) To bring any Relevant Information to the attention of the CNMV, following consultation with the Chairman or Chief Executive Officer.

(iii) To closely monitor the quotation of the Securities during the phases of review or negotiation of any type of legal or financial transaction that could have a noticeable affect on the quotation of the Securities.

(iv) To monitor the news issued by the professional sources of financial information and the media that may affect the evolution of the Securities in the market and, following consultation with the Chairman or Chief Executive Officer thereof, to confirm or deny as the case may be, any public information on circumstances deemed as Relevant Information.

(v) To execute, following consultation with the Chairman or Chief Executive Officer, the specific plans for the acquisition or transfer of its own Securities or those of the dominant company and to order and supervise the development of ordinary transactions on Securities, in accordance with the contents of Internal Code, and to make the official communications on the transactions on Securities undertaken pursuant to provisions currently in force.

(vi) To determine, following consultation with the Chairman or the Chief Executive Officer, those persons that are assigned to the Department of Finances and Administration and should be subject to this Internal Code.

The Regulation governing Shareholders' Meetings provides that:

- The Board of Directors shall take the measures necessary to ensure the distribution of the Shareholders' Meeting Regulations to shareholders by making them known to the National Stock Exchange Commission as relevant information, recording them on the Companies Register and publishing them on the Company's webpage (Article 25).

## E. SHAREHOLDERS MEETING

**E.1 Concerning the quorum required at Shareholders Meetings, indicate whether there are differences with respect to the minimum stipulated in the Corporations Law, and if so, explain.**

Yes

No

|                                      | % difference vs. quorum required pursuant to Article 102 LSA of the Corporations Law (general) | % difference vs. quorum required pursuant to Article 103 of the Corporations Law (special cases provided in Article 103) |
|--------------------------------------|--|--|
| Quorum required at initial meeting   |  |  |
| Quorum required at adjourned meeting |  |  |

Description of differences

**E.2 Concerning rules for adopting corporate resolutions, explain whether there are differences with respect to those provided in the Corporations Law and, if so, explain:**

Yes

No

**Describe differences vs. provisions of the Corporations Law**

|  | Difference vs. the super majority provided for in Article 103.2 of the Corporations Law for the cases listed in Article 103.1 | Other cases in which a super majority is required |
|--|---|---|
| % required by company for adoptions of resolutions |   |   |
| Describe the differences                           |   |   |
|  |   |   |

**E.3. Describe shareholders' rights with respect to General Meetings that differ from those established in the Corporations Law.**

Pursuant to Article 15.b.) of the Company Bylaws, all shareholders holding at least 60 shares recorded in the corresponding share ledger five days prior to the meeting and who obtain the corresponding attendance card may attend the Shareholders' Meeting.

Pursuant to Article 15.c.) of the Company Bylaws (and without prejudice to the provision for representation by a family member or by means of a general power of attorney), shareholders may delegate their vote to another shareholder.

According to Article 15.g.) of the Company Bylaws, each fully paid-up share represents one vote.

The Shareholders' Meeting Regulation likewise states that:

Shareholders or their representatives who arrive on the premises late, once admission to the Shareholders' Meeting has been closed in accordance with the time set for the commencement of the meeting, may enter the premises if the Company deems it warranted, but in no case may those shareholders be included in the list of attendees nor may they exercise the right to vote (Article 16.2).

The list of persons in attendance shall be made available to those shareholders who request it at the beginning of the Shareholders' Meeting (Article 16.6)

In order to be included in the minutes of the meeting, the shareholders present may express to the Notary any reservations or objections that they may have concerning whether the meeting is valid as held, or concerning the general numbers of the list of shareholders in attendance after it has been read aloud (Article 17.8).

Shareholders who wish their intervention at the meeting to be recorded verbatim in the minutes must simultaneously deliver it in writing to the Notary, so that he can compare the text to the shareholder's intervention, once it has concluded (Article 18.2).

**E.4. Indicate, if applicable, the measures adopted to promote the participation of shareholders at the Shareholders' Meeting.**

Those set forth in the Law.

**E.5. Indicate whether the Shareholders' Meeting is presided by the Chairman of the Board of Directors. Explain, if applicable, the measures adopted to guarantee the independence and proper conduct of shareholders' meetings:**

Yes  No

| Description of Measures   |
|---|
| As provided in Article 14.2 of the Shareholders' Meeting Regulations, Shareholders' Meetings are presided by the Chairman of the Board of Directors or by the person substituting for him pursuant to Article 26 of the Company Bylaws and, in their absence, by the shareholder elected in each case by those in attendance at the meeting.<br>In accordance with Article 26 of the Company Bylaws, in the event of the temporary absence or incapacity of the Chairman, the chair shall be assumed by the Deputy Chairman, if there is one, and if not, by a Director appointed by the Board. |
| Measures to guarantee the independence and proper conduct of shareholders' meetings:<br><br>The Shareholders' Meeting held on April 15, 2004 approved the "Regulations Governing the Shareholders' Meetings of Promotora de Informaciones, S.A. (Prisa)", which contains a series of measures to guarantee the independence and proper conduct of shareholders' meetings. These Regulations are available for consultation on the Company's webpage.  |

**E.6. Indicate, if applicable, any amendments made to the Shareholders' Meeting Regulations during the financial year.**

The General Shareholders Meeting held on March, 22, 2007 resolved the following amendments of the Shareholders' Meeting Regulations: i) Amendment of Article 19.4 of the General Shareholders Meeting Regulations, to adapt it to the amendment of Article 21 bis of the Bylaws, by virtue of which the name of "Audit and Compliance Committee" is

modified to “Audit Committee” and ii) amendment of Article 20 of the General Shareholders Meeting Regulations by adding a new paragraph 20.9, in order to permit expressly the split voting, so that those who appear as shareholders on the accounting register but who act as proxies for others may vote following instructions from the proxy grantor.

**E.7. Provide attendance statistics for the general shareholders’ meetings held during the year to which the present report refers:**

| Date of Shareholders’ Meeting | Attendance Statistics |                        |                          |        | Total  |
|-------------------------------|-----------------------|------------------------|--------------------------|--------|--------|
|                               | % physically present  | % represented by proxy | % distance voting        |        |        |
|                               |                       |                        | Vote by electronic means | Others |        |
| 22 March 07                   | 66.636                | 5.407                  | 0.005                    |        | 72.048 |

**E.8. Briefly describe the resolutions adopted at the general shareholders’ meetings held during the year to which this report refers, providing the percentage of votes cast to pass each resolution.**

The following resolutions were adopted at the Shareholders’ Meeting held on March 22, 2007:

First.- Approval of the Annual Accounts (Balance Sheet, Profit and Loss Account and Annual Report) and the Management Report, both for the Company and its consolidated group, for the 2006 financial year, as well as the proposal for distribution of profits.

Two.- Approval of the Board of Directors’ management of the Company during the 2006 financial year.

Third.- In accordance with Article 204 of the Corporations Law and Article 153 ff. of the Companies Register Regulation, the appointment of DELOITTE S.L. as auditors of the accounts of the Company and its consolidated group was renewed for a term of one (1) year, in order to audit the financial statements that will be closed on December 31, 2007.

Fourth. – 4.1.) In view of the fact that the terms of office of Ms Isabel Polanco Moreno was to expire on April 18, 2007, it was terminated in advance of that date and it was resolved to reelect her as Company Director for the five-year term set forth in the Bylaws; 4.2.) It was resolved that the Board’s appointment by cooptation of Ms. Agnès Noguera Borel on April 20, 2006 was ratified and it was resolved to reelect her as Director of the Company for the five-year term set forth in the bylaws.

Fifth.- Article 21 bis of the company bylaws, were amended.

Sixth.- Articles 19 and 20 of the General Shareholders Meeting Regulations were amended

Seventh.- Authorization was granted for the direct or indirect derivative acquisition of treasury shares, within the legal limits and requirements. Likewise, any unexercised powers authorizing the derivative acquisition of treasury shares granted at the Annual Shareholders Meeting on March 23, 2006 were revoked.

Eighth.- It was resolved to delegate to the Board of Directors powers to develop, execute and interpret all previous resolutions including, if necessary, powers to interpret, rectify, and complement them, likewise agreeing to delegate the power in the Chairman of the Board of Directors Mr. Jesús de Polanco Gutierrez, the Chief Executive Officer Mr. Juan Luis Cebrián Echarri and the Secretary Mr. Miguel Satrustegui Gil- Delgado, so that any of them may appear before a Notary to formalize and reflect in a notarized instrument the resolutions passed at this Meeting, as well as to execute any notarized or private documents required to record the resolutions as approved in the Companies Register.

Percentage of votes cast (with respect to the quorum present) to adopt each one of the resolutions:

| Agenda/ | Votes in favor/ | Votes against/ | Abstaining |
|---------|-----------------|----------------|------------|
| Item 1  | 99.96           | 0.000          | 0.300      |
| Item 2  | 99.903          | 0.000          | 0.097      |
| Item 3  | 99.903          | 0.097          | 0.000      |

|          |        |       |       |
|----------|--------|-------|-------|
| Item 4.1 | 99.776 | 0.224 | 0.000 |
| Item 4.2 | 99.775 | 0.225 | 0.000 |
| Item 5   | 99.999 | 0.001 | 0.000 |
| Item 6   | 99.999 | 0.001 | 0.000 |
| Item 7   | 100.00 | 0.000 | 0.000 |
| Item 8   | 100.00 | 0.000 | 0.118 |

**E.9 Indicate whether there are any restrictions in the company bylaws with respect to the minimum number of shares required to attend the Annual Shareholders Meeting:**

Yes  No

|   |    |
|---|----|
| Number of shares required to attend the Annual Shareholders Meeting | 60 |
|---|----|

**E.10. Indicate and justify the policies followed by the Company with respect to proxy voting in shareholders' meetings.**

Article 8 of the Shareholders' Meeting Regulations states that:

Shareholders may vote by proxy, delegating their votes in another shareholder for a specific shareholders' meeting. This requisite will not apply when the proxy holds a general power of attorney set forth in a notarial instrument, granting him power to administer all of the principal's assets within Spain. Representation by proxy shall be indicated on the attendance card or in a letter, in either case bearing an original signature.

The document designating a proxy must contain or be accompanied by the meeting agenda as well as a request for instructions as to how to exercise the right to vote and an indication as to how the proxy should vote if precise instructions are not provided. If the shareholder appointing a proxy fails to give him voting instructions, it is understood that he should vote in favor of the Board of Directors' proposals at each meeting.

A proxy granted to someone who cannot legally represent the shareholder or one granted by a fiduciary or similar representative shall not be valid.

A proxy may likewise be granted by electronic means, using procedures similar to those provided for in Article 11.2 of the Shareholders' Meeting Regulation and confirming the shareholder's identity with the same requirements of that Article 11.2., likewise applying the term established in Article 11.3 of the Regulation for the valid reception of proxies.

Proxies shall always be revocable, and shall be deemed to have been revoked by a shareholder who personally attends the Shareholders' Meeting.

Concerning public proxy solicitations, see section B.1.28 of this Report.

**E.11. Indicate whether the Company is aware of the policy of institutional investors to participate or not in Company decisions:**

Yes  No

|                     |
|---------------------|
| Describe the Policy |
|                     |



**E.12. Indicate the address and means for accessing corporate governance content on the company webpage.**

[www.prisa.es](http://www.prisa.es) / Information for Shareholders and Investors

## **F** DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

**Indicate the company's degree of compliance with the recommendations of the Unified Code of Corporate Governance.**

**In the event of noncompliance with any of them, explain the recommendations, rules, practices or criteria that the company applies.**

- 1. The bylaws of listed companies shall not limit the number of votes cast by a single shareholder nor contain other restrictions that preclude taking control of a company by acquiring its shares on the market.**

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies  Explain

- 2. When both the parent company and a subsidiary are listed companies, both shall publicly and accurately define:**

- a) Their respective areas of activity and the business dealings between them, as well the listed subsidiary's business dealings with the other group companies;**
- b) The mechanisms in place to resolve possible conflicts of interest that may arise.**

See sections: C.4 and C.7

Complies  Partially complies  Explain  Not applicable

1. At December 31, 2007 Sogecable, S.A. did not belong to the group pursuant to Article 42 of the Commercial Code, although it is consolidated in the PRISA accounts using the full consolidation method.

2. Once the takeover bid has been concluded, Prisa intends to propose to Sogecable the execution of a framework agreement to define Sogecable's scope of action, regulate the mechanisms needed to prevent and to respond to possible conflicts of interest that may arise, as well as related-party transactions, and to set forth commitments with respect to Sogecable's provision of information to Prisa, as well as the handling of such information. More specifically, it is Prisa's intention to progressively center Prisa Group audiovisual activities in Sogecable.

3. Likewise, in its Annual Report on Corporate Governance Sogecable, S.A. describes its related-party transactions with Prisa. In addition, the Board of Directors Regulation of Sogecable, S.A. sets for rules for resolving possible conflicts of interest with significant shareholders.

- 3. Although not expressly required under company law, operations that result in a modification of company structure shall be submitted for approval at the annual shareholders meeting, especially the following:**

- a) conversion of listed companies into holding companies through “subsidiarization” or reallocating to dependent companies core activities previously carried out by the originating company, even when the latter retains full control of the former;
- b) acquisition or disposal of key operating assets that would effectively alter the company’s corporate purpose;
- c) operations that effectively result in the company’s liquidation.

Complies  Partially complies  Explain X

None of the above has ever been considered: Case (a) has not been considered, since the only subsidiarization of dependent companies was carried out before the Company went public; as for case (b), Prisa has not carried out activities not envisioned in its corporate purpose, and as for case (c), no operations whose effect would be equivalent to the liquidation of the company have ever been undertaken.

**4. Detailed explanation of the resolutions to be adopted at the Annual Shareholders Meeting, including the information referred to in Recommendation 28 shall be made public when the Notice of Meeting is issued.**

Complies X Explain

**5. Separate votes shall be taken at annual shareholders meeting on matters that are materially different, so that shareholders may express their voting preferences separately. This rule is applied specifically to:**

- a) Appointment and ratification of directors, which shall be voted on individually;
- b) With reference to amendments of the bylaws, votes shall be taken on each article or articles that are substantially independent.

See section: E.8

Complies X Partially complies  Explain

**6. Companies shall allow split votes so that financial intermediaries who are the shareholders of record acting on behalf of different clients may cast their votes according to their clients’ instructions.**

See section: E.4

Complies X Explain

7. **The Board of Directors shall perform its duties with unity of purpose and independent criteria, afford all shareholders equal treatment, and be guided by the best interests of the company, which may be defined as constantly seeking to maximize the company's value over time.**

**The Board shall ensure that in its relationships with stakeholders, the company abides by all laws and regulations, fulfills its obligations and contracts in good faith, respects the customs and good practices of the sectors and territories in which it does business, and observes any additional principles of social responsibility that it has voluntarily accepted.**

Complies  Partially complies  Explain

8. **The core components of the Board's mission shall be to approve the company's strategy and organize its implementation, as well as to supervise and ensure that management meets its objectives and pursues the company's interests and corporate purpose. In that regard, the Board in full shall approve:**

- a) **The company's general policies and strategies, and in particular:**
- i) **The strategic or business plan, management targets and annual budgets;**
  - ii) **Investment and financing policy;**
  - iii) **Design of the structure of the corporate group;**
  - iv) **Corporate governance policy;**
  - v) **Corporate social responsibility policy;**
  - vi) **Remuneration and evaluation of the performance of senior management;**
  - vii) **Risk control and management policy, as well as periodic monitoring of internal information and control systems.**
  - viii) **Policy on dividends and treasury shares, and the limits applied thereto.**

See sections: B.1.10, B.1.13, B.1.14 and D.3

- b) **The following decisions:**
- i) **At the proposal of the company's chief executive, the appointment and removal of senior managers, as well as their compensation clauses.**

See section: B.1.14.

- ii) **Remuneration of directors, as well as in the case of executive directors, additional compensation for their executive duties and other conditions that must be respected in their contracts.**

See section: B.1.14.

- iii) **Financial information that listed companies must periodically disclose.**
  - iv) **Investments or operations of any nature, which due to the amount involved or their characteristics are considered as strategic, unless they require the approval of the shareholders at the annual meeting;**
  - v) **The incorporation or acquisition of interest in special-purpose entities or those domiciled in countries or territories considered tax havens, as well as any similar transactions or operations, which due to their complexity may impair the group's transparency.**
- c) **Operations that the company conducts with directors, significant shareholders, shareholders represented on the board, or with persons related thereto ("related-party transactions").**

**However, board authorization shall not be required for related-party transactions that simultaneously meet the following three conditions:**

- 1. Those governed by standard-form contracts applied equally to a large number of clients;**
- 2. Those made at prices or rates generally set by the supplier of the goods or services in question;**
- 3. Those whose value does not exceed 1% of the company's annual revenue.**

**It is recommended that the Board approve related-party transactions only after having received a favorable opinion from the Audit Committee or, if applicable, any other committee exercising that function; and that directors affected by the transactions should neither vote nor be present at the meetings in which the Board deliberates and votes thereon.**

**It is recommended that the Board not be allowed to delegate the powers attributed to it herein, with the exception of those mentioned in sections b) and c), which for reasons of urgency may be exercised by a delegated committee, and subsequently ratified by the board in full.**

See sections: C.1 and C.6

Complies  Partially complies  Explain

The company complies with all points with the exception of b) i), which is not deemed necessary.

- 9. In order to achieve effectiveness and full participation, it is recommended that the Board have no fewer than five and no more than fifteen members.**

See section: B.1.1

Complies  Explain

Although the company does not comply with this recommendation, the size of the board has progressively been reduced from 21 to 18 directors, which is its present number. It is not deemed that limiting the Board to 15 members would ensure its effective operations.

**10. External directors representing significant shareholdings and independent directors should constitute a broad majority of the Board, while the number of executive directors should be kept at a necessary minimum, taking into account the complexity of the corporate group and the percent of the executive directors' interests in the company's share capital.**

See sections: A.2, A.3, B.1.3 and B.1.14.

Complies  Partially complies  Explain

**11. If there is any external director who cannot be considered as either independent or representing a significant shareholding, the company shall explain that circumstance and his relationships either with the company, management, or its shareholders.**

See section: B.1.3

Complies  Explain  Not applicable

**12. Among external directors, the relationship between the number of directors representing significant shareholdings and independent directors shall reflect the proportion existing between share capital represented by directors representing significant shareholdings and the rest of the company's capital.**

**This criterion of strict proportionality may be relaxed so that the weight of significant shareholdings may be greater than the percentage of the total capital that they actually represent in the following cases:**

- 1. In large cap companies where few or no equity stakes meet the legal threshold to be considered significant shareholdings, but where there are shareholders with share packages having a high absolute value.**
- 2. In companies in which many shareholders are represented on the board, and who are not otherwise related.**

See sections: B.1.3, A.2 and A.3

Complies  Explain

**13. Independent directors should comprise at least one third of all board members.**

See section: B.1.3

Complies  Explain

The Board of Directors Regulation does not require a specific number of independent directors on the board. Article 8 provides as follows:

*“In exercising its right to fill vacancies and to propose appointments at Annual Shareholders Meetings concerning the composition of the Board, the Board of Directors shall ensure a majority of external or non-executive directors with respect to executive directors.”*

*..... As vacancies arise, the Board shall ensure that the majority group of external directors includes both those proposed by owners of significant stable shareholdings (owner-directors) and professionals of recognized prestige who have no links to the executive team or significant shareholders that would compromise their independence (independent directors).*

*For the purposes of the foregoing paragraph, the Board shall take into account the ownership of the Company, the importance in absolute and comparative terms of the significant shareholders' stakes, as well as the degree of permanence and the strategic association of the owners of those significant shareholdings with the Company.....”*

At present there are five independent directors on the Board, a number that is deemed reasonable and which, in any case, complies with the provisions of the Board of Directors Regulation in that regard.

- 14. The Board shall explain the nature of each director to the shareholders at the Annual Shareholders Meeting that is to ratify his/her appointment, and confirm or, if applicable, review that status annually in the Annual Report on Corporate Governance, after having verified it with the Appointments Committee. That report should likewise explain the reasons for appointing directors representing significant shareholdings at the request of shareholders holding less than 5% of capital stock; and explain the reasons, if applicable, for having denied formal requests for representation on the board from shareholders whose stake is equal to or higher than the stake of others whose requests to appoint directors representing significant shareholdings were granted.**

See sections: B.1.3 and B.1.4

Complies  Partially complies  Explain

The Board explains the nature of each director at the Shareholders Meeting at which his appointment is to be made or ratified, and confirms this status in the Annual Report on Corporate Governance, after having been verified by the Corporate Governance, Appointments and Remuneration Committee, but directors have not been appointed at the request of shareholders whose stake is less than 5% of capital stock nor have formal requests for presence on the Board been granted shareholders having a stake equal or higher than others at whose requests a director representing a significant shareholding was appointed.

- 15. When there are few or no female directors on the Board, explain the reasons and the measures adopted to correct that situation, and, specifically, those that the Appointments Committee takes when filling new vacancies to ensure that:**

- a) **Selection procedures are not implicitly biased against the selection of female directors; and**
- b) **The company deliberately seeks and includes among potential candidates women who meet the required profile.**

See sections: B.1.2, B.1.27 and B.2.3.

Complies  Partially complies  Explain X Not applicable

The vacancies occurring on the Board of Directors during 2007 were filled by two women. The selection procedures used are not implicitly biased to prevent the appointment of female directors.

- 16. The Chairman, as the person responsible for the efficient operations of the Board, shall ensure that all directors receive in advance sufficient information, stimulate debate and the active participation of board members at board meetings, ensure that they can freely take sides and express their opinions, and organize and coordinate with the chairmen of the relevant committees periodic evaluations of the board, as well as, when applicable, the chief executive officer.**

See section: B.1 42

Complies  Partially complies X Explain

There is compliance with the first part of this recommendation, that is, the Chairman ensures that directors receive sufficient information prior to board meetings, and stimulates debate and active participation on the part of the directors, ensuring that they can freely express their positions and opinions.

With respect to the last part of this recommendation, it is considered sufficient in accordance with Article 5 of the Board of Directors Regulation that the board carry out a periodic evaluation of its operations and composition, after having received the opinion of the Corporate Governance, Appointments and Remuneration Committee (Article 25 of the Board of Directors Regulation). The evaluation considers the board's functions as a whole, and not each individual member or the chairman or chief executive officer in particular.

- 17. When the Chairman of the Board is also the company's Chief Executive Officer, one of the independent directors should be empowered to request that a meeting of the board be called or that new items be included on the agenda, to coordinate and reflect the concerns of external directors and to direct the board's evaluation of the Chairman.**

See section: B.1.21

Complies  Partially complies  Explain X Not applicable

In addition to the Chairman, who may call a meeting of the Board of Directors as often as he deems warranted to ensure the proper functioning of the company, it is considered appropriate that two or more directors (whether independent or not) or the Chief Executive Officer may request that a meeting of the board be called (Article 22 of the Company Bylaws and Article 15 of the Board of Directors Regulation).



It is considered sufficient in accordance with Article 5 of the Board of Directors Regulation that the board carry out a periodic evaluation of its operations and composition, after having received the opinion of the Corporate Governance, Appointments and Remuneration Committee (Article 25 of the Board of Directors Regulation). The evaluation considers the board's functions as a whole, and not each individual member or the chairman or chief executive officer in particular.

**18. The Secretary to the Board shall take special steps to ensure that the Board's actions:**

- a) **Adhere to the spirit and letter of the laws and their implementing regulations, including those issued by regulatory bodies;**
- b) **Conform to the provisions of the Company Bylaws, Shareholders Meeting Regulation, Board of Directors Regulation and other company regulations;**
- c) **Take into account the corporate governance recommendations contained in the Unified Code that the company has accepted.**

**And to ensure the Secretary's independence, impartiality and professionalism, his/her appointment and removal shall be submitted to the Appointments Committee for its opinion and approved at a meeting of the full board; and this procedure for appointment and removal should be set forth in the Board of Directors Regulation.**

See section: B.1.34

Complies  Partially complies X Explain

The opinion of the Corporate Governance, Appointments and Remuneration Committee is not required with respect to the removal of the Secretary.

**19. The Board shall meet with the frequency required to enable it to efficiently perform its functions, following a schedule of dates and matters to be determined at the beginning of the year, and each director shall be allowed to propose additional items on the agenda not initially included.**

See section: B.1.29

Complies X Partially complies  Explain

**20. Directors' absences from board meetings shall be kept to a minimum and shall be quantified in the Annual Report on Corporate Governance. Directors who have no choice but to appoint a proxy shall issue proxy voting instructions.**

See sections: B.1.28 and B.1.30

Complies  Partially complies X Explain

Proxies may be appointed without instructions.

**21. When directors or the Secretary express concerns about a given proposal, or in the case of directors, about the performance of the company, and these concerns are not addressed by the Board, the person expressing those concerns may request that they be recorded in the minutes.**

Complies  Partially complies  Explain  Not applicable X

**22. The Board shall evaluate annually:**

- a) **The quality and efficiency of the Board's operations;**
- b) **The performance of the Chairman of the Board and the Chief Executive Officer, based on the Appointments Committee report;**
- c) **The performance of the board committees, based on the reports they submit.**

See section: B.1.19

Complies  Partially complies X Explain

As indicated previously, an evaluation is made of the board's performance as a whole, and not of each individual member or the chairman or chief executive officer in particular.

**23. All directors shall be able to exercise their right to receive the additional information they deem warranted concerning matters of the Board's competence. Unless otherwise stipulated in the Bylaws or the Board of Directors Regulation, they should make such requests to the Chairman or Board Secretary.**

See section: B.1.42

Complies X Explain

**24. All directors shall have the right to obtain from the company the guidance they require in the performance of their duties. The company shall establish suitable channels for the exercise of this right, which in special circumstances may include outside assistance provided at the company's expense.**

See section: B.1.41

Complies X Explain

**25. Companies shall set up an orientation program to promptly provide new directors with sufficient knowledge of the company and its rules of corporate**

**governance, while likewise offering directors ongoing training programs when circumstances so warrant.**

Complies  Partially complies  Explain

In practice this information is provided without a formal program.

**26. Companies shall demand that directors devote the time and effort necessary to efficiently perform their duties, and in that regard:**

- a) Require directors to inform the Appointments Committee of other professional obligations they have, in the event that they might interfere with the dedication their directorships require;**
- b) Establish limits as to the number of boards of directors on which their directors may sit.**

See sections: B.1.8, B.1.9 and B.1.17

Complies  Partially complies  Explain

Article 30 of the Board of Directors Regulation sets forth the general obligations of directors and Article 31 the rules concerning conflicts of interest of which the company must be notified through the Corporate Governance, Appointments and Remuneration Committee. However the number of boards on which directors may sit is not limited.

**27. The proposed appointment or reelection of directors that the Board submits at the Annual Shareholders Meeting, as well as their provisional appointment by cooptation, shall be approved by the Board:**

- a) At the proposal of the Appointments Committee in the case of independent directors.**
- b) After receiving the prior opinion of the Appointments Committee in the case of all other directors.**

See section: B.1.2

Complies  Partially complies  Explain

**28. Companies shall provide on their websites and maintain updated the following information concerning their directors:**

- a) Professional profile and biography;**
- b) Other boards of directors on which they sit, whether listed companies or otherwise;**

- c) **Indication of the type of director, and in the case of directors representing significant shareholdings, the identity of the shareholders whom they represent or with whom they maintain business relations.**
- d) **Dates of first and subsequent appointments as director, and;**
- e) **Shares in the company or stock options that the director holds.**

Complies  Partially complies  Explain

**29. Independent directors shall not remain as such for a continuous period exceeding twelve years.**

See section: **B.1.2**

Complies  Explain

It has not been considered necessary to establish a limit, since it is not clear why after twelve years a director would lose his independence.

**30. Directors representing significant shareholdings shall resign when the shareholders they represent sell all of their interests in the company. They shall also do so when the shareholders in question reduce their shareholdings to the extent that would require a reduction in the number of directors representing those shareholders.**

See sections: **A.2, A.3 and B.1.2**

Complies  Partially complies  Explain

**31. The Board of Directors shall not propose the removal of any independent director before he concludes the term in office mandated in the bylaws for which he was appointed, unless after receiving the opinion of the Appointments Committee, the Board deems that there is just cause to do so. In particular, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post or incurs in any of the circumstances described in paragraph 5 of Section III of the definitions contained in the Code.**

**The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation resulting in changes in the company's capital structure warrant changes in the Board based on the proportionality criterion set forth in Recommendation 12.**

See sections: **B.1.2, B.1.5 and B.1.26**

Complies  Explain

- 32. Companies shall establish rules that oblige directors to inform and, if warranted, to resign in situations that may impair the credit and reputation of the company, and specifically, rules that oblige them to inform the Board of any criminal process in which they are indicted, as well as the progress of any subsequent proceedings.**

**If a director is indicted or legal proceedings are commenced against him for any of the offenses set forth in Article 124 of the Corporations Law, the Board shall examine his case as soon as possible and, in view of the specific circumstances, decide whether the director should continue in his post. The Board shall provide details of the foregoing in the Annual Corporate Governance Report.**

See sections: B.1.43, B.1.44

Complies  Partially complies  Explain

Article 21.2.b) of the Board of Directors Regulation provides that directors shall offer their resignations to the Board of Directors and, if the Board deems it warranted, effectively resign *“when based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a fast-track criminal proceeding.”*

- 33. All directors shall clearly express their opposition when they consider any proposed decision submitted to the Board to be contrary to the company’s interests. Independent directors and others not affected by a conflict of interest shall do likewise when the decision in question could prejudice shareholders not represented on the Board.**

**When the Board adopts significant or reiterated decisions about which a director has expressed serious reservations, he shall draw the pertinent conclusions and, if he chooses to resign, explain his motives in the letter referred to in the following recommendation.**

**This Recommendation shall also apply to the Secretary to the Board, whether a board member or not.**

Complies  Partially complies  Explain  Not applicable

- 34. Any director who resigns or otherwise leaves his post before the end of his tenure shall explain his motives in a letter addressed to all of the members of the Board. Regardless of whether the resignation is disclosed as relevant information, the reasons therefore shall be set forth in the Annual Corporate Governance Report.**

See section: B.1.5

Complies  Partially complies  Explain  Not applicable

**35. The remuneration policy approved by the Board shall as a minimum include the following points:**

- a) Amount of fixed sums, detailing, if applicable, allowances for participating on the Board and its committees, and an estimate of the resulting annual fixed remuneration;
- b) Variable remuneration, including in particular:
  - i) The type of directorships to which it applies, as well as an explanation of the relative weight of variable remuneration vis-à-vis fixed remuneration.
  - ii) Criteria for evaluating performance on which the right to perceive remuneration in shares, stock options or other variable compensation is based;
  - iii) Parameters and justification for any annual bonus system or other non-cash benefits; and
  - iv) An estimate of the total amount of variable remuneration in the proposed remuneration plan, based on performance or fulfillment of the objectives taken as a reference.
- c) Principal characteristics of any benefits systems (such as supplementary pensions, life insurance and similar arrangements) with an estimate of their equivalent annual cost.
- d) Conditions that must be respected in the contracts of those exercising senior management duties such as executive directors, among which should be included:
  - i) the duration;
  - ii) terms for notices of termination; and
  - iii) any other clauses covering hiring bonuses, as well as compensation or golden parachutes in the event of early termination of the executive director's contractual relationship with the company.

See section: B.1.15

Complies  Partially complies  Explain

**36. Any remuneration that includes stock in the company or group companies, stock options or instruments pegged to stock prices, variable retribution linked to company performance or benefit plans shall be limited to executive directors.**

**This recommendation shall not include delivery of stock when it is contingent upon the directors' holding the stock until the end of their tenure as director.**

See sections: A.3 , B.1.3

Complies  Explain

**37. Remuneration of external directors shall be sufficient to compensate them for their commitment, qualifications and the responsibility that the post entails, but not so high as to compromise their independence.**

Complies  Explain

**38. Remuneration linked to company performance shall take into account any possible qualifications stated in the external auditor's Audit Report that may reduce those results.**

Complies  Explain  Not applicable

This hypothesis has not been considered.

**39. In the case of variable remuneration, remuneration policies shall include precise technical safeguards to ensure that that remuneration actually reflects the professional performance of the beneficiaries and is not simply derived from the general evolution of the markets or the company's sector of activities or other similar circumstances.**

Complies  Explain  Not applicable

**40. As a separate item on the agenda, the Board shall submit to a non-binding vote at the Annual Shareholders Meeting a report on the remuneration policy for directors. That report shall be made available to shareholders, either separately or in any other form the company considers appropriate.**

**The report shall focus specifically on the remuneration policy approved by the Board for the current year as well as, if applicable, the policy for future years. It shall include all matters addressed in Recommendation 35, except those which would require the disclosure of sensitive commercial information. It shall underscore the most significant changes in the policies applied during the past year for which a shareholders meeting was held, and shall likewise include an overall summary of how the remuneration policy was applied over the last year.**

**The Board shall also review the role played by the Remuneration Committee in the preparation of the remuneration policy and, if external advice was sought, disclose the identity of the consultants who provided that advice.**

See section: B.1.16

Complies  Partially complies  Explain

The Board of Directors submits its annual remuneration policy for the Board of Directors and management team to the shareholders for their approval at the Annual Shareholders Meeting, as an integral part of the Management Report submitted with the annual accounts (and not as a separate non-binding item on the agenda), which is one of the solutions suggested in the Recommendation of the European Commission of December 14, 2004 concerning promoting an adequate remuneration system for directors of listed companies.

**41. The Annual Report shall itemize the individual remuneration of the director for the year and include:**

- a) An individualized breakdown of each director's remuneration, including, if applicable:**
- i) Allowances for attending meetings or other fixed remuneration as director;**
  - ii) Additional remuneration for chairing or serving as a member of a board committee;**
  - iii) Any remuneration that includes a share in profits or bonuses, and the reasons why it was awarded;**
  - iv) Contributions on behalf of the director to defined-contribution pension plans; or any increase in the director's vested rights with respect to defined-benefit schemes;**
  - v) Any compensation agreed or paid in the event of termination of his duties;**
  - vi) Remuneration perceived as director from other group companies;**
  - vii) Remuneration of executive directors who perform senior management duties;**
  - viii) Any other remuneration in addition to the above, whatever its nature or the group company from which it originates, especially when it may be considered a related-party transaction or when its omission would distort the fair view of the total remuneration received by the director.**
- b) An individualized breakdown of any stock, stock option or any other instrument pegged to share prices granted directors, including:**
- i) The number of shares or options granted during the year, and the conditions for exercising them;**



- ii) **The number of options exercised during the year, indicating the number of shares affected and the exercise price;**
  - iii) **The number of shares pending exercise at the end of the year, indicating the price, date and other requirements for exercising them;**
  - iv) **Any change during the year in the conditions for exercising options already granted.**
- c) **Information concerning the relationship during the past year between the remuneration obtained by executive directors and profits, or other means for measuring the company's performance.**

Complies  Partially complies  Explain

The Company complies with the provisions of Article 200 of the Corporations Law that provides that the Annual Report must state the amount of remuneration paid directors "globally and by type of remuneration." No legal provision provides for reporting the director's remuneration individually, and the Company does not deem it appropriate to do so.

- 42. When there is a Delegated or Executive Committee (hereinafter, the "Delegated Committee"), its structure and composition with respect to the different categories of directors shall be similar to the Board's, and its secretary shall be the Secretary to the Board.**

See sections: B.2.1 and B.2.6

Complies  Partially complies  Explain  Not applicable

- 43. The Board shall always be informed of the matters discussed and decisions adopted by the Delegated Committee and all board members shall receive a copy of the minutes of the meeting of the Delegated Committee.**

Complies  Explain  Not applicable

- 44. In addition to the Audit Committee provided for in the Securities Market Law, the Board of Directors shall form one or two separate committees for appointments and remuneration.**

**The rules governing the composition and operations of the Audit Committee or the Appointments and Remuneration Committee (or committees) shall be included in the Board of Directors Regulation and stipulate the following:**

- a) **The Board shall designate the members of those committees, taking into account the knowledge, skills and experience of the directors and members of each committee; shall deliberate on their proposals and opinions; and the committees shall report on their activities and work at the first full board session following their meetings;**

- b) **These committees shall be composed exclusively of a minimum of three external directors. The foregoing is without prejudice to the fact that executive directors or senior managers may attend committee meetings when expressly agreed by the committee members.**
- c) **The committees shall be chaired by independent directors.**
- d) **Committees may seek external advice when it is deemed necessary for the performance of their duties.**
- e) **Minutes shall be taken of committee meetings, and copies thereof shall be sent to all board members.**

See sections: B.2.1 y B.2.3

Complies  Partially complies  Explain

The only aspect of this recommendation with which the company is not in compliance is providing board members with copies of the minutes of committee meetings. However, their respective chairpersons report to the Board all matters discussed at the meetings and, when applicable, present proposed resolutions for the Board's approval.

- 45. Supervision of compliance with internal codes of conduct and rules of corporate governance shall be vested in the Audit Committee, or if there is a separate committee, in the Corporate Governance Committee.**

Complies  Explain

- 46. The members of the Audit Committee and especially its chairman shall be appointed taking into account their knowledge and experience in the area of accounting, audits and risk management.**

Complies  Explain

- 47. Listed companies shall have an internal audit department which, under the supervision of the Audit Committee shall ensure the proper functioning of internal information and control systems.**

Complies  Explain

- 48. The person in charge of the internal audit shall present to the Audit Committee his/her annual work plan; inform the committee directly of any incidents that may arise when conducting the audit; and shall submit a report of its activities at the end of each financial year.**

Complies  Partially complies  Explain

- 49. The risk management and control policy shall identify at least the following:**

- a) **Different types of risks (operational, technological, financial, legal, reputational ...) which the company may encounter, including among the financial or economic risks contingent liabilities and off-balance sheet risks;**
- b) **Establishing the level of risk that the company deems acceptable;**
- c) **Measures to mitigate the impact of identified risks, in the event they materialize;**
- d) **Information and internal control systems to be used to control and manage those risks, including contingent liabilities and off-balance sheet risks.**

See section: D

Complies  Partially complies  Explain

## **50. The Audit Committee shall:**

### **1 With respect to information and internal control systems:**

- a) **Supervise the preparation and integrity of the company's, and if applicable, the group's financial information, monitoring compliance with regulatory requirements, the appropriate composition of the consolidation perimeter and the correct application of accounting rules**
- b) **Periodically review internal control and risk management systems, so that the main risks are adequately identified, managed and reported.**
- c) **Ensure the independence and accuracy of the operations of the internal audit department; propose the selection, appointment, reelection and removal of the head of the internal audit department; receive periodic information concerning audit activities; and verify that senior managers take into account the conclusions and recommendations contained its reports.**
- d) **Set up and supervise a mechanism whereby employees may confidentially and, if deemed appropriate, anonymously notify the company of any potentially relevant irregularities within the company of which they may be aware, particularly financial or accounting irregularities.**

### **2 With regard to the external auditor:**

- a) **Submit to the Board of Directors proposals for the selection, appointment, reelection and substitution of the external auditor, as well as the conditions of the auditor's contract.**
- b) **Receive regularly from the external auditor information concerning the audit plan and the results of its application, and verify that senior managers take its recommendations into account.**
- c) **Ensure the independence of the external auditor, and in that regard ensure that:**

- i) **The company discloses to the National Securities Market Commission as an announcement of relevant information any change of auditor and attaches a declaration with respect to any discrepancies with the former auditor, if applicable, and the nature of those discrepancies.**
- ii) **Measures are be taken to ensure that the company and the auditor abide by regulations concerning the provision of services other than auditing services, limits on the concentration of the auditor's business and, in general, all other rules designed to ensure the auditor's independence;**
- iii) **In the event of the resignation of the external auditor, the circumstances motivating that resignation shall be examined.**
- d) **In the case of groups, encourage the group's auditor to assume responsibility for auditing group companies.**

See sections: B.1.35, B.2.2, B.2.3 y D.3

Complies  Partially complies X Explain

The company does not deem it necessary to set up and regulate a mechanism whereby employees may anonymously report to the Audit Committee irregularities detected within the company. Without the need to formally implement such a procedure, any employee can notify the Audit Committee or any other management or supervisory department in the company of concerns of any nature that he deems warranted.

**51. The Audit Committee shall be able to meet with any employee or manager of the company, and may even require that they appear without the presence of another manager.**

Complies X Explain

**52. The Audit Committee shall issue an opinion to the Board before the Board adopts any decisions concerning the following matters listed in Recommendation 8:**

- a) **Financial information that a listed company must disclose periodically. The committee shall ensure that the interim accounts are prepared using the same accounting criteria as the annual accounts and, to that end, consider a limited review by the external auditor.**
- b) **The creation or acquisition of interests in special-purpose entities or those domiciled in countries or territories considered tax havens, as well as any other similar transactions or operations, which due to their complexity may impair the group's transparency.**
- c) **Related-party transactions, unless the function of issuing an advisory opinion has been attributed to another supervision and control committee.**

See sections: B.2.2 and B.2.3

Complies  Partially complies  Explain

**53. The Board of Directors shall endeavor to present the accounts at the Shareholders Meeting without reservations or qualifications in the audit report and, in exceptional circumstances where they exist, both the Chairman of the Audit Committee and the auditors shall clearly explain to the shareholders the content and scope of those reservations or qualifications.**

See section: B.1.38

Complies  Partially complies  Explain

**54. The majority of the members of the Appointments Committee (or the Appointments and Remuneration Committee, if they form a single committee) shall be independent directors.**

See section: B.2.1

Complies  Explain  Not applicable

Two members of the Corporate Governance, Appointments and Remuneration Committee are independent directors (its chairman, Mr. Gregorio Marañón y Bertrán de Lis and a member, Mr. José Buenaventura Terceiro Lomba), and the other two (Mr. Diego Hidalgo Schnur and Mr. Adolfo Valero Cascante) represent significant shareholdings, since the presence of such representatives is deemed essential on this committee.

**55. In addition to the functions indicated in the preceding Recommendations, the Appointments Committee shall perform the following:**

- a) Evaluate the skills, knowledge and experience needed on the Board, and in consequence define the functions and aptitudes required of the candidates to fill each vacancy, and evaluate the time and devotion required to enable them to properly perform their duties.
- b) Examine and organize in the manner deemed appropriate the succession to the Chairman and Chief Executive and, if warranted, make proposals to the Board, so that succession may take place in a ordered and well-planned manner.
- c) Issue opinions concerning the appointments and removal of senior managers that the Chief Executive proposes to the Board.
- d) Issue opinions to the Board concerning matters of gender diversity set forth in Recommendation 14 of the Code.

See section: B.2.3

Complies  Partially complies  Explain  Not applicable

The Corporate Governance, Appointments and Remuneration Committee does not have the powers set forth in point c) of this recommendation.

**56. The Appointments Committee shall consult the Chairman and the Chief Executive, especially with regard to matters concerning executive directors.**

**Any director may ask the Appointments Committee to consider potential candidates to cover vacant directorships considered to meet the required profile.**

Complies  Partially complies  Explain  Not applicable

**57. In addition to the functions indicated in the preceding Recommendations, the Remuneration Committee shall have the following duties:**

**a) To propose to the Board of Directors:**

- i) The remuneration policy for directors and senior management;**
- ii) The individual remuneration of executive directors and the other conditions of their contracts.**
- iii) The standard conditions of the contracts of senior managers.**

**b) To ensure that the company's remuneration policy is observed.**

See sections: B.1.14, B.2.3

Complies  Partially complies  Explain  Not applicable

**58. The Remuneration Committee shall consult with the Chairman and Chief Executive, especially with regard to matters concerning directors and senior managers.**

Complies  Explain  Not applicable

**G. OTHER INFORMATION OF INTEREST**

**If you believe there are relevant principles or aspects concerning the corporate governance practices applied by your company that have not been presented in this report, please identify and explain their content below.**

**In this section you may include any other information, clarification or detail with respect to the previous Sections of this report.**

**Specifically, indicate whether the company is subject to another law other than Spanish law with respect to corporate governance and, if so, include the mandatory information that differs with the information required herein.**

-With regard to **Section A.1** of this report it should be underscored that:

i) From June, 2000 to April, 2007 the Company's share capital was 21,881,250 euros, divided into 218,812,500 ordinary shares. The Board of Directors of PRISA held on March 2007, by virtue of the powers conferred on the Board at the Annual Shareholders Meeting of March 23, 2006 concerning the capital increase to be implemented by issuing redeemable shares to cover the stock option plan for Grupo PRISA executive directors and managers, as approved at the Annual Shareholders' Meeting of April 15, 2004, resolved to implement a capital increase of 158,050 € by issuing 1,580,500 shares at a face value of 0.1€ per share, redeemable. Banco Santander Central Hispano, S.A. partially subscribed this capital increase (having subscribed 1,543,000 redeemable shares of the 1,580,500 shares issued).

On April 19, 2007 the Board of Directors declared the capital increase concluded, the share capital then being fixed at 22,035,550 euros, divided into 218,812,500 ordinary Class A shares each having a face value of 0,10 euros, and 1,543,000 redeemable Class B shares each having a face value of 0,10 euro.

ii) The redeemable shares shall be redeemable in accordance with the provisions of Articles 92 bis and 92 ter of the Consolidated Corporations Law, either at the request of the holders of the redeemable shares or at the request of the Company, in either case in the conditions set forth hereunder.

Redemption rights may be exercised by written notice to the Company made by the holders of redeemable shares, within the following term: within the month following January 31, 2008, which is the expiration date of the term for exercising options for which coverage the issue was effected. In the same terms and conditions and within the necessary legal requisites, redeemable shares may also be redeemed by the Company. Upon expiration of the aforementioned term, shares for which redemption rights have not been exercised shall be converted into ordinary Class A shares, with their subsequent elimination from Class B.

Likewise by means of written notice to the Company, the holders of redeemable shares may at any time waive their redemption rights, in which case the shares in question shall be converted into ordinary Class A shares.

The redemption price shall be the same as the issue price, that is, 13.40 euros, and shall be paid by the Company within the month following receipt of the notice of the intention to exercise the redemption rights, unless the mode of redemption requires a resolution of the shareholders at an ordinary shareholders meeting, in which case it shall be paid within two months following the first ordinary meeting held after the aforementioned date.

-With regard to **Section A.3** of this report it should be underscored that:

i) the total share capital held by members of the Board of Directors is 0.631% if calculated with regard to the total number of shares held by the Company's directors.

ii) the indirect option rights declared by Mr. Ignacio Polanco Moreno refer to option rights ("forward purchase") in shares in Promotora de Informaciones, S.A. acquired by Promotora de Publicaciones, S.L. (Propu) and concerning which Mr. D. Ignacio Polanco gave notice based on the "closely related" criterion, since he is president of both companies, and in compliance with Article 9 of Royal Decree 1333/2005 of November 11, implementing Law 24/1988 of July 28 on the Securities Market, in matters of market abuse.

-With regard to **Section A.5** of this report, it should be underscored that as per December 18, 2007 Rucandio, S.A.'s indirect participation in Sogecable, S.A. through Prisa is 47.086%, without taking into account the resolution adopted by Sogecable, S.A.'s Board of Directors on December 18, 2007 to redeem and retire 102,000 redeemable Series B-2007 shares and to convert into ordinary shares the remaining 284,500 redeemable Series B-2007 shares.

It should likewise be underscored that at December 31, 2007 Sogecable, S.A. was not a part of the Group for the effects of Article 42 of the Commercial Code, although its figures are consolidated in the PRISA accounts using the full consolidation method.

-With regard to **Section A.6** of this report it should be underscored that:

Shareholder Agreement in Rucandio, S.A.

- i) the percent of share capital involved is the share capital of Rucandio, S.A., a company that indirectly holds 63.914% of the stock in Promotora de Informaciones, S.A.
- ii) On December 23, 2003 in a private document Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno, Mr. Manuel Polanco Moreno, Ms. M<sup>a</sup> Jesús Polanco Moreno and their now deceased father Mr. Jesús de Polanco Gutiérrez and mother Ms. Isabel Moreno Puncel signed a Family Protocol, to which a Shareholder Syndicate Agreement was annexed concerning shares in Rucandio, S.A. and whose object is to preclude the entry of third parties outside of the Polanco Family in Rucandio, S.A. in the following terms: (i) the syndicated shareholders and directors must meet prior to any shareholder or board meeting to determine how they will vote their syndicated shares, and are obliged to vote together at shareholder meetings in the manner determined by the syndicated shareholders; (ii) if an express agreement is not achieved among the syndicated shareholders with respect to any of the proposals made at a shareholder meeting, it will be understood that sufficient agreement does not exist to bind the syndicate and, in consequence, each syndicated shareholder may freely cast his vote; (iii) members of the syndicate are obliged to attend syndicate meetings personally or to grant proxy to a person determined by the syndicate, unless the syndicate expressly agrees otherwise, and to vote in accordance with the instructions determined by the syndicate, as well as to refrain from exercising any rights individually unless they have been previously discussed and agreed at a meeting of the syndicate.; (iv) members of the syndicate are precluded from transferring or otherwise disposing of shares in Rucandio, S.A until 10 years following the death of Mr. Jesús de Polanco Gutiérrez, requiring in any case the consensus of all shareholders for any type of transfer to a third party. An exception to the aforementioned term can be made upon the unanimous agreement of the shareholders. This limitation likewise applied specifically to the shares that Rucandio, S.A. holds directly or indirectly in Promotora de Informaciones, S.A.

Shareholder Agreement in Promotora de Publicaciones, S.L.:

- i) the percentage of share capital affected is the percentage held by Promotora de Publicaciones, S.L., a company which holds 44.535% of the stock in Promotora de Informaciones, S.A.
- ii) the shareholders agreement was signed on May 21, 1992 and in a notarial document certified by Madrid Notary Public Mr. Jose Aristonico Sanchez, Timon S.A. and a group of shareholders of Promotora de Informaciones, S.A. entered into an agreement to govern the contribution of their shares in that company to Promotora de Publicaciones, S.L. (hereinafter, “Propu”) and their participation therein. Basically, the undertakings set forth in that agreement are as follows: a) each majority shareholder shall have at least one representative on the Board of Directors of Prisa and, to the extent possible, the governing body of Propu shall have the same composition as Prisa’s; b) Propu shares to be voted at Prisa’s General Shareholders Meetings will be previously determined by the majority members. Propu members who are likewise members of Prisa’s Board of Directors shall vote in the same manner, following instructions from the majority shareholders; c) in the event that Timon, S.A. sells its holdings in Propu, the remaining majority shareholders shall have the right to sell their holdings in Propu on the same terms to the same buyer, to the extent that the foregoing is possible.

-With regard to **Section A.8** of this report it should be underscored that:

- i) in December, 2003, through its wholly-owned subsidiary Prisa Finance Netherlands, B.V., Prisa launched an issue of “bonds exchangeable for ordinary shares in Prisa,” guaranteed by Prisa and having a face value of 162,300,000 Euros. Prisa will cover the exchangeable bonds with its treasury shares. Notwithstanding the foregoing, at December 31, 2007 Prisa had loaned to Morgan Stanley (one of the managing entities of the operation) as loan, 53,231 treasury shares, with a view to providing financial coverage to investors as may be required.
- ii) No operations involving sale of treasury stock were carried out in 2007

-With regard to **Section B.1.2** of this report it should be underscored that:

- i) The first appointment of Mr. Ignacio Polanco Moreno as Chairman of the Board of Directors was 23 July 2007 and the first appointment of Mr. Juan Luis Cebrian Echarri as Managing Director was 20 Oct 88.
- ii) the Chairman of the Board of Directors. Mr. Jesús Polanco Gutierrez, died on July 21, 2007.

- With regard to **Section B.1.3** of this report it should be underscored that:

- i) Executive directors may qualify as external directors representing significant shareholdings pursuant to the instructions for completing this report (National Securities Market Commission Circular 4/2007 of December 27 amending the Model Annual Corporate Governance Report for Listed Corporations, but are considered executives pursuant to Definition 3 (Executive Directors) of the Unified Code of Good Governance approved by the Commission on May 22, 2006 that states that “when a director performs senior management duties and at the same time represents a significant shareholder on the Board, he shall be considered as “executive” or “internal” for the exclusive effects of this Code.”



ii) that the Appointments and Remuneration Committee did not “propose” the appointment of the directors, but rather issued a “favorable opinion” concerning those appointments, pursuant to the provisions of the Board of Directors Regulation in force when the appointments were made.

- With regard to **Section B.1.6** of this report, it should be underscored that with regard to the most significant changes in the remuneration policy vs. the policy applied during 2007 and the summary of the application of the 2007 remuneration policy, the comparisons provided in this section do not include compensation for executive directors who perform executive duties in Sogecable, SA. and Grupo Media Capital S.G.P.S., S.A., which amount to a total of 1,726,000 euro (including salaries and bonuses), which are approved by the respective boards of directors of those companies.

- With regard to **section B.1.8.** of this report it should be underscored that:

i) company director Ms. Agnès Noguera Borel holds the following posts on the boards of directors of the following companies:

- Banco de Valencia, S.A.: representing the director Libertas 7, S.A
- Bodegas Riojanas, S.A.: representing the director Premier Mix, S.A.
- Adolfo Domínguez, S.A.: representing the director Luxury Liberty, S.A.
- Compañía Levantina de Edificación y Obras Públicas: representing the director Libertas 7, S.A.

ii) on the Board of Directors of Abengoa, S.A., the director of the Company Mr. José Buenaventura Terceiro Lomba, represents the Vice President Aplicaciones Digitales, S.L.

- With regard to **section B.1.10** of this report it should be underscored that in Article 5 of the Board of Directors Regulation, the Board is vested with the power to approve the general remuneration policy for directors and senior management, as well as to periodically evaluate the operations and composition of the Board of Directors, but not the performance of senior managers.

- With regard to **section B.1.12** of this report it should be underscored that senior managers are those who report directly to the chief executive (members of the Management Committee and Business Committee who are not executive directors) as well as the Internal Audit Manager of Promotora de Informaciones, S.A.

-With regard to **Section B.1.13** of this report it should be underscored that:

i) the beneficiaries are part of the group of executive directors and managers referred to previously in Section B.1.12.

ii) the body that has authorized ironclad or golden handshake clauses is the Corporate Governance, Appointments and Remunerations Committee.

iii) the ironclad or golden handshake clauses are assessed in the report on remuneration policy submitted for approval at the Shareholders Meeting as part of the Management Report.

- With regard to **Section B.1.15** of this report it should be underscored that as per December 31, 2007 there is no benefits system for members of the Board of Directors or senior managers.

- With regard to **Section B.1.16** of this report it should be underscored that the Board of Directors submits its annual remuneration policy for the Board of Directors and management team to the shareholders for their approval at the Annual Shareholders Meeting, as an integral part of the Management Report submitted with the annual accounts (and not as a separate non-binding item on the agenda), which is one of the solutions suggested in the Recommendation of the European Commission of December 14, 2004 concerning promoting an adequate remuneration system for directors of listed companies.

- With regard to **Section B.1.34** of this report it should be underscored that when in December, 2000 the Board of Directors appointed the present Secretary to the Board Mr. Miguel Satrustegui Gil-Delgado, the Board of Directors Regulation had not been approved nor was there at that time a Corporate Governance, Appointments and Remuneration Committee.

- With regard to **Section C.1** of this report it should be underscored that in accordance with the provisions of the Board of Directors Regulation, related-party transactions will be submitted to the Board of Directors for approval (and for reasons of urgency may be approved by the Executive Committee) under the following terms:

i) Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or any of its subsidiaries must be authorized by the Board of Directors, after it has considered the opinion of the Corporate Governance, Appointments and Remuneration Committee. Transactions carried out by persons related to directors and which do not exceed 60,000 euro must be authorized by the Corporate Governance, Appointments and Remuneration Committee. Authorization of the Board of Directors shall not be required for linked operations that fulfill the following conditions: a) Those involving compliance with standard contract conditions applied extensively to multiple customers; b) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question; c) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

ii) The Board of Directors formally reserves the right to oversee any Company transaction with a significant shareholder. Under no circumstances shall a transaction be authorized if an opinion of the Corporate Governance, Appointments and Remuneration Committee assessing the operation from the point of view of market conditions has not been issued. Nevertheless, authorization of the Board of Directors shall not be required for those transactions that fulfill all of the conditions mentioned in the preceding paragraph.

- With regard to **section C.2** of this report it should be underscored that the aggregate amount of dividends received by Timón, S.A. includes those received from Prisa by that company (6,469,591 €) and those received by the following companies in which Timón has holdings: i) Nomit Inversiones SICAV: 86,424 € iii) Nomit III Internacional SICAV: 174,957 € iv) Nomit IV Global SICAV: 188,886 € and v) Eure K Inversiones SICAV: 22,611 €

- With regard to **section C.3** of this report it should be underscored that compensation to Prisa directors and senior management is detailed in Sections B.1.11 and B.1.12 of this report. In other respects and as additional information, the following services were rendered during 2007 directly or indirectly by Prisa directors to Sogecable, S.A., although that company was not a part of Grupo Prisa at December 31, 2007:

i) Services provided to Sogecable, S.A. for 60,000 euro refers to legal counsel provided by Prisa director Mr. Gregorio Marañón y Bertrán de Lis by virtue of a contract entered into on April 13, 2004 and extended for a year in April, 2005, April, 2006 and April, 2007.

ii) Services provided to Sogecable, S.A. for 2,720,000 euro refers to legal counsel and defense provided by Cortés Abogados y Cía S.R.C in a series of proceedings (33) in several jurisdictions (administrative, civil, commercial and arbitral) and legal advice rendered in various matters.

- With regard to **section C.7** of this report it should be underscored that at December 31, 2007 Sogecable, S.A. was not a part of the Group for the effects of Article 42 of the Commercial Code, although its figures are consolidated using the full consolidation method in the PRISA accounts.

- With respect to the binding definition of an independent director, the answer states that none of the independent directors has or has had a relationship with the company, its significant shareholders or its management that contravenes the provisions of Section 5 of the Unified Code of Good Governance, since the consulting services provided directly or indirectly to Sogecable, S.A. by two Prisa directors (see the corresponding description in the observations provided under C.3-in Section G of this Report) does not prejudice the independence of those directors and, moreover, Sogecable, S.A. was not a Grupo Prisa company at December 31, 2007 (although its accounts are consolidated in the Prisa accounts using the full consolidation, following International Accounting Standards).

-Lastly, and generally applicable throughout the report, it should be underscored that, the Tax Identification Numbers attributed to the non-Spanish companies are fictitious and were provided as required in this computerized form.

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### **Binding definition of independent director:**

Indicate whether any of the independent directors maintains or has maintained any relationship with the company, its significant shareholders or its managers which, had it been sufficiently relevant or important, would have determined that the director could not

be considered independent as defined in section 5 of the Unified Code of Good Governance:

Yes  No

**Name of the director**      **Type of relationship**      **Explanation**

This Annual Report on Corporate Governance was approved by the Board of Directors of the Company at its meeting on February 7, 2007.

Indicate whether any directors voted against or abstained in the vote taken to approve this report.

Sí  No

| Name or company name of director who did not vote to approve this report | Reasons (voted against, abstained, did not attend) | Explanation |
|--|--|-------------|
|  |  |             |