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

Consolidated Financial Statements and Consolidated Directors' Report for 2010, together with Auditors' Report

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

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the consolidated financial statements of Promotora de Informaciones, S.A. ("the Company") and Subsidiaries ("the Group"), which comprise the consolidated balance sheet at December 31, 2010 and the related consolidated income statement, consolidated statement of recognized income and expense, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2 to the accompanying consolidated financial statements, the directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of Promotora de Informaciones, S.A. and Subsidiaries at December 31, 2010, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2010 contains the explanations which the directors of Promotora de Informaciones, S.A. consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Promotora de Informaciones, S.A. and Subsidiaries.

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

Fernando García Beato
March 14, 2011

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

Consolidated Financial Statements for 2010 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, together with Consolidated Directors' Report for 2010

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

Consolidated Financial Statements for 2010 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009
(Thousands of euros)

ASSETS	Notes	12/31/2010	12/31/2009
A) NON-CURRENT ASSETS		**6,293,489**	**6,420,766**
I. PROPERTY, PLANT AND EQUIPMENT	5	295,560	345,754
II. GOODWILL	6	3,903,514	4,319,603
III. INTANGIBLE ASSETS	7	360,512	365,670
IV. NON-CURRENT FINANCIAL ASSETS	8	70,611	57,218
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	9	613,542	13,644
VI. DEFERRED TAX ASSETS	21	1,046,030	1,313,820
VII. OTHER NON-CURRENT ASSETS		3,720	5,057
B) CURRENT ASSETS		**1,854,312**	**1,514,898**
I. INVENTORIES	10	203,152	218,066
II. TRADE AND OTHER RECEIVABLES			
1. Trade receivables for sales and services		999,237	991,723
2. Receivable from associates		35,908	16,077
3. Receivable from public authorities	21	39,733	56,463
4. Other receivables		255,492	221,645
5. Allowances		(84,683)	(78,704)
		1,245,687	1,207,204
III. CURRENT FINANCIAL ASSETS		160,260	6,593
IV. CASH AND CASH EQUIVALENTS		244,988	82,810
V. OTHER CURRENT ASSETS		225	225
C) ASSETS CLASSIFIED AS HELD FOR SALE	**15**	**3,653**	**257,388**
TOTAL ASSETS		**8,151,454**	**8,193,052**

EQUITY AND LIABILITIES	Notes	12/31/2010	12/31/2009
A) EQUITY	**11**	**2,650,185**	**1,373,019**
I. SHARE CAPITAL		84,698	21,914
II. OTHER RESERVES		1,120,539	833,697
III. ACCUMULATED PROFIT		798,876	403,478
- From prior years		871,746	352,999
- For the year: Profit attributable to the Parent		(72,870)	50,479
IV. TREASURY SHARES		(4,804)	(3,044)
V. EXCHANGE DIFFERENCES		20,213	(1,561)
VI. MINORITY INTERESTS		630,663	118,535
B) NON-CURRENT LIABILITIES		**3,526,496**	**2,351,466**
I. NON-CURRENT BANK BORROWINGS	12	2,931,190	1,917,963
II. NON-CURRENT FINANCIAL LIABILITIES	12-13	362,754	249,538
III. DEFERRED TAX LIABILITIES	21	28,555	72,799
IV. LONG-TERM PROVISIONS	14	185,592	90,150
V. OTHER NON-CURRENT LIABILITIES		18,405	21,016
C) CURRENT LIABILITIES		**1,974,773**	**4,263,133**
I. TRADE PAYABLES		1,234,846	1,181,437
II. PAYABLE TO ASSOCIATES		16,361	10,955
III. OTHER NON-TRADE PAYABLES		99,583	107,693
IV. CURRENT BANK BORROWINGS	12	411,109	2,796,362
V. CURRENT FINANCIAL LIABILITIES	12	17,788	3,295
VI. PAYABLE TO PUBLIC AUTHORITIES	21	154,879	124,288
VII. PROVISIONS FOR RETURNS		9,804	9,417
VIII. OTHER CURRENT LIABILITIES		30,403	29,686
D) LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**15**	**0**	**205,434**
TOTAL EQUITY AND LIABILITIES		**8,151,454**	**8,193,052**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated balance sheets at 31 December 2010 and 2009.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR 2010 AND 2009
(Thousands of euros)

	Notes	12/31/2010	12/31/2009
Revenue	16	2,687,773	3,155,105
Other income	16	134,958	53,479
OPERATING INCOME		2,822,731	3,208,584
Cost of materials used		(839,223)	(1,125,648)
Staff costs	17	(592,081)	(619,972)
Depreciation and amortisation charge	5-7	(170,363)	(196,657)
Outside services	17	(794,500)	(835,672)
Change in allowances, write-downs and provisions	17	(37,210)	(55,547)
Impairment of goodwill	6	(51,179)	(3,228)
Other expenses		(2,023)	(2,878)
OPERATING EXPENSES		(2,486,579)	(2,839,602)
PROFIT FROM OPERATIONS		336,152	368,982
Finance income		8,765	15,758
Finance costs		(178,769)	(252,107)
Changes in value of financial instruments		8,677	22,185
Exchange differences (net)		2,116	(105)
FINANCIAL LOSS	18	(159,211)	(214,269)
Result of companies accounted for using the equity method	9	(99,553)	(20,158)
Loss from other investments	8	(4,302)	(4,256)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		73,086	130,299
Income tax	21	(73,024)	(63,045)
PROFIT FROM CONTINUING OPERATIONS		62	67,254
Loss after tax from discontinued operations	19	(35,011)	(2,429)
CONSOLIDATED PROFIT FOR THE YEAR		(34,949)	64,825
Profit attributable to non-controlling interests		(37,921)	(14,346)
PROFIT ATTRIBUTABLE TO THE PARENT		(72,870)	50,479
BASIC EARNINGS PER SHARE (in euros)	**23**	(0.28)	0.23

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated income statements for 2010 and 2009.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE FOR 2010 AND 2009
(Thousands of euros)

	12/31/2010	12/31/2009
CONSOLIDATED PROFIT FOR THE YEAR	(34,949)	**64,825**
Income and expense recognized directly in equity	40,639	33,150
Translation differences	40,639	33,150
TOTAL RECOGNIZED INCOME AND EXPENSE	5,690	**97,975**
Attributable to the Parent	(45,817)	77,282
Attributable to non-controlling interests	51,507	20,693

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statements of recognized income and expense for 2010 and 2009.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2010 AND 2009
(Thousands of euros)

	Share capital	Share premium	Reserves	Reserves for first-time application of IFRSs	Prior years´ accumulated profit	Treasury shares	Exchange differences	Accumulated profit for the Year	Equity attributable to the Parent	Non-controlling interests	Equity
Balance at December 31, 2008	**21,914**	**112,665**	**738,924**	**(72,364)**	**315,979**	**(24,726)**	**(18,422)**	**82,996**	**1,156,966**	**101,270**	**1,258,236**
Treasury share transactions (Note 11-f)											
- Delivery of treasury shares			-			290			290		290
- Purchase of treasury shares			-			(884)			(884)		(884)
- Sale of treasury shares			3,888			36,204			40,092		40,092
- Reserves for treasury shares			13,928			(13,928)			-		-
Distribution of 2008 profit											
- Directors' remuneration									-		-
- Dividends									-		-
- Reserves			37,161		45,835			(82,996)	-		-
Income and expense recognised											
- Translation differences (Note 11-h)					9,942		16,861		26,803	6,347	33,150
- Profit for 2009								50,479	50,479	14,346	64,825
Others			(531)	26	(18,757)				(19,262)	1,173	(18,089)
Changes in non-controlling interests											
- Dividends paid during the year										(5,786)	(5,786)
- Due to changes in scope of consolidation										(193)	(193)
- Due to capital increases										1,378	1,378
Balance at December 31, 2009	**21,914**	**112,665**	**793,370**	**(72,338)**	**352,999**	**(3,044)**	**(1,561)**	**50,479**	**1,254,484**	**118,535**	**1,373,019**
Capital increases (Note 11a y 11b)	62,784	296,363							359,147		359,147
Treasury share transactions (Note 11f)											
- Delivery of treasury shares			-			510			510		510
- Purchase of treasury shares			-			(5,723)			(5,723)		(5,723)
- Sale of treasury shares			-			3,291			3,291		3,291
- Reserves for treasury shares			(162)			162			-		-
Distribution of 2009 profit											
- Directors' remuneration									-		-
- Dividends									-		-
- Reserves			(7,683)		58,162			(50,479)	-		-
Income and expense recognised											
- Translation differences (Note 11h)					5,279		21,774		27,053	13,586	40,639
- Profit for 2010								(72,870)	(72,870)	37,921	(34,949)
Other			(1,353)	(323)	455,306				453,630	(25,506)	428,124
Changes in non-controlling interests											
- Dividends paid during the year										(18,222)	(18,222)
- Due to changes in scope of consolidation										(713)	(713)
- Due to changes in percentage of ownership										503,538	503,538
- Due to capital increases										1,524	1,524
Balance at December 31, 2010	**84,698**	**409,028**	**784,172**	**(72,661)**	**871,746**	**(4,804)**	**20,213**	**(72,870)**	**2,019,522**	**630,663**	**2,650,185**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statements of changes in equity for 2010 and 2009.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2010 AND 2009
(Thousands of euros)

	12/31/2010	12/31/2009
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**73,086**	**130,299**
Depreciation and amortisation charge and provisions	260,179	254,768
Changes in working capital	**(181,017)**	**(84,109)**
Inventories	21,051	17,265
Accounts receivable	(92,651)	(198,932)
Accounts payable	44,250	101,676
Other current assets	(153,667)	(4,118)
Income tax recovered (paid)	(31,537)	(30,569)
Other adjustments to profit	151,124	198,107
Financial loss	159,211	214,269
Gains and losses on disposal of assets	(30,665)	(2,453)
Other	22,578	(13,709)
CASH FLOWS FROM OPERATING ACTIVITIES	**271,835**	**468,496**
Recurrent investments	**(206,009)**	**(127,997)**
Investments in intangible assets	(126,285)	(98,158)
Investments in property, plant and equipment	(79,724)	(29,839)
Investments in assets classified as held for sale	-	-
Investments in non-current financial assets	(16,158)	(1,118)
Proceeds from disposals	90,000	8,579
Other cash flows from investing activities	2,263	(3,011)
CASH FLOWS FROM INVESTING ACTIVITIES	**(129,904)**	**(123,547)**
Proceeds and (payments) relating to equity instruments	573,652	33,325
Proceeds relating to financial liability instruments	47,461	20,666
Payments relating to financial liability instruments	(1,651,978)	(186,510)
Dividends and returns on other equity instruments paid	(25,668)	(4,969)
Interest paid	(124,787)	(158,685)
Other cash flows from financing activities	1,186,266	(25,871)
CASH FLOWS FROM FINANCING ACTIVITIES	**4,946**	**(322,044)**
Effect of foreign exchange rate changes	15,301	10,473
CHANGE IN CASH FLOWS IN THE YEAR	**162,178**	**33,378**
Cash and cash equivalents at beginning of year	**82,810**	**49,432**
Cash and cash equivalents at end of year	**244,988**	**82,810**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statements of cash flows for 2010 and 2009.

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

Notes to the Consolidated Financial Statements for 2010 and 2009 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

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

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR 2010 AND 2009

(1) GROUP ACTIVITIES AND PERFORMANCE

a) Group activities

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

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

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

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

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

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

b) Group performance

During 2010, the Group carried out a series of transactions, including disposing of a portion of its assets, aimed at restructuring its financial debt and bolstering its capital structure. This has allowed the Company to reach a Refinancing Master Agreement with its creditor banks,

which includes certain modifications to the terms and conditions of the Company's main financing agreements. Once the conditions described in the abovementioned Refinancing Master Agreement were met, the maturities of the Company's bridge loan and a series of bilateral lines of credit were extended to May 19, 2013 *(see Note 12).*

Among the restructuring initiatives carried out by the Company to restructure its financial situation is the capital increase approved by the shareholders at Prisa's extraordinary general meeting held on November 27, 2010, by virtue of which 224,855,520 Class A shares and 402,987,000 Class B nonvoting convertible shares, which were subscribed against non-monetary contributions consisting of the Company's ordinary shares and warrants from Liberty Acquisition Holdings Virginia, Inc. *(see Note 11),* were issued. The Class A and B shares issued were admitted to trading on the New York Stock Exchange represented by American Depositary Shares. Cash proceeds for Prisa from the issue amounted to EURO 650 million.

(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRSs)

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, taking into account all mandatory accounting policies and rules and measurement bases with a material effect, as well as with the Commercial Code, the obligatory legislation approved by the Institute of Accounting and Auditors of Accounts, and other applicable Spanish legislation.

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

- IFRSs are applied in the preparation of the consolidated financial information for the Group. The separate financial statements of the companies composing the Group are prepared and presented in accordance with the accounting principles and standards of each country.

- In accordance with IFRSs, these consolidated financial statements include the following consolidated statements of the Group:

  - Consolidated balance sheet
  - Consolidated income statement
  - Consolidated statement of recognized income and expense
  - Consolidated statement of changes in equity
  - Consolidated statement of cash flows

- As required by IAS 8, uniform accounting policies and measurement bases were applied by the Group for all transactions, events and items in 2010 and 2009.

In 2010, the following amendments to accounting standards came into force which, therefore, were taken into account when preparing the accompanying consolidated financial statements:

- Revised IFRS 3 *Business Combinations.*
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items.*
- Amendments to IFRS 2 *Share-Based Payments.*
- IFRIC 12 *Service Concession Arrangements.*
- IFRIC 15 *Agreements for the Construction of Real Estate.*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation.*
- IFRIC 17 *Distributions of Non-cash Assets to Owners.*
- IFRIC 18 *Transfer of Assets from Customers.*
- Amendments to IAS 27 *Consolidated and Separate Financial Statements - Increases or decreases in a parent's ownership interest that do not result in a loss of control.*

The application of these amendments and interpretations did not have a significant effect on the Group's consolidated financial statements for the 2010, except apart those resulting from the Amendments to IAS 27, as follows:

Amendments to IAS 27 Consolidated and separate financial statements – Increases or decreases in a parent's ownership interest that do not result in a loss of control

Once control is achieved, all other increases or decreases in ownership interests between the parent company and non-controlling interests that do not result in a loss of control are treated as transactions among equity; i.e. no gain or loss arising from the decrease in the ownership interest is recognized in profit or loss, while the gain or loss on the sale is taken to reserves.
In addition, there is no change to existing goodwill (depending on the related impairment test) nor does the increase in the equity interest generate any additional goodwill.

The application of IAS 7, as amended by IAS 27, regarding the classification of cash flows arising from transactions with non-controlling interests of Group companies that do not result in a loss of control, the Group classifies proceeds from these transactions as "Cash flows from financing activities" rather than "Cash flows from investing activities." This standard did not have any effect on the 2009 consolidated financial statements.

At December 31, 2010, the Prisa Group had not applied the following standards or interpretations issued, since the effective application thereof was required subsequent to that date or they have not been adopted by the European Union.

Standards, amendments, and interpretations		Mandatory application for financial years beginning on or after
Approved for use in the EU		
Amendment to IAS 32	Financial Instruments: Classification of Rights Issues	**February 1, 2010**
Revision of IAS 24	Related Party Disclosures	**January 1, 2011**
Amendments to IFRIC 14	Prepayments of a Minimum Funding Requirement	**January 1, 2011**
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	**July 1, 2010**
Not yet approved for use in the EU		
IFRS 9	Financial Instruments: Clasification and measurement	**January 1, 2013**
Annual improvements to IFRSs 2010	Non-urgent improvements to IFRSs	**Other (mainly January 1, 2011)**
Amendments to IFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets	**January 1, 2011**

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

As at the date of authorization of the accompanying financial statements, the directors are assessing the potential impact of the future application of these standards on the Group's consolidated financial statements.

b) Fair presentation and accounting principles

The consolidated financial statements were obtained from the separate financial statements of Prisa and its subsidiaries and, accordingly, they present fairly the Group's equity and financial position at December 31, 2010, and the results of its operations, the changes in equity and the cash flows in the year then ended. The Group prepared its financial statements on a going concern basis. Also, with the exception of the consolidated statement of cash flows, these consolidated financial statements were prepared in accordance with the accrual basis of accounting.

Given that the accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2010 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union.

c) Responsibility for the information and use of estimates

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

In the consolidated financial statements for 2010 estimates were occasionally made by executives of the Group and of the entities in order to quantify certain of the assets, liabilities and obligations reported herein. These estimates relate basically to the following:

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

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

In 2010, there were no significant changes in the accounting estimates made at the end of 2009, apart from those used to determine goodwill *(see Note 6).*

d) Basis of consolidation

The consolidation methods applied were as follows:

Full consolidation-

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

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

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

The share of third parties of the equity of Group companies is presented under *"Equity – Non-controlling interests"* in the consolidated balance sheet and their share of the profit for the year is presented under *"Profit attributable to non-controlling interests"* in the consolidated income statement.

The interest of non-controlling shareholders is stated at those shareholders' proportion of the fair values of the assets and liabilities recognized.

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

Proportionate consolidation-

Under this consolidation method, the Group combines the balances and eliminations are made in proportion to the Group's ownership interest in the capital of these entities. The Group recognizes its interest in jointly controlled assets and liabilities in the consolidated balance sheet classified according to their nature. Similarly, the Group's share of the income and expenses of joint ventures is recognized in the consolidated income statement on the basis of the nature of the related items. Entities consolidated using the equity method are detailed in Appendix I. The effect of proportionate consolidation on the Group's consolidated financial statements is not significant.

Equity method -

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

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

Dividends received from these companies are recognized as a reduction in the value of the Group's investment. The Group's share of the profit or loss of these companies is included, net of the related tax effect, in the consolidated income statement under *"Result of companies accounted for using the equity method."*

Other matters -

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

Balances and transactions in currencies of hyperinflationary economies are translated at the closing exchange rate. At December 31, 2010, the only country in which the Group operates that pursuant to IAS 21 should be considered to be a hyperinflationary economy is Venezuela.

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

The data relating to Sociedad Española de Radiodifusión, S.L., Prisa Radio, S.L. (formerly Sociedad de Servicios Radiofónicos Unión Radio, S.L.), Grupo Santillana de Ediciones, S.L., Prisa Brand Solutions, S.L.U. (formerly Box New Publicidad, S.L.), Dédalo Grupo Gráfico, S.L., Promotora de Emisoras de Televisión, S.A., Gran Vía Musical de Ediciones, S.L., Grupo Latino de Radiodifusión Chile, Ltda., Sistema Radiópolis, S.A. de C.V., Grupo Media Capital SGPS, S.A., Antena 3 de Radio, S.A. and Prisa Televisión, S.A.U. (formerly Sogecable, S.A.U.) contained in these notes were obtained from their respective consolidated financial statements.

e) Comparison of information

In order to compare the 2010 and 2009 financial information, it is necessary to consider that during 2009, the operating income and expenses on the consolidated income statement linked to Cuatro remained as "*Profit from continuing operations,*" while in 2010, they were recognized as "*Loss after tax from discontinued operations*" on the accompanying consolidated income statement.

(3) CHANGES IN GROUP STRUCTURE

The most significant changes in the scope of consolidation in 2010 were as follows:

Subsidiaries

In February 2010, Sociedad General de Televisión Cuatro, S.A. was incorporated, wholly owned by Prisa Televisión S.A.U. In June 2010, there was a partially spin-off of Prisa Televisión, S.A.U. in favor of Sociedad General de Televisión Cuatro, S.A. without dissolution of the former and with the transfer of a portion of the equity of Prisa Televisión, S.A.U. that consisted the independent economic unit in charge of operating the Group's free-to-air TV business in Spain. The spun-off equity includes Prisa Televisión, S.A.U.'s ownership interests in Sogecable Media, S.L., Sogecable Editorial, S.L., and Compañía Independiente de Noticias de Televisión, S.L.

Also in February 2010, Agenciamento e Produçao de Espectáculos, Lda. (Eventos Spot), belonging to Grupo Media Capital, SGPS, S.A., was sold.

In March 2010, DTS, Distribuidora de Televisión Digital, S.A. absorbed CanalSatélite Digital, S.L.

In April 2010, Ediciones El País (Chile) Limitada was incorporated. It is 99%-owned by Ediciones El País, S.L. and 1% by Grupo Empresarial de Medios Impresos, S.L.

During the same month, Prisa Televisión, S.A.U. acquired 50% of Compañía Independiente de Noticias de TV, S.L., raising its stake to 100%. This company is now accounted for using the full consolidation method rather than the equity method.

In July 2010, Radio Lleida, S.L. was incorporated. It is 44.33%-owned by Sociedad Española de Radiodifusión, S.L. and 22.17% by Radio España de Barcelona, S.A.

Also in July, Prisa Brand Solutions, S.L.U. absorbed Gerencia de Medios, S.A.

In addition, Localia TV Valencia, S.A. was also sold in July.

In August 2010, Sistemas Educativos de Enseñanza, S.A. de C.V. was incorporated. It is 98%-owned by Lanza, S.A. de C.V. and 2% by Editorial Nuevo México, S.A. de C.V.

In September 2010, Aguilar, A.T.A., S.A. de Ediciones (Argentina) absorbed Punto de Lectura Argentina, S.A.

In October 2010, Media Global, SGPS, S.A. (MEGLO) absorbed Promoçao de Projectos de Média, S.A. (UNIDIVISA).

In November 2010, Prisa División Inmobiliaria, S.A. absorbed Oficina del Autor, S.L.

In December 2010, Promotora de Actividades América 2010 Colombia, Ltda. was dissolved.

On December 28, 2010, Prisa Televisión, S.A.U. sold 100% of Sociedad General de Televisión Cuatro, S.A. and subsidiaries to Gestevisión Telecinco, S.A. This sale was carried out through the subscription by Prisa Televisión, S.A.U. of a 17.336% stake in Gestevisión Telecinco, S.A. in the non-cash capital increase approved by the shareholders of Gestevisión Telecinco, S.A. in their general meeting held on December 24, 2010. The market value of this investment on subscription was EUR 590 million. As a result of this transaction, the Prisa Group consolidates the Gestevisión Telecinco, S.A. Group and subsidiaries using the equity method.

On December 29, 2010, DTS, Distribuidora de Televisión Digital, S.A. sold 100% of Sociedad General de Cine, S.A. and Sogepaq, S.A.

The main impacts of sales of subsidiaries on the balance sheet at December 31, 2010 are as follows:

	Thousands of euros	
	Sociedad General de Cine, S.A. and Sogepaq, S.A.	Sociedad General de Televisión Cuatro, S.A.
Non-current assets	14,716	25,683
Goodwill *(Note 6)*	-	377,167
Current financial assets and cash and cash equivalents	48	37,823
Other current assets	3,137	200,214
Current and non-current liabilities	(3,635)	(200,582)
Carrying amount	**14,266**	**440,305**
Directly attributable transaction costs	**-**	**41,432**
Cash consideration	10,000	-
Other consideration	15,000	589,883
Total consideration	**25,000**	**589,883**
Profit before tax	**10,734**	**108,146**
Income tax expense	(2,150)	(143,901)
Profit after tax	**8,584**	**(35,755)**

Associates

In March 2010, Dima Distribución Integral, S.L. acquired 100% stakes in the following companies: Distribución de Prensa por Rutas, S.L., Comercial de Prensa Siglo XXI, S.A., and Logintegral Distribución Madrid, S.L.U.

Also that month, Grupo Cronos Distribución Integral, S.L. sold 100% de Gelesa Gestión Logística, S.L. to equity-consolidated company Dima Distribución Integral, S.L. As a result, Gelesa Gestión Logística, S.L. is now accounted for using the equity method, rather than the full consolidation method.

In addition, Distribuidora Digital de Libros, S.A. was incorporated in March 2010. It is 26.66% owned by Santillana Ediciones Generales, S.L.

In June 2010, Diserpe, S.R.L.U. merged with Val Disme, S.L.

Subsequent to successive purchases and contributions of audiovisual rights, Prisa's interest in V-me Media Inc., the fourth largest Spanish-language TV operator in the US, through Prisa Televisión, S.A.U., reached 30.86% and it began consolidating this investment using the equity method. At December 31, 2010, it had a 32.95% stake in this company. Prisa has agreed to make an additional investment in 2011 of USD 19 million in cash and USD 2 million in contributions of audiovisual rights. With these investments, Prisa TV will hold approximately 51% of V-me's voting rights and obtain control of the company. If certain income targets are not met, Prisa TV will receive 10% of the company's share capital with no additional consideration.

In July 2010, Empresa Europeia de Produçao de Documentários, Lda. (Nanook), belonging to Grupo Media Capital, SGPS, S.A., was sold.

As mentioned previously, on December 28, 2010, Prisa began consolidating its 17.336% interest in Gestevisión Telecinco, S.A. and subsidiaries using the equity method.

When comparing the information for 2010 and 2009, these changes, the effect of which is presented separately in these notes to the consolidated financial statements in the *"Changes in the consolidation scope"*column, should be taken into account.

Significant agreements entered into by the Group

On April 29, 2010, Prisa sold 25% of Grupo Santillana de Ediciones, S.L. to DLJSAP Publishing Cööperatief, U.A. (DLJSAP) for EUR 279 million. The shares acquired by DLJSAP are preference shares which grant the right to receive a preferential minimum yearly dividend of USD 25.8 million. The net EUR 137 million gain on this sale was recognized under *"Accumulated profit – From prior years"* on the accompanying consolidated balance sheet, in accordance with the accounting treatment established in IAS 27 for disposals of non-controlling interests that do not result in a change of control *(see Note 11).*

On December 28, 2010, through Prisa Televisión, S.A.U., Prisa sold 22% stakes in DTS, Distribuidora de Televisión Digital, S.A. to Telefónica de Contenidos, S.A.U. and Gestevisión Telecinco, S.A. for a combined EUR 976 million. This sale generated capital gains amounting to EUR 453 million recognized under *"Accumulated profit – From prior years"* on the accompanying consolidated balance sheet. The proceeds from the sales were used mainly to cancel Prisa Televisión, S.A.U.'s syndicated and subordinate loans of EUR 638 and 228 million, respectively *(see Note 12).*

On November 4, 2010, Prisa Televisión, S.A.U. and Gestevisión Telecinco, S.A. signed a contract by virtue of which the former granted the latter an option to obtain certain rights in relation to DTS' management. The price at which the option was granted is EUR 5,000 thousand. The option is exercisable during the three months following the first anniversary after the acquisition of the 22% stake in DTS. The exercise of the rights granted by the option and the payment of the strike price of EUR 5,000 thousand are subject to a condition precedent that the required authorization be obtained from the anti-trust authorities. Should the option be exercised without having been able to obtain unconditional authorization or authorization subject to inconsequential conditions, or if no agreement has been reached by the parties regarding the conditions, the shares of Gestevisión Telecinco, S.A., owned by Prisa Televisión, S.A.U. would be cancelled, with Gestevisión Telecinco, S.A. contributing its entire interest in DTS to Prisa Televisión, S.A.U., as well as paying an additional amount depending on the value of the holdings.

(4) ACCOUNTING POLICIES

The principal accounting policies used in preparing the accompanying consolidated financial statements for 2010 and comparative information were as follows:

a) Presentation of the consolidated financial statements

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

b) Property, plant, and equipment

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

Property, plant and equipment acquired prior to December 31, 1983, are carried at cost, revalued pursuant to applicable legislation. Subsequent additions are stated at cost, revalued pursuant to Royal Decree-Law 7/1996 in the case of Ediciones El País, S.L., Agrupación de Servicios de Internet y Prensa, A.I.E., Pressprint, S.L.U., Sociedad Española de Radiodifusión, S.L., Ítaca, S.L. and Algarra, S.A.

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

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

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

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

Assets held under finance leases are presented in the consolidated balance sheet based on the nature of the leased assets, and are depreciated over the expected useful life using the same method as that used to depreciate owned assets.

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

c) Goodwill

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts at the date of acquisition or at the date of first time consolidation, provided that the acquisition is not after control is obtained, is allocated as follows:

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

Changes in an ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Once control is obtained, additional investments in subsidiaries and decreases in ownership interest without the loss of control do not affect the amount of goodwill. When a parent loses control of a subsidiary, it derecognizes the carrying amount of assets (including any goodwill) and liabilities and the share of non-controlling interests, recognizing the fair value of the consideration received and any residual ownership in the subsidiary. The remaining difference is taken to profit or loss in the income statement for the year.

The assets and liabilities acquired are measured provisionally at the acquisition date, and the provisional amounts are reviewed within a period of year from the acquisition date. Therefore, until the definitive fair value of the assets and liabilities has been established, the difference between the acquisition cost and the carrying amount of the company acquired is provisionally recognized as goodwill.

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

Goodwill acquired on or after January 1, 2004 is measured at acquisition cost and that acquired earlier is recognized at the carrying amount at December 31, 2003, in accordance with Spanish GAAP. In both cases, since January 1, 2004, goodwill has not been amortized and at the end of each reporting period goodwill is reviewed for

impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and any impairment loss is recognized *(see Note 4e).*

d) Intangible assets

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

Computer software-

"Computer software" includes the amounts paid to develop specific computer programs or the amounts incurred in acquiring from third parties the licenses to use programs. Computer software is amortized using the straight-line method over a period ranging from three to six years, depending on the type of program or development, from the date on which it is brought into service.

Prototypes-

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

New subscribers - Installation and connection-

This item includes the direct costs incurred in the installation of equipment and the connection of new subscribers to digital satellite pay TV, net of accumulated amortization. These costs are amortized over a useful life of seven years, which is the estimated average subscription period. The Group writes off the carrying amount of the installation and connection costs relating to subscriptions canceled during the year. These costs are individually identifiable for each subscriber, by DTS, and future economic benefits will flow from them for the digital satellite pay TV business.

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

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

Advances on copyrights-

This account includes the advances paid to authors for the acquisition of book publishing rights. These advances are taken to expenses in the income statement from the date on which the book is launched on the market, at the rate established in each contract, which is applied to the book cover price. These items are presented in the balance sheet at cost, less the portion

charged to income. This cost is reviewed each year and, where necessary, an allowance is recognized based on the projected sales of the related publication.

Audiovisual rights-

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

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

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

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

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

- *Screening rights and negatives:* negatives relate to the screening rights to which the Group holds perpetual title. The related acquisition cost is amortized using the diminishing balance method over the term of the rights (ten years in the case of negatives).

- *Other rights:* relate to the cost of various long-term audiovisual rights and rights of publicity (including both the cost of rights currently being exploited and the cost of the options to exploit these rights in the future). These rights are amortized on the basis of the income obtained therefrom over the term of the related contracts. At the date of preparation of these consolidated financial statements no decision had been taken not to exercise these options, which were recognized at their expected recoverable amount.

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

Other intangible assets-

"*Other intangible assets*" includes basically the amounts paid to acquire administrative concessions for the operation of radio frequencies, which are subject to temporary administrative concessions. These concessions are generally granted for renewable ten-year periods and are amortized using

the straight-line method over the term of the arrangement, except in cases where the renewal costs are not significant, in which case they are deemed to be assets with an indefinite useful life.

e) Impairment losses

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

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

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

These projections cover the following five years and include a residual value that is appropriate for each business. These cash flows are discounted to their present value at a rate that reflects the weighted average cost of capital employed adjusted by the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2010 the rates used ranged from 7.7% to 9.3%, depending on the business analyzed.

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

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

f) Financial instruments

Non-current financial assets-

"Non-current financial assets" includes the following categories:

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

receivables. The Group records the related allowance for the difference between the recoverable amount of the receivables and their carrying amount.

- *Held-to-maturity investments:* investments that the Group has the positive intention and ability to hold to the date of maturity. They are carried at amortized cost.

- *Financial assets at fair value through profit or loss*: this category includes the financial assets held for trading and financial assets which are managed and measured at fair value.

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

Cash and cash equivalents-

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

Financial liabilities-

1. Financial liabilities

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

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

2. Compound financial instruments

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

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

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

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

Derivative financial instruments and hedge accounting-

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

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

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

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

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

g) Investments accounted for using the equity method

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

Investments in companies accounted for using the equity method whose carrying amount is negative at the end of the reporting period are recognized under *Non-current liabilities - Long-term provisions" (see Notes 9 and 14)* at their negative excluding the financial effect given the nature of the investments.

h) Inventories

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

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

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

1. Broadcasting rights for the "Canal+" premium pay TV family of channels:

   - *Film broadcasting rights acquired from third parties (outside productions):* the cost of these rights is recognized in the income statement on a straight-line basis from the date of the first showing or commercial release until the expiry of the broadcasting rights.
   - *Sporting event broadcasting rights:* these rights are taken to income in full at the date of the first showing.
   - *Acquired series broadcasting rights:* the cost of these rights is taken to income on a straight-line basis over the various showings.
   - *Other rights:* these relate basically to documentaries, in-house productions and introductory program slots, and are recognized as cost of sales when broadcast.

2. Broadcasting rights for free-to-air television channels:

   - *Film, series and cartoon broadcasting rights acquired from third parties (outside productions):* these rights are taken to income at the date of the showing. If rights are acquired to broadcast more than one showing, 75% of the cost is charged to income at the date of the first showing and 25% at the date of the second showing.
   - *Broadcasting rights for in-house or commissioned production programs and series*: the cost of these rights is charged to income in full at the date of the first showing.
   - *Other rights*: these are recognized as a period expense at the date of the related showing.

Obsolete, defective or slow-moving inventories are reduced to their realizable value.

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

i) Assets classified as held for sale and associated liabilities

Assets classified as held for sale are considered to be groups of assets, and liabilities directly associated with them, to be disposed of together as a group in a single transaction that is expected to be realized within twelve months from the date of their classification under this heading.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell *(see Note 15)*.

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

j) Long-term provisions

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

Provisions for taxes-

The provisions for taxes relate to the estimated amount of the tax debts whose exact amount or date of payment has not yet been determined, since they depend on the fulfillment of certain conditions.

Provisions for third-party liability-

At the end of 2010, certain litigation and claims were in process against the Group companies arising from the ordinary course of their operations. The Group's legal advisers and directors consider that the outcome of these proceedings and claims will not have a significant effect on the financial statements for the years in which they are settled.

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

k) Recognition of income and expenses

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

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, and other sales-related taxes.

The accounting policies applied to recognize the revenue of the Group's main businesses are as follows:

- *Revenue from subscribers* arising from the pay TV business is recognized when the subscribers are registered in the system. Subscription revenue is recognized on a monthly basis. Pay per view *revenue* is recognized when the program acquired by the subscriber is screened.

- *Advertising revenue* is recognized when the advertisement appears in the media, less the amount of volume rebates offered to the media agencies.

- *Revenue from book sales* is recognized on the effective delivery thereof. Where the sales of the copies are subject to sales returns, the actual sales returns and the amount of the provisions estimated at the balance sheet date are deducted from the revenue recognized. Also, the amounts corresponding to rebates or trade discounts that are not of a financial nature are deducted from revenue.

- *Revenue from the sale of newspapers and magazines* is recognized on the effective delivery thereof, net of the related estimated provision for sales returns. Also, the amounts relating to distributors' fees are deducted from revenue.

- The *revenue* and the costs associated with *audiovisual production* agreements are recognized in the income statement by reference to the stage of completion at the balance sheet date, using the percentage of completion method. When the final outcome of the agreement cannot be estimated reliably, the revenue must only be recognized to the extent that it is probable that the costs incurred will be recovered, whereas the costs are recognized as an expense for the year in which they are incurred. In any case, the expected future losses would be recognized immediately in the income statement.

- *Revenue related to intermediation services* is recognized at the amount of the fees received when the goods or services under the transaction are supplied.

- *Other income:* this item includes broadcasting services, sales of add-ons and collections, telephone hotline services, music sales, organization and management of events, e-commerce, Internet services, leases and other income.

l) Offsetting

Assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, they arise from transactions in which the Group has a contractual or legally enforceable right to set off the recognized amounts and its intends to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

m) Tax matters

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit (loss) nor taxable profit or loss.

Deferred tax assets are recognized for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deductible temporary difference can be utilized, and the deferred tax assets do not arise from the initial recognition of an asset or liability that is not a business and, at the time of the transaction, affects neither accounting profit (loss) nor taxable profit or loss. The other deferred tax assets (carryforward of tax losses and unused tax credits) are only recognized if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilized.

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

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

n) Loss after tax from discontinued operations

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

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

o) Foreign currency transactions

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

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

Balances and transactions in currencies of hyperinflationary economies are translated at the closing exchange rate. At December 31, 2010, the only country in which the Group operates that pursuant to IAS 21 should be considered to be a hyperinflationary economy is Venezuela.

p) Current/non-current classification

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

q) Share-based payments

The Group makes equity-settled share-based payments to certain employees, which are recognized in accordance with IFRS 2. Equity-settled share-based payments are measured at fair value at the grant date using the Black-Scholes pricing model and are charged to income on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually be delivered, with a credit to *"Equity - Other reserves."*

r) Consolidated statements of cash flows

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

- Changes in cash flows in the year: inflows and outflows of cash and cash equivalents, which are short-term, highly -liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and in cash equivalents. For transactions between the parent and non-controlling interests, these only include those representing a change of control, in accordance with IAS 27.
- Financing activities: activities that result in changes in the size and composition of equity and borrowings, as well as transactions between the parent and non-controlling interests which do not represent a change of control in accordance with IAS 27.

s) Environmental impact

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

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

(5) PROPERTY, PLANT, AND EQUIPMENT

2010

The changes in 2010 in "*Property, plant and equipment*" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/09	Monetary adjustment	Translation adjustment	Changes in scope of consol-idation	Additions	Disposals	Transfers	Balance at 12/31/10
Cost:								
Land and buildings	152,551	809	5,378	-	457	(62,740)	(6,027)	90,428
Plant and machinery	467,271	481	6,490	(579)	17,078	(19,338)	19,837	491,240
Digital set-top boxes and cards	359,775	-	-	-	46.382	(38,295)	-	367,862
Other items of property, plant and equipment	179,045	268	2,140	(538)	7,225	(81,983)	2,074	108,231
Advances and property, plant and equipment in the course of construction	19.699	(1)	63	-	8,581	(103)	(23,172)	5.067
Total cost	**1,178,341**	**1,557**	**14,071**	**(1,117)**	**79,723**	**(202,459)**	**(7,288)**	**1,062,828**
Accumulated depreciation:								
Buildings	(31,486)	(259)	(1,502)	-	(2,795)	5,552	2,747	(27,743)
Plant and machinery	(331,388)	(364)	(5,586)	268	(27,980)	15,275	(1,001)	(350,776)
Digital set-top boxes and cards	(309,780)	-	-	-	(18,566)	37,067	-	(291,279)
Other items of property, plant, and equipment	(145,976)	(204)	(1,554)	407	(11,164)	72,486	1,105	(84,900)
Total accumulated depreciation	**(818,630)**	**(827)**	**(8,642)**	**675**	**(60,505)**	**130,380**	**2,851**	**(754,698)**
Impairment losses:								
Buildings	(182)	-	-	-	-	-	-	(182)
Plant and machinery	(515)	-	-	-	(308)	308	320	(195)
Digital set-top boxes and cards	(13,128)	-	-	-	-	1,227	-	(11,901)
Other items of property, plant and equipment	(132)	-	(19)	-	(219)	55	23	(292)
Total impairment losses	**(13,957)**	**-**	**(19)**	**-**	**(527)**	**1,590**	**343**	**(12,570)**
Property, plant and equipment, net	**345,754**	**730**	**5,410**	**(442)**	**18,691**	**(70,489)**	**(4,094)**	**295,560**

2009

The changes in 2009 in *"Property, plant and equipment"* in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/08	Monetary adjustment	Translation adjustment	Changes in scope of consol-idation	Additions	Disposals	Transfers	Balance at 12/31/09
Cost:								
Land and buildings	153,412	1,128	2,458	(3,027)	320	(2,069)	329	152,551
Plant and machinery	483,815	1,051	3,924	(4,840)	13,613	(32,091)	1,799	467,271
Digital set-top boxes and cards	375,167	-	-	-	1,825	(17,217)	-	359.775
Other items of property, plant and equipment	182.106	800	2,310	(1,280)	6.084	(12,209)	1,234	179,045
Advances and property, plant and equipment in the course of construction	16,459	10	(58)	(55)	7,997	(108)	(4,546)	19,699
Total cost	**1,210,959**	**2,989**	**8,634**	**(9,202)**	**29,839**	**(63,694)**	**(1,184)**	**1,178,341**
Accumulated depreciation:								
Buildings	(28,226)	(336)	(1,199)	305	(2,878)	778	70	(31,486)
Plant and machinery	(322,307)	(1,174)	(3,721)	2,401	(29,244)	22,679	(22)	(331,388)
Digital set-top boxes and cards	(306,026)	-	-	-	(19,979)	16,225	-	(309,780)
Other items of property, plant and equipment	(140,716)	(509)	(1,663)	1,183	(15,765)	11,542	(48)	(145,976)
Total accumulated depreciation	**(797,275)**	**(2,019)**	**(6,583)**	**3,889**	**(67,866)**	**51,224**	**-**	**(818,630)**
Impairment losses:								
Buildings	(85)	-	-	-	-	-	(97)	(182)
Plant and machinery	(1,342)	-	-	-	-	-	827	(515)
Digital set-top boxes and cards	(14,120)	-	-	-	-	992	-	(13,128)
Other items of property, plant and equipment	(205)	-	(13)	-	-	-	86	(132)
Total impairment losses	**(15,752)**	**-**	**(13)**	**-**	**-**	**992**	**816**	**(13,957)**
Property, plant and equipment, net	**397,932**	**970**	**2,038**	**(5,313)**	**(38,027)**	**(11,478)**	**(368)**	**345,754**

Additions-

The most significant additions in 2010 were as follows:

- *"Digital set-top boxes and cards,"* amounting to EUR 46,382 thousand, for the acquisition of digital set-top boxes and cards made by DTS Distribuidora de Televisión Digital, S.A. due to the change in the way iPlus was marketed, from a sales model to a transfer with licenses fees.

- *"Plant and machinery,"* in the amount of EUR 17,078 thousand, mainly related to the investments carried out by Prisa Televisión, S.A.U. and Grupo Media Capital, SGPS, S.A. in plant and machinery related to providing TV services.

- *"Advances and property, plant, and equipment in the course of construction"* amounting to EUR 8,581 thousand and relating mainly to the general and technical refurbishment being carried out on the floors occupied by Prisa Radio, S.L. in the building at Gran Vía 32, in Madrid and construction work taking place for Grupo Media Capital, SGPS, S.A. in its television studios.

Disposals-

On December 28, 2010, the Prisa Televisión, S.A.U. Group entered into a contract to sell and rent for a period of 20 years its registered address in Tres Cantos (Madrid) *(see Note 17)* and has therefore derecognized the related land, building, and installations amounting to EUR 60,069 thousand. The sale generate a gain for the Group of EUR 20 million, recognized under "*Other income*" on the accompanying consolidated incomes statement.

In 2010, the Prisa Televisión Group derecognized the cost, accumulated depreciation and impairment losses relating to digital set-top boxes and cards that were not in an adequate condition to be used.

Disposals under *"Other items of property, plant and equipment"* amounting to EUR 81,983 thousand correspond mainly to the sale of data processing equipment at its carrying amount to CSI Renting de tecnología, S.A.U. within the framework of the agreement signed with Indra Sistemas, S.A. on December 23, 2009 establishing the outsourcing of IT technology management systems and R&D projects for a seven-year period.

There are no restrictions on holding title to the property, plant, and equipment other than those indicated in *Note 12.*

There are no future property, plant, and equipment purchase commitments.

The Prisa Group's fully depreciated property, plant and equipment in use amounted to EUR 493,421 thousand at December 31, 2010 (December 31, 2009: EUR 515,950 thousand).

Non-current assets held under leases-

At December 31, 2010, "*Property, plant, and equipment*" on the consolidated balance sheet included assets held under finance leases amounting to EUR 21,968 thousand (December 31, 2009: EUR 22,430 thousand).

The breakdown of the carrying amounts of non-current assets held under finance leases by nature of the leased asset at December 31, 2010 and 2009 is as follows (in thousands of euros):

	12/31/10			**12/31/09**		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Digital set-top boxes and cards	14.924	(10,459)	4,465	14,924	(8,327)	6,597
Plant and machinery	4,903	(2,717)	2,186	4,497	(1,504)	2,993
Other items of property, plant and equipment	2,141	(1,571)	570	3,009	(2,189)	820
Total	**21,968**	**(14,747)**	**7,221**	**22,430**	**(12,020)**	**10,410**

The Group companies take out insurance policies to cover the potential risks to which the various items of property, plant, and equipment are exposed. At December 31, 2010 and 2009, the insurance policies taken out sufficiently covered the related risks.

(6) GOODWILL

2010

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2010 is as follows:

	Thousands of euros					
	Balance at 12/31/09	Translation adjustment	Disposals	Impairment	Transfers	Balance at 12/31/10
Antena 3 de Radio, S.A.	6,115	-	-	-	-	6,115
Editora Moderna, Ltda.	60,565	-	-	-	-	60,565
Editora Objetiva, Ltda.	11,827	1,716	-	-	-	13,543
Gerencia de Medios, S.A.	33,944	-	-	-	-	33,944
GLR Chile, Ltda.	54,549	10,471	-	-	-	65,020
Grupo Media Capital, SGPS, S.A.	689,554	-	(260)	(50,000)	587	639,881
Propulsora Montañesa, S.A.	8,608	-	-	-	-	8,608
Sistema Radiópolis, S.A. de C.V.	28,787	-	-	-	-	28,787
Sociedad Española de Radiodifusión, S.L.	29,470	-	-	-	-	29,470
Prisa Televisión, S.A.U.	3,364,754	-	(377,167)	-	-	2,987,587
Other companies	31,430	330	-	(1,179)	(587)	29,994
Total	**4,319,603**	**12,517**	**(377,427)**	**(51,179)**	**-**	**3,903,514**

The detail, by business segment, of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2010 is as follows:

	Thousands of euros				
	Balance at 12/31/09	Translation adjustment	Disposals	Impairment	Balance at 12/31/10
Press	1,179	-	-	(1,179)	-
Radio	151,222	10,745	-	-	161,967
Education	73,248	1,772	-	-	75,020
Audiovisual	4,054,896	-	(377,427)	(50,000)	3,627,469
Other	39,058	-	-	-	39,058
Total	**4,319,603**	**12,517**	**(377,427)**	**(51,179)**	**3,903,514**

The goodwill arising on the acquisition of Prisa Televisión Group, amounting to EUR 3,364,754 thousand, forms part of the audiovisual business segment and relates to two cash-generating units: a free-to-air TV channel (Cuatro) and a pay TV channel (Digital+). During 2010, due to the spin-off of the free-to-air TV business into Sociedad General de Televisión Cuatro, S.A., goodwill was allocated to the two abovementioned cash-generating units as follows:

	Thousand euros
Digital+- pay TV	2,987,587
Cuatro – free-to-air TV	377,167
Total	**3,364,754**

Due to the abovementioned allocation, the disposal of Prisa Televisión, S.A.U.'s goodwill amounting to EUR 377,167 thousand corresponds to the derecognition of Sociedad General de Televisión Cuatro, S.A.'s goodwill as a result of its sale to Gestevisión Telecinco, S.A. on December 28, 2010 *(see Note 3)*. The derecognition of this goodwill is recognized on the accompanying consolidated income statement under *"Loss after tax from discontinued operations,"* with a reduction in the proceeds of the sales *(see Note 19)*.

2009

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2009 is as follows:

	Thousands of euros					
	Balance at 12/31/08	Translation adjustment	Changes in the scope of consolidation/ Additions	Impairment	Transfers	Balance at 12/31/09
Antena 3 de Radio, S.A.	6,115	-	-	-	-	6,115
Editora Moderna, Ltda.	60,565	-	-	-	-	60,565
Editora Objetiva, Ltda.	7,925	2,511	1,391	-	-	11,827
Gerencia de Medios, S.A.	33,944	-	-	-	-	33,944
GLR Chile, Ltda.	2,208	9,557	-	-	42,784	54,549
Grupo Latino de Radio, S.L.	8,368	-	-	-	(8,368)	-
Grupo Media Capital, SGPS, S.A.	688,951	-	603	-	-	689,554
Iberoamericana Radio Chile, S.A.	36,849	-	-	-	(36,849)	-
Propulsora Montañesa, S.A.	8,608	-	-	-	-	8,608
Sistema Radiópolis, S.A. de C.V.	28,787	-	-	-	-	28,787
Sociedad Española de Radiodifusión, S.L.	20,086	-	-	-	9,384	29,470
Prisa Televisión, S.A.U.	3,364,578	-	176	-	-	3,364,754
Other companies	35,755	(81)	-	(3,228)	(1,016)	31,430
Total	**4,302,739**	**11,987**	**2,170**	**(3,228)**	**5,935**	**4,319,603**

The detail, by business segment, of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2009 is as follows:

	Thousands of euros					
	Balance at 12/31/08	Translation adjustment	Changes in the scope of consolidation/ Additions	Impairment	Transfers	Balance at 12/31/09
Press	4,407	-	-	(3,228)	-	1,179
Radio	135,906	9,381	-	-	5,935	151,222
Education	69,252	2,606	1,390	-	-	73,248
Audiovisual	4,054,116	-	780	-	-	4,054,896
Other	39,058	-	-	-	-	39,058
Total	**4,302,739**	**11,987**	**2,170**	**(3,228)**	**5,935**	**4,319,603**

Transfers-

Following the restructuring of the radio companies in Chile, the goodwill of Iberoamericana Radio Chile, S.A. was transferred to GLR Chile, Ltda. The increase in that goodwill was due mainly to exchange rate changes and to the presentation of the goodwill that arose on the acquisition of Iberoamericana Radio Chile, S.A., for the related gross amount, which was offset by the increase in non-controlling interests, included under *"Equity – Non-controlling interests"* in the 2009 consolidated balance sheet.

As a result of the mergers of Grupo Latino de Radio, S.L., Radio Irún, S.L. and Radio Gibralfaro, S.A. with Sociedad Española de Radiodifusión, S.L., during 2009 the goodwill relating to those companies was transferred to Sociedad Española de Radiodifusión, S.L.

Impairment tests

At the end of each reporting period, or whenever there are indications of impairment, the Group tests goodwill for impairment to determine whether it has suffered any permanent loss in value that reduces its recoverable amount to below its carrying amount.

To perform the aforementioned impairment test, the goodwill is allocated to one or more cash-generating units. The recoverable amount of each cash- generating unit is the higher of value in use and the net selling price that would be obtained from the assets associated with the cash-generating unit. In the case of the main cash-generating units to which goodwill has been allocated, their recoverable amount is their value in use.

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

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

In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2010 the rates used ranged from 7.7% to 9.3% depending on the business being analyzed.

According to the estimates and projections available to the Group's directors, the expected future cash flows attributable to the cash-generating units or groups of cash-generating units to which goodwill is allocated indicate that the net value of each goodwill allocated at December 31, 2010 and 2009 may be recovered.

Prisa Televisión-

According to 5-year forecasts, management has based its value-in-use calculations for Prisa Televisión's audiovisual business on the following:

Variations in the number of subscribers and ARPU (average revenue per user) - these assumptions are of particular significance in the pay TV audiovisual business because the related amounts account for 89% of revenue. In its assumptions, management took into account, on the one hand, a gradual recovery in the number of subscribers in the satellite distribution system, as well as best estimates on the distribution of contents on pay TV platforms of other telecommunications operators. In the case of the latter, the assumptions take into account the customer bases of each operator, estimated penetration, forecast revenue from offering premium content, as well as costs arising from the related acquisition contracts. Although the conditions and time for initiating new distribution contracts are dictated by the stage of negotiations underway, management has estimated contract wins on the most reasonable current parameters.

Increase in programming costs - In its projections, management has estimated the future consequences of commitments acquired with service providers and labor costs based according to costs that can be estimated from contracts signed and currently in force, which guarantee access to the main pay TV contents. Estimates regarding operating costs reflect streamlining and growth plans that should strengthen and transform certain business areas.

Media Capital-

The main variables used by management to determine the value in use of Media Capital's audiovisual business were as follows:

Evolution of the audience share and advertising share-management predicts a stable trend in both audience share and advertising share in the future projections of TVI, Media Capital's free-to-air TV channel and the current market leader, which has maintained its market share in recent years.

Evolution of the advertising market – management predicts stable advertising expenditure in the audiovisual business in Portugal in 2011, before increasing 2.5 % thereafter until 2013. With these assumptions, management is assuming that the levels of television advertising expenditure achieved in 2008 will be recovered from 2016 onwards.

Results of the impairment tests-

Per estimates and projections available to the Group's directors, the projected cash flows attributable to these cash-generating units to which the goodwill has been allocated will make it possible to recover the carrying amount of each item of goodwill recognized at December 31, 2010. In 2010, an impairment loss of EUR 50 million was recognized on the consolidated income statement for Media Capital's goodwill. This impairment was mainly due to the increase in the applicable discount rate resulting from the increase in country risk for investments in Portugal and the decision to cease video distribution activity.

Sensitivity to changes in key assumptions-

- Prisa Televisión

In order to determine the sensitivity of value in use to changes in the key assumptions, the Group analyzed the impact of the following changes in the key assumptions without producing significant impairment losses on the goodwill allocated:

- Increase of 1% in the discount rate
- Decrease of 5% in the ARPU
- Decrease of 5% in the number of subscribers

- Media Capital

Due to the impairment losses on the goodwill recognized during 2010, their carrying amount is quite similar to value in use, and therefore, an adverse change in key valuation assumptions might lead to recognition of impairment at a later date. A 1% advertising share reduction would create impairment of goodwill of approximately EUR 10 million, while a 0.5% decrease in the expected growth rate from the fifth year onward would lead to impairment totaling EUR 33 million.

(7) INTANGIBLE ASSETS

2010

The changes in 2010 in *"Intangible assets"* in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/09	Monetary adjustment	Translation adjustment	Changes in scope of consoli-dation	Additions	Disposals	Transfers	Balance at 12/31/10
Cost								
Computer	188,597	278	335	(284)	20,303	(3,634)	510	206,105
Prototypes	177,209	1,582	10,177	-	37,303	(31,103)	(75)	195,093
New subscribers - Installation and connection	96,965	-	-	-	48,811	(41,939)	-	103,837
Advances on copyrights	59,880	-	1,241	2	9,074	(3,370)	-	66,827
Audiovisual rights	384,233	-	-	(236,620)	1,920	(12,279)	(1,251)	136,003
Other intangible assets	95,202	650	6,017	(79)	8,874	(18)	337	110,983
Total cost	**1,002,086**	**2,510**	**17,770**	**(236,981)**	**126,285**	**(92,343)**	**(479)**	**818,848**
Accumulated depreciation:								
Software	(136,497)	(278)	(75)	184	(16,926)	2,232	(110)	(151,470)
Prototypes	(122,224)	(1,778)	(7,566)	-	(27,671)	27,529	487	(131,223)
Advances on copyrights	(34,756)	1	(680)	-	(6,641)	2,147	(537)	(40,466)
Audiovisual rights	(283,181)	-	-	221,799	(10,852)	5,548	(35)	(66,721)
Other intangible assets	(31,944)	(489)	(2,430)	72	(47,760)	42,052	(1)	(40,500)
Total accumulated depreciation	**(608,602)**	**(2,544)**	**(10,751)**	**222,055**	**(109,850)**	**79,508**	**(196)**	**(430,380)**
Impairment losses:								
Prototypes	(14,623)	-	(2)	-	15	40	1,165	(13,405)
Advances on copyrights	(13,191)	-	(153)	-	(3,179)	1,972	-	(14,551)
Other intangible assets	-	-	-	-	2,265	-	(2,265)	-
Total impairment losses	**(27,814)**	**-**	**(155)**	**-**	**(899)**	**2,012**	**(1,100)**	**(27,956)**
Intangible assets, net	**365,670**	**(34)**	**6,864**	**(14,926)**	**15,536**	**(10,823)**	**(1,775)**	**360,512**

2009

The movement in this balance sheet heading in 2009 was the following:

	Thousands of euros							
	Balance at 12/31/08	Monetary adjustment	Translation	Changes in scope of consoli-dation	Additions	Disposals	Transfers	Balance at 12/31/09
Cost:								
Computer	181,957	252	659	(3,075)	16,204	(5,501)	(1,899)	188,597
Prototypes	130,335	443	9,405	-	31,246	(25,789)	31,569	177,209
New subscribers - Installation and connection	120,644	-	-	-	28,681	(52,360)	-	96,965
Advances on copyrights	60,426	(16)	1,699	-	7,277	(9,549)	43	59,880
Audiovisual rights	389,456	-	-	-	10,321	(7,271)	(8,273)	384,233
Other intangible assets	85,379	(401)	3,604	(249)	4,429	(660)	3,100	95,202
Total cost	**968,197**	**278**	**15,367**	**(3,324)**	**98,158**	**(101,130)**	**24,540**	**1,002,086**
Accumulated depreciation:								
Software	(127,096)	(219)	(451)	1,932	(17,050)	5,993	394	(136,497)
Prototypes	(90,538)	52	(5,978)	(1)	(33,880)	25,617	(17,496)	(122,224)
Advances on copyrights	(36,846)	1	(853)	-	(3,738)	7,028	(348)	(34,756)
Audiovisual rights	(273,228)	-	-	-	(16,937)	6.984	-	(283,181)
Other intangible assets	(25,347)	177	(2,062)	276	(57,186)	52,506	(308)	(31,944)
Total accumulated depreciation	**(553,055)**	**11**	**(9,344)**	**2.207**	**(128,791)**	**98.128**	**(17,758)**	**(608,602)**
Impairment losses:								
Software	(57)	-	-	-	-	57	-	-
Prototypes	(3,075)	-	-	-	3,300	-	(14,848)	(14,623)
Advances on copyrights	(11,084)	-	(137)	-	(3,993)	1.213	810	(13,191)
Other intangible assets	(842)	-	-	-	476	145	221	-
Total impairment losses	**(15,058)**	**-**	**(137)**	**-**	**(217)**	**1.415**	**(13,817)**	**(27,814)**
Intangible assets, net	**400,084**	**289**	**5,886**	**(1,117)**	**(30,850)**	**(1,587)**	**(7,035)**	**365,670**

Changes in scope of consolidation-

Changes in the scope of consolidation to *"Audiovisual rights"* mainly corresponds to the rights belonging to Sogepaq, S.A. and Sociedad General de Cine, S.L. which were derecognized following the sale of these companies in December 2010 *(see Note 3).*

Additions-

The most significant additions in 2010 were as follows:

- *"New subscribers - Installation and connection"* amounting to EUR 48,811 thousand which included the costs incurred by Prisa Televisión Group in connection with the installation of equipment and the connection of new subscribers to digital satellite pay TV.

- *"Prototypes,"* amounting to EUR 37,303 thousand, relating to new prototypes for the publication of books at Grupo Santillana de Ediciones, S.L.

- *"Computer software,"* amounting to EUR 20,303 thousand, relating to the computer software acquired and/or developed by third parties for Group companies.

- *"Advances on copyrights,"* amounting to EUR 9,074 thousand, relating mainly to the amounts paid to authors by Grupo Santillana de Ediciones, S.L. for the acquisition of book publishing rights.

Disposals and transfers-

In 2010, Grupo Santillana de Ediciones, S.L. derecognized fully amortized prototypes from the *"Prototypes"* account in the amount of EUR 22 million.

"Other intangible assets" includes administrative concessions amounting to EUR 47,861 thousand, which are considered to be intangible assets with indefinite useful lives because it is highly probable that they will be renewed and the related costs are not material.

At the end of each reporting period, the residual useful life of these concessions is analyzed in order to ensure that they continue to be indefinite; if this is not the case, the concessions are amortized.

At December 31, 2010, the Prisa Group's assets included fully amortized intangible assets amounting to EUR 190,326 thousand (December 31, 2009: EUR 250,241 thousand).

There are no restrictions on holding title to the intangible assets other than those indicated in *Note 12.*

There are no future intangible asset purchase commitments other than those indicated in *Note 28.*

(8) FINANCIAL ASSETS

2010

Non-current financial assets

The changes in *"Non-current financial assets"* in the consolidated balance sheet in 2010, by type of transaction, were as follows:

	Thousands of euros					
	Balance at 12/31/09	Translation/monetary adjustment	Changes in scope of consolidation	Additions/ allowances	Disposals/ Transfers	Balance at 12/31/10
Loans and receivables	**15,288**	**635**	**-**	**16,885**	**(1,756)**	**31,052**
Loans to associates	100,480	76	-	860	(586)	100,830
Long-term loans to third parties	3,673	-	-	16,291	(1,196)	18,768
Other non-current financial assets	6,672	569	-	-	(1)	7,240
Allowance	(95,537)	(10)	-	(266)	27	(95,786)
Held-to-maturity investments	**13,855**	**101**	**(34)**	**6,933**	**(1,287)**	**19,568**
Available-for-sale financial assets	**28,075**	**33**	**124**	**(4,009)**	**(4,232)**	**19,991**
Non-controlling equity interests	91,334	64	-	729	(5,430)	86,697
Allowance	(63,259)	(31)	124	(4,738)	1,198	(66,706)
Total	**57,218**	**769**	**90**	**19,809**	**(7,275)**	**70,611**

Additions/allowances-

Additions related to "*Long-term loans to third parties*" under "*Loans and receivables*" mainly include receivables amounting to EUR 15,000 thousand from the sale of Sociedad General de Cine, S.L. and Sogepaq, S.A. *(see Note 3).*

Disposals/transfers-

The most significant transfer under *"Available-for-sale financial assets"* is due to the change in the consolidation method for V-me Media, Inc., which was considered a securities portfolio and now is accounted for using the equity method as described in *Note 3.*

2009

Non-current financial assets

The changes in *"Non-current financial assets"* in the consolidated balance sheet in 2009, by type of transaction, were as follows:

	Thousands of euros				
	Balance at 12/31/08	Translation adjustment	Additions/ allowances	Disposals/ Transfers	Balance at 12/31/09
Loans and receivables:	**32,185**	**718**	**1,552**	**(19,167)**	**15,288**
Loans to associates	108,457	(8)	1,014	(8,983)	100,480
Long-term loans to third parties	15,515	(26)	538	(12,354)	3,673
Other non-current financial assets	5,920	752	-	-	6,672
Allowance	(97,707)	-	-	2,170	(95,537)
Held-to-maturity investments:	**7,670**	**42**	**6,884**	**(741)**	**13,855**
Financial assets at fair value through profit or loss:	**17,826**	**-**	**8,765**	**(26,591)**	**-**
Available-for-sale financial assets	**35,663**	**12**	**467**	**(8,067)**	**28,075**
Non-controlling equity interests	86,745	55	4,723	(189)	91,334
Other non-current financial assets	8,864	-	-	(8,864)	-
Allowance	(59,946)	(43)	(4,256)	986	(63,259)
Total	**93,344**	**772**	**17,668**	**(54,566)**	**57,218**

Disposals and transfers-

"Financial assets at fair value through profit or loss" reflects the sale of an interest rate hedge.

"Available-for-sale financial assets" includes the write-off of the investment of EUR 8,864 thousand made by Grupo Media Capital, SGPS, S.A. in a fund created by the Portuguese government to finance Portuguese cinema.

The carrying amount of the financial assets does not vary significantly from their fair value.

(9) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

2010

The changes in 2010 in *"Investments accounted for using the equity method"* in the consolidated balance sheet were as follows:

	Thousands of euros					
	Balance at 12/31/09	Additions	Share of results/ Impairment losses	Transfers	Disposals	Balance at 12/31/10
Investments accounted for using the equity method:						
Dédalo Grupo Gráfico, S.L. and subsidiaries	-	-	(19,220)	19,220	-	-
Distributors (*)	8,148	1,307	962	1,528	(1,524)	10,421
Promotora de Emisoras de Televisión, S.A.	404	-	(5)	-	-	399
Gestevisión Telecinco, S.A.	687	589,883	731	-	(9,087)	582,214
V-me Media, Inc.	-	3,884	(1,697)	-	-	2,187
Other companies	655	537	(80,330)	80,289	(247)	904
Total	**9,894**	**595,611**	**(99,559)**	**101,037**	**(10,858)**	**596,125**
V-me Media, Inc.	-	13,667	-	-	-	13,667
Other companies	3,750	-	-	-	-	3,750
Goodwill of companies accounted for using the equity method	**3,750**	**13,667**	**-**	**-**	**-**	**17,417**
Total investments accounted for using the equity method	**13,644**					**613,542**

(*) Val Disme, S.L., Cirpress, S.L., Beralán, S.L., Dima Distribución Integral, S.L., Distrimedios, S.L., Distribuidora de Publicaciones Boreal, S.L., Marina Bcn Distribucions, S.L., Distribuciones Papiro S.L. and subsidiaries.

The addition of Gestevisión Telecinco, S.A. corresponds to the 17.336% investment acquired through a capital increase carried out by Gestevisión Telecinco, S.A. via contribution of 100% of the shares of Sociedad General de Televisión Cuatro, S.A. *(see Note 3).* At the date of preparation of the accompanying financial statements, there is not sufficient information to be able to estimate the value of the Group's investment in the company's equity and, therefore, the corresponding goodwill.

The addition of V-me Media, Inc. resulted from the change in the method of consolidation of this company in June 2010 *(see Note 3).*

At December 31, 2010, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognized under "*Long-term provisions*" *(see Note 14).*

The Group accounts for its 40% investment in Dédalo Grupo Gráfico, S.L., the head of a group of companies engaging in the printing and copying of texts and mechanical binding, by the equity method. The negative value of the investment in Dédalo Grupo Gráfico, S.L. is recognized under *"Long-term provisions."* In 2010, Prisa entered into a reciprocal purchase and sale agreement with the majority shareholders of Dédalo Grupo Gráfico, S.L., companies related to the Ibersuizas Group, for the shares of Dédalo Grupo Gráfico, S.L. Under this agreement, on the one hand, Prisa has a call option, not exercisable at the date, on the additional 60% of Dédalo Grupo Gráfico, S.L. and, on the other, the current majority

shareholders may exercise their put option if any of the Dédalo Group companies were to become subject to insolvency proceedings. The strike price for both the options is EUR 1.

2009

The changes in 2009 in *"Investments accounted for using the equity method"* in the consolidated balance sheet were as follows:

	Thousands of euros					
	Balance at 12/31/08	Additions	Share of results/ Impairment losses	Transfers	Disposals	Balance at 31/12/09
Investments accounted for using the equity method:						
Dédalo Grupo Gráfico, S.L. and subsidiaries	-	-	(21,751)	21,751	-	-
Distributors (*)	6,446	168	2,570	(643)	(393)	8,148
Promotora de Emisoras de Televisión, S.A.	427	-	340	-	(363)	404
Prisa Televisión, S.A.U. (subsidiaries)	543		(134)	303	(25)	687
Other companies	1,687	-	(843)	60	(249)	655
Capital payments payable	(134)	-	-	-	134	-
Total	**8,969**	**168**	**(19,818)**	**21,471**	**(896)**	**9,894**
Goodwill of companies accounted for using the equity method	**3,967**	**-**	**-**	**-**	**(217)**	**3,750**
Total investments accounted for using the equity method	**12,936**					**13,644**

(*) Val Disme, S.L., Cirpress, S.L., Beralán, S.L., Dima Distribución Integral, S.L., Distrimedios, S.L., Distribuidora de Publicaciones Boreal, S.L., Marina Bcn Distribucions, S.L., Distribuciones Papiro S.L. and subsidiaries.

The *"Share of results of companies accounted for using the equity method"* of Promotora de Emisoras de Televisión, S.A., amounting to a profit of EUR 340 thousand, was included in the consolidated income statement under "Loss after tax from discontinued operations," due to the discontinuation of the Group's local television business activities in December 2008.

(10) INVENTORIES

The detail of *"Inventories,"* in thousands of euros, at December 31, 2010 and 2009 is as follows:

	12/31/10			**12/31/09**		
	Cost	Write-downs	**Carrying amount**	Cost	Write-downs	**Carrying amount**
Goods held for resale	2,148	(656)	**1,492**	14,299	(10,971)	**3,328**
Finished goods	212,944	(35,586)	**177,358**	229,626	(38,866)	**190,760**
Work in progress	1,956	-	**1,956**	1,047	-	**1,047**
Raw materials and other supplies	24,359	(2,013)	**22,346**	23,050	(119)	**22,931**
Total	**241,407**	**(38,255)**	**203,152**	**268,022**	**(49,956)**	**218.066**

"Finished goods" includes publications amounting to a net EUR 78,910 thousand (2009: EUR 70,796 thousand) and audiovisual rights amounting to a net EUR 98,270 thousand (2009: EUR 119,046 thousand).

"Raw materials and other supplies" includes mainly paper and printing machinery spare parts.

(11) EQUITY

a) Share capital

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

Capital increase-

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

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

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

Warrants-

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

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

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

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

As a result of the abovementioned capital increase, Prisa's share capital at December 31, 2010 amounted to EUR 84,697,802 and is represented by:

- 443,991,020 Class A ordinary shares, at a par value of EUR 0.10 each, and
- 402,987,000 Class B convertible non-voting shares, with a par value of EUR 0.10 each.

Share capital is fully subscribed and paid in.

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

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

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

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

b) Share premium

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

During 2010, as a result of the abovementioned capital increases, the share premium was increased by the amount exceeding the par value of the shares issued. The share premium includes value adjustments of the financial liabilities generated by the obligation to pay a minimum annual dividend on the Class B shares, as well as the Company's potential obligation to deliver additional shares as part of the mandatory conversion of the Class B shares *(see Notes 12 and 13).* This share premium amounted to EUR 409,028 thousand in 2010.

The share premium corresponding to the Class B shares issued in accordance with the commitments assumed in the issue of the shares will be non-distributable so as to cover future related commitments, until they have been converted into Class A shares, and the minimum associated dividend of the Class B shares have been paid in full *(see Notes 11a and 4f).* The share premium amounted to EUR 111,113 thousand at December 31, 2010.

c) Reserves

Revaluation reserve 1983-

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

Revaluation reserve Royal Decree-Law 7/1996-

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

Legal reserve-

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

The legal reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase.

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

Reserve for treasury shares-

Section 142 of the Consolidated text of the Corporate Enterprises Act states that when a company acquires treasury shares, it must record on the liability side of the balance sheet a restricted reserve equal to the carrying amount of the treasury shares. This reserve must be maintained until the shares are sold or canceled.

Bylaw-stipulated reserves-

Under Article 32 of the Parent's bylaws, at least 10% of the profit after tax must be transferred to a reserve each year until the balance of this reserve reaches at least 20% and does not exceed 50% of the paid-in share capital.

d) Reserves for first-time application of IFRS

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

e) Accumulated profit – From prior years

The breakdown, by company, of *"Accumulated profit – From prior years"* at December 31, 2010 and 2009, is as follows:

	Thousands of euros	
	12/31/10	12/31/09
Audiovisual	**339,344**	**(163,322)**
Education	**211,769**	**185,958**
Radio	**195,509**	**154,667**
Radio in Spain	184,306	156,918
International radio	11,203	(2,251)
Press	**13,837**	**14,853**
País	22,161	27,424
Spanish press	(8,324)	(11,436)
International press	-	(1,135)
Other	**179,889**	**207,306**
Prisa	275,097	289,268
Other	(95,208)	(81,962)
Total accumulated profit of fully consolidated companies	**940,348**	**399,462**
Radio	**(3,320)**	**(2,912)**
International radio	(3,320)	(2,912)
Audiovisual	**-**	**(31)**
Other	**(65,282)**	**(43,520)**
Total accumulated loss of companies accounted for using the equity method	**(68,602)**	**(46,463)**
Total accumulated profit from prior years	**871,746**	**352,999**

Accumulated profit for the audiovisual segment includes an after-tax capital gain of EUR 453 million generated by the sale of 44% of DTS, Distribuidora de Televisión Digital, S.A. on December 28, 2010 *(see Note 3).*

Accumulated product in the education segment included capital gains of EUR 137 million generated by the sale of 25% of Grupo Santillana de Ediciones, S.L.'s share capital to DLJSAP, which was adjusted by the initial measurement of the financial liability generated by the obligation to pay a minimum annual dividend of USD 25.8 million to the holders of the preferred shares delivered to DLJSAP *(see Notes 3 and 13).*

f) Treasury shares

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

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

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

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

g) Exchange differences

Exchange gains at December 31, 2010, amounted to EUR 20,213 thousand (December 31, 2009: exchange losses of EUR 1,561 thousand), mainly due to exchange gains generated at Grupo Santillana de Ediciones, S.L. companies located in Brazil.

h) Translation differences

The detail, by company, of the translation differences in 2010 and 2009 is as follows:

	Thousands of euros	
	12/31/10	12/31/09
GLR Chile, Ltda.	11,242	11,064
Grupo Santillana de Ediciones, S.L. and subsidiaries	(6,009)	(1,205)
Other	46	83
Total	**5,279**	**9,942**

i) Capital management policy

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

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

(12) FINANCIAL LIABILITIES

Bank borrowings

The detail, in thousands of euros, of the bank borrowings at December 31, 2010, of the credit limits and of the scheduled maturities is as follows:

2010

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Syndicated loan and credit facility to Prisa	2013	1,393,772	257,459	1,136,313
Bridge loan to Prisa	2013	1,553,396	-	1,553,396
Subordinated credit facility to Prisa	2013	134,000	-	134,000
Credit facilities	2011-2013	375,255	127,342	176,436
Loans	2011-2023	23,907	22,578	1,329
Finance leases, interest and other	2011-2015	12,574	9,260	3,314
Loan arrangement costs	2011-2013	-	(5,530)	(73,598)
Total		**3,492,904**	**411,109**	**2,931,190**

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

Of the total bank borrowings at December 31, 2010, 98.64% were denominated in euros and the remainder in foreign currencies (99.25% at December 31, 2009).

The average interest rates on the Group's bank borrowings were 2.67% in 2010 and 3.13% in 2009.

The Group considers that the current fair value of the bank borrowings amounts to EUR 3,258,396 thousand.

Syndicated loan and credit facility and bridge loan to Prisa and Refinancing Master Agreement-

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

Repayment of the loan commenced in 2007 and will end in May 2013. With respect to the remaining balance of the loan at December 31, 2009, EUR 353,533 thousand were paid in 2010, 48,266 thousand of which in advance, in compliance with the terms of the Refinancing Master Agreement. The schedule for the future repayments of the remainder of the outstanding loan at December 31, 2010, is as follows:

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

The maturity of the revolving facility associated to the syndicated loan is included in 2013.

This syndicated loan and credit facility is tied to Euribor plus a spread negotiated in 2007 and adapted in accordance with financial market rates. In conformity with Prisa´s syndicated loan and credit facility, the Company has arranged interest rate hedges which establish interest rate caps. These hedges expire in September 2011.

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

On February 29, 2008, Prisa signed the syndication of this bridge loan initially granted by one bank. On June 20, 2008, the initial maturity date of the bridge loan, and after the result of the takeover bid became known, the amount of the bridge loan was EUR 1,948,935 thousand; the Company also signed a one-month extension for the purpose of finalizing the agreement relating to the novation of this loan until March 2009.

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

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

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

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

On February 22, 2010, in the context of the debt restructuring process, Prisa entered into an agreement in principle with the banks that granted the bridge loan to extend its maturity until May 19, 2013. This agreement was subject to, among other conditions, the acceptance of the banks that granted the syndicated loan and credit facility, which was obtained formally on April 19, 2010 under the Refinancing Master Agreement. The agreement establishes the terms and conditions for restructuring the Prisa loan with the consent of HSBC (agent bank) and other financial entities participating in the syndicated loan and credit facility, and bridge loan, some bilateral lenders, counterparties to hedges, and the subordinated lender. The bridge loan was initially extended until July 30, 2010; on July 29 it was extended to November 30, 2010, and on November 29 it was extended to December 3, 2010. The conditions precedent the Group had to meet to extend the maturity of the bridge loan and a series of the Company's bilateral facilities to May 19, 2013, after several amendments to the original Refinancing Master Agreement, were that the Group must sell 25% of Grupo Santillana de Ediciones, S.L. and obtain proceeds of at least EUR 450 million from the Liberty capital increase *(see Note 11).* The funds raised from these transactions must be used to pay off the bridge loan and the syndicated loan and credit facility. After these conditions precedent were met, the maturity of the Company's bridge loan and bilateral loans was set at May 19, 2013.

During 2010, EUR 282,441 thousand of the bridge loan had been paid off, as stipulated in the Refinancing Master Agreement, with EUR 1,553,396 thousand pending. Also, EUR 353,533 thousand of the syndicated loan and credit facility was paid off, with EUR 1.393,772 thousand remaining, as indicated above.

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

In addition, the Parent pledged its shares in Prisa Televisión, S.A.U., its shares in Prisa Radio, S.L., the shares it indirectly owns in Grupo Media Capital, SGPS, S.A. and the shares it owns of Grupo Santillana de Ediciones, S.L. On January 27, 2011, Prisa Televisión, S.A.U. pledged its shares in DTS, Distribuidora de Televisión Digital, S.A., representing 56% of its share capital after the sales described in *Note 3.*

The Refinancing Master Agreement includes the following additional commitments accepted by Prisa and pending compliance:

- Pledge the shares Prisa Televisión, S.A.U. owns in Gestevisión Telecinco, S.A. within ten working days of the date (i) that the pledge can be granted under the purchase-sale commitment and the options contract entered into with Gestevisión Telecinco, S.A., or (ii) the option contract terminates *(see Note 3)*.
- Pledge shares representing 22% of DTS, Distribuidora de Televisión Digital, S.A.'s share capital, initially sold by Prisa Televisión, S.A.U. to Gestevisión Telecinco, S.A., should Telecinco return the shares of DTS to Prisa Televisión, S.A.U., as stipulated in the option contract *(see Note 3)*.

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

The syndicated loan and credit facility, and the bridge loan establish that Grupo Prisa must comply with certain financial ratios which were renewed on November 4, 2010 in order to adapt them to the Group's new financial position. The Group's directors consider that the covenants established in these contracts were fulfilled at December 31, 2010.

Subordinated credit facility-

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

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

At December 31, 2010, the balance drawn down was EUR 134,000 thousand, which relates to the definitive amount of this credit facility after the Company requested a reduction in the limit thereof.

Syndicated loan and credit facility to Prisa Televisión-

In 2005, the Prisa Televisión Group renegotiated the terms and conditions of the financing arrangements then outstanding and in July 2005 entered into a new syndicated loan agreement, which replaced the prior agreement, for a total amount of EUR 1,200,000 thousand. This new agreement consists of a long-term loan of EUR 900,000 thousand and a short-term credit facility of EUR 300,000 thousand drawable throughout the term of the loan. The loan portion matures at six-and-a-half years and is repayable in ten consecutive half-yearly increasing installments. Repayment commenced in 2007 and will end in December 2011. This syndicated loan and credit facility was canceled early on December 28, 2010 with funds from the sale of 44% of DTS, Distribuidora de Televisión Digital, S.A. *(see Note 3)*.

Credit facilities-

"Credit facilities" includes mainly the amounts drawn down against credit facilities used to finance the Prisa Group companies' operating requirements in Spain through cash-pooling. The total amount of borrowing facilities with maturities exceeding one year is EUR 176,436 thousand, and are recognized under "*Non-current bank borrowings*" on the accompanying consolidated balance sheet. Borrowing facilities maturing in 2011 total EUR 127,342 thousand, and are recognized under "*Current bank borrowings*" on the accompanying consolidated balance sheet. The interest rate applicable to these credit facilities is Euribor plus a market spread.

Derivative financial instruments

The Prisa Group arranges derivative financial instruments with Spanish and international banks with high credit ratings.

In 2010, the Prisa Group held interest rate derivatives, foreign currency hedges and share options.

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

"Non-current financial liabilities" and *"Current financial liabilities"* on the accompanying consolidated balance sheet include at year-end the market value of the various financial instruments.

The fair value of the outstanding derivatives at December 31, 2010 was a negative EUR 15,742 thousand (2009: negative EUR 18,295 thousand), of which EUR 9,830 thousand related to the negative fair value of interest rate derivatives, EUR 253 thousand to the negative fair value of foreign currency hedges and EUR 5,659 thousand to the negative fair value of the share options.

Interest rate derivatives

In order to determine the fair value of the derivatives, the Prisa Group uses valuations provided by financial entities.

The interest rate derivatives arranged by the Prisa Group at December 31, 2010, and their fair values at that date are as follows (in thousands of euros):

					Nominal value		
Company	Instrument	Expiry	Nominal value	Fair value	Outstanding at 2011	Outstanding At 2012	Outstanding at 2013
Prisa	Swap "Leonidas"	2011	195,000	(2,315)	117,750	-	-
Prisa	Collar "Leonidas"	2011	507,000	(4,517)	306,150	-	-
Prisa	IRS	2013	134,000	(915)	134,000	134,000	134,000
Media Global SGPS	Collar	2012	50,000	(2,083)	50.000	50,000	-
		Total	**886,000**	**(9,830)**	**607,900**	**184,000**	**134,000**

The outstanding interest rate derivatives at December 31, 2010 and 2009, had negative fair values of EUR 9,830 thousand and EUR 18,776 thousand, respectively.

Pursuant to IFRSs, changes in the fair value of these financial instruments are recognized as finance income or finance costs, since by their nature they do not qualify for hedge accounting under IFRSs.

Analysis of sensitivity to interest rates

The fair value of the interest rate derivatives arranged by the Prisa Group depends on the changes in the Euribor and long-term swap interest rate curves.

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

Sensitivity (before tax)	**12/31/10**	**12/31/09**
+0.5% (increase in interest rate curve)	1,832	3,709
-0.5% (decrease in interest rate curve)	(3,198)	(4,207)

The sensitivity analysis shows that the negative fair value of the interest rate derivatives decreases in the event of upward shifts in the interest rate curve, partially reducing the projected higher cost of borrowings.

The Group considers that interest rates will probably fluctuate by 0.5% over the period analyzed. An increase in interest rates by the aforementioned percentage would lead to an increase in finance costs of EUR 16,540 during 2011, based on the expected maturities and the Group's intention to renew certain bank credit facilities.

Foreign currency derivatives

In 2010, the Group arranged foreign currency hedges in order to mitigate exposure to exchange rate fluctuations.

In order to determine the fair value of the derivatives, the Prisa Group uses valuations provided by financial entities.

			Nominal value		
Company	Instrument	Expiry	Thousands of USD	Thousands of euros	Fair value (thousands of euros)
Editora Moderna, Ltda.	Forward	2011	1,090	830	(52)
Editora Moderna, Ltda.	Forward	2011	7,500	5,710	(201)
Santillana del Pacífico, S.A. de Ediciones	Forward	2011	1,000	761	-
Santillana del Pacífico, S.A. de Ediciones	Forward	2011	1,000	761	-
		Total	**10,590**	**8,062**	**(253)**

The Prisa Group recognized a finance cost of EUR 253 thousand in this connection in the consolidated income statement for 2010 (finance income of EUR 481 thousand in 2009).

Analysis of sensitivity to exchange rates

The changes in the fair value of the foreign currency hedges arranged by the Prisa Group depend on fluctuations in the EUR/USD and USD/BRL exchange rates.

Following is a detail, in thousands of euros, of the sensitivity (changes in fair value) of the foreign currency hedges:

Sensitivity (before tax)	**12/31/10**	**12/31/09**
+10% (increase in USD exchange rate)	1,006	5,034
-10% (increase in USD exchange rate)	(641)	(1,879)

The sensitivity analysis shows that the positive fair value of the foreign currency derivatives increases in the event of increases in exchange rates, whereas the fair value of the derivatives decreases in the event of decreases in exchange rates.

Liquidity and interest rate risk tables

The following table shows an analysis of the Prisa Group's liquidity in 2010 for its derivative financial instruments. The table was prepared on the basis of undiscounted net cash flows. When the related settlement (receivable or payable) is not fixed, the amount was determined using the implicit values calculated on the basis of the interest rate curve and forward exchange rates.

	Thousands of euros	
Maturity	**Interest rate derivatives**	**Foreign currency derivatives**
Within 3 months	(3,135)	(253)
From 3 to 6 months	(2,745)	-
From 6 to 9 months	(2,439)	-
From 9 to 12 months	(441)	-
From 1 to 2 years	(1,255)	-
From 2 to 3 years	185	-
After 3 years	-	-

Liquidity risk-

The management of liquidity risk includes the detailed monitoring of the repayment schedule of the Group's borrowings and the maintenance of credit lines and other financing channels that enable it to cover foreseeable cash needs at short, medium and long term.

The table below details the liquidity analysis of the Prisa Group in 2010 in relation to its bank borrowings, which represent substantially all the non-derivative financial liabilities. The table was prepared using the cash outflows not discounted with respect to their scheduled maturity dates; when it is expected that the outflows will take place prior to the contractually stipulated dates. The flows include both the expected repayments and interest payments. When the settlement is not fixed, the amount was determined using the underlyings calculated based on the interest rate curves at the end of 2010.

Maturity	**Thousands of euros**	**Floating euro rates**
Within 3 months	119,922	0.95%
From 3 to 6 months	38,157	1.21%
From 6 to 9 months	50,144	1.50%
From 9 to 12 months	311,251	1.71%
From 1 to 2 years	525,659	2.27%
From 2 to 3 years	2,613,006	2.95%
After 3 years	630	3.43%
Total	**3,658,769**	

Share options-

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

At December 31, 2010, as a result of the capital increase transactions mentioned in Note 11, a non-current financial liability amounting to EUR 89,317 thousand was recognized; this corresponds to the Company's potential obligation to deliver additional shares or cash as part of the mandatory conversion of the Class B shares, if during the 20 trading sessions immediately prior to the date of conversion the weighted average price of Class A ordinary shares is below EUR 2. The Black-Scholes Method was used to determine fair value.

Other share options

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

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

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

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

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

- Level 3: those determinable on the basis of valuation techniques, which include inputs for the asset and liability that are not based on observable market data (unobservable inputs).

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

(13) NON-CURRENT FINANCIAL LIABILITIES

"Non-current financial liabilities" includes the amount of the derivatives described in *Note 12*, as well as the following:

Financial liability from the minimum Class B dividend

In 2010, the Company carried out a capital increase, issuing 402,987,000 non-voting convertible Class B shares; their holders have the right to receive a minimum annual dividend per share amounting to EUR 0.175 from the date of their issue until they are converted *(see Note 11a)*. Therefore, at year-end 2010, the Company recognized a financial liability net of arrangement expenses totaling EUR 165,200 thousand related to the obligation to pay the dividend with a charge to the issue premium for the Class B shares. The obligation was

calculated as the present value of the payments due discounted at the interest rate which would have been applicable to Prisa if it had issued a debt instrument with similar characteristics and credit rating, but without the conversion option.

Financial liability from the minimum annual dividend from DLJSAP's investment in Grupo Santillana de Ediciones, S.L

The sale of 25% of Grupo Santillana de Ediciones, S.L.'s share capital includes the obligation to pay a preferential dividend of at least USD 25.8 million per year *(see Note 3).* Therefore, at December 31, 2010, the Group recognized a financial liability of EUR 107,405 thousand, calculated as the present value of the preferential annual dividends discounted at the interest rate applicable to credit instruments with similar characteristics. These liabilities are in USD, and therefore, differences arising from exchange rate fluctuations are recognized as finance income or cost in the consolidated income statement.

Prisa Televisión, S.A.U. subordinated loan

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

The subordinated nature of this loan relates mainly to the fact that any amount owed thereunder will be conditional upon the meeting of the payment obligations claimable at any time under the syndicated loan arranged by Prisa Televisión, S.A.U. with a group of banks, as described in *Note 12*. The loan was subordinated until December 31, 2010. The subordinated had a 2012 maturity and bore annual interest of 10.28%.

This loan, for EUR 228,323 thousand, was paid off in advance on December 28, 2010 with the funds from the sale of 22% of DTS, Distribuidora de Televisión Digital, S.A. to Telefónica de Contenidos, S.A.U. after the syndicated loan to Prisa Televisión, S.A.U. was canceled *(see Note 12).*

(14) LONG-TERM PROVISIONS

The changes in 2010 in "*Non-current liabilities - Provisions*" were as follows:

	Thousands of euros					
	Balance at 12/31/09	Translation adjustment	Charge for the year	Amounts used	Transfers	Balance at 12/31/10
For taxes	16,958	13	1,366	(6,930)	1	11,408
For third-party liability and other	73,192	302	5,132	(5,478)	101,036	174,184
Total	**90,150**	**315**	**6,498**	**(12,408)**	**101,037**	**185,592**

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

The *"Provision for third-party liability"* relates to the estimated amount required to meet possible claims and litigation brought against Group companies.

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

The breakdown of the charge for 2010 in the consolidated income statement is as follows:

	Thousands of euros
Termination benefits	446
Other staff costs	1,591
Taxes	1,366
Other	3,095
Total	**6,498**

At December 31, 2010, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognized under *"Non-current liabilities - Provisions"* in the accompanying consolidated balance sheet, the detail being as follows *(see Note 9):*

	Thousands of euros
Dédalo Grupo Gráfico, S.L. and subsidiaries	51,931
WSUA Broadcasting Corporation	1,033
Distrimedios, S.A.	728
Comercial prensa siglo XXI	704
Green Emerald Business, Inc.	683
Other	81,064
Total	**136,143**

Management of the Group has decided to recognize a provision amounting to approximately EUR 80 million to cover certain risks and possible restructuring expenses at associates. This provision was recognized under *"Result of companies accounted for using the equity method"* on the accompanying consolidated income statement *(see Note 9)*.

(15) ASSETS CLASSIFIED AS HELD FOR SALE AND ASSOCIATED LIABILITIES

The detail of the current and non-current assets and liabilities recognized as assets classified as held for sale and associated liabilities in the accompanying consolidated balance sheet at December 31, 2010 and 2009, is as follows (in thousands of euros):

	12/31/10	12/31/09
Non-current assets	3,653	6,706
Current assets	-	250,682
Total assets	**3,653**	**257,388**
Non-current liabilities	-	2,988
Current liabilities	-	202,446
Total liabilities	**-**	**205,434**

At December 31, 2009, the assets and liabilities of Cuatro which were sold to Gestevisión Telecinco, S.A. in 2010 (*see Note 3)* were classified as held for sale.

(16) OPERATING INCOME

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

	Thousands of euros	
	12/31/10	12/31/09
Revenue from subscribers	913,105	1,002,043
Advertising sales and sponsorship	673,702	898,618
Sales of books and training	625,877	600,466
Newspaper and magazine sales	180,396	193,248
Sales of add-ons and collections	30,953	44,395
Sale of audiovisual rights and programs	87,739	231,722
Intermediation services	25,393	32,146
Broadcasting services	19,860	24,072
Other services	130,748	128,395
Revenue	**2,687,773**	**3,155,105**
Income from non-current assets	32,888	6,072
Other income	102,070	47,407
Other income	**134,958**	**53,479**
Total operating income	**2,822,731**	**3,208,584**

The most significant exchange transactions occurred under *"Advertising sales and sponsorship"* and the most significant segments were radio, press and audiovisual, whose exchanges with third parties amounted to EUR 9,022 thousand in 2010 (2009: EUR 10,535 thousand).

(17) OPERATING EXPENSES

Staff costs

The detail of *"Staff costs"* is as follows:

	Thousands of euros	
	12/31/10	12/31/09
Wages and salaries	477,213	489,768
Employee benefit costs	94,524	99,064
Termination benefits	1,055	11,654
Share-based payment costs	-	694
Other employee benefit costs	19,289	18,792
Total	**592,081**	**619,972**

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

	12/31/10	12/31/09
Executives	484	541
Middle management	1,564	1,600
Other employees	11,837	12,846
Total	**13,885**	**14,987**

In 2010, the Group began calculating sales reps as staff, which are calculated as equivalent employees in order to keep criteria used for calculating average staff consistent; the average number of employees in the Group in 2009 amounted to 15,212.

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

	12/31/10		12/31/09	
	Women	Men	Women	Men
Executives	137	347	143	398
Middle management	574	990	598	1,003
Other employees	5,839	5,998	6,447	6,398
Total	**6,550**	**7,335**	**7,188**	**7,799**

Share-based payments

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

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

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

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

During the Extraordinary General Shareholders' Meeting held on November 27, 2010, it was decided to authorize the 2010-2013 Share/Stock Options Delivery Plan, consisting of the delivery of Prisa shares and/or share options to the directors and executives of the Prisa Group, authorizing the Board of Directors to develop and implement the Plan. The Plan is applicable during the 2010, 2011, 2012, and 2013 financial years. If the Board does not make use of its authorization before December 31, 2011, the resolution adopted by the shareholders at their extraordinary general meeting would be rendered without effect.

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

Outside services

The detail of *"Outside services"* in 2010 and 2009 is as follows:

	Thousands of euros	
	12/31/10	12/31/09
Independent professional services	219,688	192,848
Leases and fees	126,075	158,886
Advertising	111,935	99,547
Intellectual property	55,054	90,968
Transport	68,919	74,485
Other outside services	212,829	218,938
Total	**794,500**	**835,672**

Fees paid to auditors

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

Also, the fees relating to other auditors involved in the 2010 audit of the various Group companies amounted to EUR 383 thousand (2009: EUR 324 thousand).

In addition, the fees for other professional services provided to the various Group companies by the principal auditor and by other entities related to the auditor, and fees paid in this connection to other auditors participating in the audit of the various Group companies are as follows (in thousands of euros):

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

Operating leases

Various assets and services used by the Group are held under operating leases, the most significant of which are the buildings in Gran Vía 32, Miguel Yuste, Tres Cantos and Caspe, the provision of analogue, digital terrestrial and satellite broadcasting services and the radio frequencies. The most significant lease relates to Media Latina. The schedule for the future minimum lease payments arising from these leases is as follows:

Year	Thousands of euros
2011	73,720
2012	66,457
2013	66,246
2014	66,866
2015	66,005
2016 and beyond	734,715
	1,074,009

The main characteristic of the leases for the buildings on Gran Vía 32, Miguel Yuste, and Caspe are lease terms that range from 18 months to 15 years which, in the case of the buildings leased at 15 years, include the possibility of extending the lease by two consecutive five-year periods. The duration of the Tres Cantos lease is 20 years, which is renewable for four consecutive periods of five years each. In 2010, the lease expense relating to these buildings amounted to EUR 22,748 thousand (2009: EUR 12,887 thousand) and was recognized under "*Outside services - Leases and fees*."

Radio frequencies are leased from Media Latina for a term of ten years, renewable for a consecutive period of a further ten years. The lease expense for 2010 in this connection amounted to EUR 5,838 thousand (2009: EUR 5,935 thousand), recognized under *"Outside services - Leases and fees."*

The lease for the provision of analogue and digital terrestrial broadcasting services expires in 2016 and the lease for the provision of satellite broadcasting services expires in 2017. The

expense relating to these services amounted to EUR 43,936 thousand in 2010 (2009: EUR 73,315 thousand), which is recognized under *"Outside services - Leases and fees"*.

Change in allowances, write-downs and provisions

The detail of the *"Change in allowances, write-downs and provisions"* is as follows:

	Thousands of euros	
	12/31/10	12/31/09
Change in operating allowances	24,744	30,270
Change in inventory write-downs	12,480	22,302
Change in provision for sales returns	(14)	2,975
Total	**37,210**	**55,547**

(18) FINANCIAL LOSS

The detail of *"Financial Loss"* in the consolidated income statements is as follows:

	Thousands of euros	
	12/31/10	12/31/09
Income from current financial assets	835	437
Finance income from hedging transactions	-	454
Income from equity investments	284	262
Other finance income	7,646	14,605
Finance income	**8,765**	**15,758**
Interest on debt	(123,559)	(173,146)
Finance costs on hedging transactions	(16,374)	(33,188)
Adjustments for inflation	(990)	(1,243)
Other finance costs	(37,846)	(44,530)
Finance costs	**(178,769)**	**(252,107)**
Exchange gains	25,821	18,456
Exchange losses	(23,705)	(18,561)
Exchange differences (net)	**2,116**	**(105)**
Change in fair value of financial instruments	**8,677**	**22,185**
Financial loss	**(159,211)**	**(214,269)**

(19) DISCONTINUED OPERATIONS

In 2010, the loss from discontinued operations includes mainly the sale of Sociedad General de Televisión Cuatro, S.A., less the derecognition of the goodwill allocated to the company, as well as the results of its activity, as the sale took place on December 28, 2010.

	Thousands of euros
Operating income	379,627
Operating expenses	(392,157)
Loss from operations	**(12,530)**
Financial loss	(587)
Result of companies accounted for using the equity method	(5)
Loss before tax from discontinued operations	**(13,122)**
Income tax	6,268
Result attributable to non-controlling interests	(12)
Income tax	**(6,866)**
Gain on sale of Sociedad General de Televisión Cuatro, S.A.	349,022
Derecognition of goodwill allocated to Sociedad General de Televisión Cuatro, S.A.	(377,167)
Loss after tax from discontinued operations	**(35,011)**

In 2009, the loss from discontinued operations included the loss arising from the discontinuation of operations of the Crisol store chain owned by Grupo Santillana de Ediciones, S.L.

The breakdown of operating income and expenses on the 2009 consolidated income statement had Cuatro been considered a discontinued operation 2010 would be as follows:

	Thousands of euros
Operating income	**2,975,120**
Operating expenses	**(2,594,654)**
Cost of materials used	(963,644)
Staff costs	(600,752)
Outside services	(772,814)
Depreciation and amortization	(196,212)
Change in allowances, write-downs and provisions	(54,463)
Other expenses	(6,769)
Profit from operations	**380,466**
Financial loss	(214,269)
Share of profit/loss of associates	(24,414)
Result of companies accounted for using the equity method and other	**141,783**
Income tax	(67,068)
Profit from continuing operations	**74,715**

(20) BUSINESS SEGMENTS

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

The business segments were determined based on the Prisa Group's organizational structure at year-end 2010 considering the nature of the products and services offered, and the customer segments which they target. The Spanish free-to-air TV business segment was restructured in 2010. This entailed the spin-off to Sociedad General de Televisión Cuatro, S.A. of the operation of the "Cuatro" free-to-air network and the related businesses carried out by Sogecable Media, S.L., Sogecable Editorial, S.L. and Compañía Independiente de Noticias de TV, S.L. As a result, the Group decided to present the audiovisual business as a separate segment, as due to its strategic profile, it required separate treatment and monitoring. After the sale of Sociedad General de Televisión Cuatro, S.A. on December 28, 2010, the results in 2010 from the Spanish free-to-air TV business segment are included in "Loss after tax from discontinued operations" together with the proceeds from the sale *(see Notes 3 and 6).*

At year end 2010, Prisa's operations are divided into four main businesses:

- Press, which groups together mainly the activities relating to the sale of newspapers and magazines, advertising and promotions;
- Radio, the main source of revenue from which is the broadcasting of advertising and, in

addition, the organization and management of events and the provision of other supplementary services;

- Education, which includes primarily the sale of general publishing and educational books and the sale of training; and
- Audiovisual, which obtains revenue mainly from the subscribers to the Digital+ platform, the broadcasting of advertising and audiovisual production.

Segment information about these businesses for 2010 and 2009 is presented below:

	AUDIOVISUAL		EDUCATION		RADIO		PRESS		OTHER		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Operating income	**1,372,401**	**1,770,743**	**642,252**	**616,885**	**405,522**	**377,166**	**402,523**	**415,788**	**115,667**	**127,326**	**(115,634)**	**(99,324)**	**2,822,731**	**3,208,584**
- External sales	1,321,866	1,758,233	638,884	613,307	395,176	364,238	293,056	324,971	143,080	137,781	30,669	10,054	2,822,731	3,208,584
- Inter-segment sales	50,535	12,510	3,368	3,578	10,346	12,928	109,467	90,817	(27,413)	(10,455)	(146,303)	(109,378)	0	0
Operating expenses	**(1,177,964)**	**(1,565,991)**	**(536,791)**	**(526,881)**	**(315,458)**	**(295,139)**	**(360,756)**	**(386,467)**	**(216,243)**	**(159,335)**	**120,633**	**94,211**	**(2,486,579)**	**(2,839,602)**
- Cost of materials used	(564,527)	(817,640)	(160,101)	(170,270)	(3,412)	(3,297)	(109,362)	(126,526)	(6,475)	(14,561)	4,654	6,646	(839,223)	(1,125,648)
- Staff costs	(173,950)	(207,171)	(148,212)	(143,013)	(119,054)	(113,358)	(95,784)	(106,029)	(54,599)	(50,422)	(482)	21	(592,081)	(619,972)
- Depreciations and amortisation charge	(100,112)	(124,995)	(41,714)	(40,964)	(14,328)	(13,966)	(9,327)	(10,775)	(5,664)	(6,140)	782	183	(170,363)	(196,657)
- Outside services	(325,108)	(402,774)	(167,336)	(151,376)	(174,918)	(160,462)	(140,924)	(130,461)	(76,650)	(80,846)	90,436	90,247	(794,500)	(835,672)
- Change in operating provisions	(11,095)	(18,030)	(15,844)	(17,087)	(3,673)	(4,033)	(4,036)	(12,503)	(2,562)	(3,893)	0	(1)	(37,210)	(55,547)
- Other expenses	(3,172)	4,619	(3,584)	(4,171)	(73)	(23)	(1,323)	(173)	(70,293)	(3,473)	25,243	(2,885)	(53,202)	(6,106)
Profit from operations	**194,437**	**204,752**	**105,461**	**90,004**	**90,064**	**82,027**	**41,767**	**29,321**	**(100,576)**	**(32,009)**	**4,999**	**(5,113)**	**336,152**	**368,982**
Finance income	6,566	14,258	2,913	2,604	809	1,215	798	992	144,387	148,826	(137,095)	(152,591)	18,378	15,304
Finance costs	(23,849)	(58,762)	(22,416)	(10,489)	(3,685)	(2,893)	(514)	(459)	(162,926)	(173,799)	33,684	16,934	(179,706)	(229,468)
Exchange differences (net)	(4,516)	4,478	9,393	(3,372)	1,885	(1,227)	(27)	(22)	(142)	38	(4,476)	0	2,117	(105)
Financial profit (loss)	**(21,799)**	**(40,026)**	**(10,110)**	**(11,257)**	**(991)**	**(2,905)**	**257**	**511**	**(18,681)**	**(24,935)**	**(107,887)**	**(135,657)**	**(159,211)**	**(214,269)**
Result of companies accounted for using the equity method	(594)	(299)	(164)	0	(25)	(169)	0	0	996	2,567	(99,766)	(22,257)	(99,553)	(20,158)
									0					
Loss from other investments	0	0	0	0	(42)	(592)	(4,361)	(3,195)	(105,275)	(22,152)	105,376	21,683	(4,302)	(4,256)
Profit before tax from continuing operations	**172,044**	**164,427**	**95,187**	**78,747**	**89,006**	**78,361**	**37,663**	**26,637**	**(223,536)**	**(76,529)**	**(97,278)**	**(141,344)**	**73,086**	**130,299**
Income tax	(49,028)	(63,118)	(30,382)	(27,753)	(22,027)	(21,752)	(10,786)	(7,944)	(36,252)	47,813	75,451	9,709	(73,024)	(63,045)
Profit from continuing operations	**123,016**	**101,309**	**64,805**	**50,994**	**66,979**	**56,609**	**26,877**	**18,693**	**(259,788)**	**(28,716)**	**(21,827)**	**(131,635)**	**62**	**67,254**
Profit after tax from discontinued operations	336,160	501	(2,105)	(1,654)	0	0	(608)	(1,276)	0	0	(368,458)	0	(35,011)	(2,429)
Consolidated profit for the year	**459,176**	**101,810**	**62,700**	**49,340**	**66,979**	**56,609**	**26,269**	**17,417**	**(259,788)**	**(28,716)**	**(390,285)**	**(131,635)**	**(34,949)**	**64,825**
Minority interests	(1,444)	13,981	738	(56)	(4,619)	(2,504)	(2,572)	(1,569)	(393)	(281)	(29,631)	(23,917)	(37,921)	(14,346)
Profit atributable to the Parent	**457,732**	**115,791**	**63,438**	**49,284**	**62,360**	**54,105**	**23,697**	**15,848**	**(260,181)**	**(28,997)**	**(419,916)**	**(155,552)**	**(72,870)**	**50,479**
BALANCE SHEET														
Assets	**3,136,159**	**2,983,319**	**559,885**	**515,522**	**560,617**	**535,977**	**302,316**	**305,286**	**6,298,018**	**6,217,779**	**(2,705,541)**	**(2,364,831)**	**8,151,454**	**8,193,052**
- Non-current	1,987,946	1,676,252	206,242	190,003	362,117	341,597	104,953	113,142	5,761,330	5,837,597	(2,129,099)	(1,737,825)	6,293,489	6,420,766
- Current	1,148,213	1,041,921	350,110	325,519	198,380	194,272	197,363	191,706	536,688	380,182	(576,442)	(618,702)	1,854,312	1,514,898
- Assets dassified as held for sale	0	265,146	3,533	0	120	108	0	438	0	0	0	(8,304)	3,653	257,388
Equity and liabilities	**3,136,159**	**2,983,319**	**559,885**	**515,522**	**560,617**	**535,977**	**302,316**	**305,286**	**6,298,018**	**6,217,779**	**(2,705,541)**	**(2,364,831)**	**8,151,454**	**8,193,052**
- Equity	1,824,407	515,328	162,114	247,215	402,467	369,825	149,551	126,208	1,850,147	1,516,989	(1,738,501)	(1,402,546)	2,650,185	1,373,019
- Non-current	149,355	735,775	150,825	24,566	10,104	15,110	789	1,052	3,603,960	1,908,037	(388,537)	(333,074)	3,526,496	2,351,466
- Current	1,162,397	1,524,393	246,946	243,741	148,046	151,042	151,976	178,026	843,911	2,792,753	(578,503)	(626,822)	1,974,773	4,263,133
- Liabilities dassified as held for sale	0	207,823	0	0	0	0	0	0	0	0	0	(2,389)	0	205,434

* "Other" include Prisa Brand Solutions; S.L.U., Digital, Distribution, Promotora de Informaciones, S.A., Prisaprint, S.L., Promotora de Actividades América 2010, S.L., Prisa División Inmobiliaria, S.L., Prisa Inc., Prisa División Internacional, S.L., Prisa Finance (Netherlands) BV, GLP Colombia, Ltda., Vertix, SGPS, S.A. y Oficina del Autor, S.L.

In relation to the audiovisual segment, the breakdown, by business line, of the main items under *"Profit/(loss) from operations"* is as follows:

	Thousands of euros					
	2010			2009		
	Pay television	**Free-to-air television**	**Other**	**Pay television**	**Free-to-air television**	**Other**
Revenue	1,035,733	155,983	78,066	1,244,633	422,035	91,565
Other income	98,256	886	3,477	4,728	5,908	1,874
TOTAL OPERATING INCOME	**1,133,989**	**156,869**	**81,543**	**1,249,361**	**427,943**	**93,439**
Cost of materials used	(535,772)	(16,364)	(12,391)	(628,826)	(181,070)	(7,744)
Staff costs	(108,509)	(23,468)	(41,973)	(102,971)	(53,996)	(50,204)
Other operating expenses	(315,644)	(33,952)	(89,891)	(330,282)	(118,143)	(92,755)
TOTAL OPERATING EXPENSES	**(959,925)**	**(73,784)**	**(144,255)**	**(1,062,079)**	**(353,209)**	**(150,703)**
PROFIT/(LOSS) FROM OPERATIONS	**174,064**	**83,085**	**(62,712)**	**187,282**	**74,734**	**(57,264)**

At December 31, 2010 and 2009, the non-current and current assets and liabilities directly related to the free-to-air TV business, as well as the current assets and liabilities directly allocable to that business, correspond to the free-to-air Grupo Media Capital "TVI," as Cuatro's assets were classified at December 31, 2009 as held for sale, while at December 31, 2010 the business had been sold. The related amounts are as follows:

	12/31/10	**12/31/09**
Non-current assets	132,939	132,662
Current assets	134,820	123,393
Current liabilities	(113,418)	(98,484)

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

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

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

	Thousands of euros					
	Europe		**America**		**Total**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Revenue	2,106,231	2,647,693	581,542	507,412	2,687,773	3,155,105
Other income	128,561	46,246	6,397	7,233	134,958	53,479
Profit/(loss) before non-controlling interests and tax	(29,949)	64,793	103,035	65,506	73,086	130,299
Total assets	7,577,468	7,707,597	573,986	485,455	8,151,454	8,193,052

(21) TAX MATTERS

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

As a result of disinvestments carried out in the audiovisual segment during 2010, Prisa Televisión, S.A.U. subsidiaries were excluded from the consolidated tax group of which Promotora de Informaciones, S.A. is the parent; therefore, these companies now file individual tax returns.

Also, on January 1, 2009, Prisa Radio, S.L. created its own consolidated tax group in Spain, identified with number 194/09, which also comprises the subsidiaries that meet the statutory requirements for application of the consolidated tax regime *(see Appendix I)*.

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

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

Media Global, SGPS, S.A. and the companies in which it directly or indirectly holds at least 90% of the share capital and which also meet the conditions required under Portuguese law constitute a consolidated tax group in Portugal.

The other Group subsidiaries file individual tax returns in accordance with the tax legislation prevailing in each country.

In 2010 and prior years, certain Group companies performed or participated in corporate restructuring transactions under the special tax neutrality regime regulated in Chapter VIII of Title VII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal

Decree 4/2004, of March 5. The disclosures required by this legislation are included in the notes to the financial statements of the related Group companies for the year in which these transactions were carried out.

Also, in prior years, several tax group companies availed themselves of tax credits for the reinvestment of extraordinary income under Article 21 of repealed Spanish Corporation Tax Law 43/1995. The disclosures required by this Law are made in the notes to the financial statements of the corresponding companies.

In 2007, 2008, and 2009 several Group companies took the tax credit for reinvestment of extraordinary income envisaged in Article 42 of the Spanish Corporation Tax Law amounting to EUR 36,321 thousand, EUR 179,935 thousand and EUR 1,226 thousand, respectively. The disclosures required by current legislation were included in the notes to the financial statements of the companies involved.

Lastly, a company belonging to the consolidated tax group availed itself of the tax credit for the reinvestment of extraordinary income envisaged in Article 42 of the Spanish Corporation Tax Law, and applied the reinvestment tax credit to income amounting to EUR 41,805 thousand in 2010, thereby fulfilling the obligation to reinvest the selling price in the acquisition of non-current financial assets, pursuant to the terms established by this Law.

During the year, certain companies within tax group deducted, for tax purposes, impairment losses on equity interests from taxable income, an extra-accounting deduction provided for under article 12.3 of the Spanish Corporation Tax Law. The disclosure requirements of this Law were met in the notes to the financial statements of these companies.

a) Reconciliation of the accounting profit to the taxable profit

The following table shows a reconciliation of the result of applying the current standard tax rate in Spain to consolidated net accounting profit, calculated under International Financial Reporting Standards, to the consolidated Group's income tax expense for 2010.

	Income statement
CONSOLIDATED NET PROFIT UNDER IFRSs	**73,086**
Tax charge at 30%	21,926
Consolidation adjustments	17,534
Permanent differences (1)	34,961
Tax loss carryforwards	(780)
Tax credits and tax relief (2)	(4,566)
Effect of applying different tax rates (3)	(8,178)
INCOME TAX FOR 2010	60,897
ADJUSTMENT OF PRIOR YEARS' TAX (4)	6,611
FOREIGN TAX EXPENSE (5)	3,820
EMPLOYEE PROFIT SHARING (6)	1,696
TOTAL INCOME TAX	**73,024**

(1) The permanent differences are due mainly to: (i) certain non-deductible costs and provisions; (ii) the exemption of foreign-source dividends; and (iii) foreign tax expenses arising from withholdings at source.

(iv) The impact of additions from pending eliminations from the defunct tax group of Prisa Televisión, S.A.U., as a result the restructuring in the audiovisual area *(see Note 3).*

(2) The Spanish Prisa reporting Group companies took a domestic dividend double taxation tax credit on dividends not elimination on consolidation, an international double taxation credit and a tax credit provided for in Article 20 of Law 49/2002, of December 23, on the Tax Regime of Not-for-Profit-Entities and Tax Incentives for Patronage.

(3) Relating to the effect of taxation of profits from american and european subsidiaries at different rates.

(4) Including the impact on the income statement of the adjustment of income tax from prior years. In accordance with the principle of prudence, the accounting cancellation of certain credits for investment-related deductions are recognized under assets for EUR 15,000 thousand, despite the fact that the companies involved reserve the right to apply them in the future.

(5) This relates to the expense for taxes paid abroad and arose from withholdings at source on the income from exports of services provided by the Group's Spanish companies abroad.

(6) This is an additional component of the income tax expense in countries such as Mexico.

b) Deferred tax assets and liabilities

The following table shows the origin and amount of the deferred tax assets and liabilities recognized at 2010 year-end (in thousands of euros):

DEFERRED TAX ASSETS ARISING FROM				
	12/31/10	**Additions**	**Disposals**	**12/31/09**
Non-deductible provisions	8,843	2,927	(79)	5,995
Non-capitalizable assets	37	-	-	37
Tax loss carryforwards	769,417	1,405	(235,549)	1,003,561
Unused tax credits recognized	244,313	2,336	(40,192)	282,169
Other	23,420	4,347	(2,985)	22,058
Total	**1,046,030**	**11,015**	**(278,805)**	**1,313,820**

DEFERRED TAX LIABILITIES ARISING FROM				
	12/31/10	**Additions**	**Disposals**	**12/31/09**
Impairment losses on equity investments and goodwill	20,061	504	(44,809)	64,366
Deferral for reinvestment of extraordinary income	6,244	-	(103)	6,347
Accelerated depreciation and amortization	505	-	(17)	522
Other	1,745	420	(239)	1,564
Total	**28,555**	**924**	**(45,168)**	**72,799**

The tax assets and liabilities on the consolidated balance sheet at December 31, 2010 are recognized at their estimated recoverable amount.

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

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

The majority of the balance of deferred tax assets corresponds to tax credits arising from tax loss carryforwards and tax credits for investments mainly arising from Prisa's 2/91 and Prisa Radio's 194/09 tax consolidation groups, as well as for the entities comprising Prisa Televisión, S.A.U.'s former tax consolidation group. These deferred tax assets were recognized in accordance with the criteria set forth in "Account policies."

When the Prisa Televisión Group paid its 2008 income tax, it reassigned the tax loss carryforwards and unused tax credits of the Consolidated Group to each of the different companies comprising it at that date. Also, as a result of the elimination of the Prisa Televisión

tax group in 2008, it also reassigned the tax loss carryforwards of the consolidated tax group and of individual companies prior to their inclusion in the tax group in prior years, based on the criteria of the tax authorities.

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

Year incurred	Amount	Last year for offset	Amount	Recognized	Not recognized
1995	163	2010	163		163
1996	738	2011	738		738
1997	78,347	2012	1,162	77,185	1,162
1998	243,700	2013	1,759	225,065	18,635
1999	370,850	2014	6,275	295,339	75,512
2000	470,541	2015	13,431	408,775	61,766
2001	480,871	2016	4,800	422,260	58,611
2002	560,287	2017	27,595	473,045	87,242
2003	602,279	2018	88,562	545,021	57,258
2004	162,233	2019	22,527	95,285	66,948
2005	9,593	2020	9,593	267	9,326
2006	10,828	2021	4,582	6,348	4,479
2007	3,236	2022	389,329	0	3,236
2008	5,854	2023	2,429,004	279	5,575
2009	483	2024	483	40	443
2010	477	2025	477	172	305
Total	**3,000,480**		**3,000,480**	**2,549,081**	**451,399**

The Group recognized tax loss carryforwards in respect of losses incurred in launching the satellite pay TV business. The most significant losses in this respect were those recognized by DTS Distribuidora de Televisión Digital, S.A. prior to its inclusion in the extinct Prisa Televisión Group. The Group also recognized tax loss carryforwards in respect of losses incurred in the integration of DTS Distribuidora de Televisión Digital, S.A. The recovery thereof is reasonably assured on the basis of the recent performance of the pay TV businesses and the forecasts contained in the Prisa Televisión Group's business plan. The calculation of the fifteen-year period for the recovery of these tax credits began in 2009 (the first year the Company generated income since it was incorporated).

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

The main assumptions used in this business plan relate to matters such as the penetration of pay TV in Spain, Prisa Televisión Group's share of this penetration, the trend in the number of subscribers and in the prices of the services offered by the Group and the general trend in costs, in particular programming costs within the current technological and right exploitation framework in which Prisa Televisión Group operates. In this respect, the projection for the long-term penetration of pay TV in Spain, as far ahead as 2015, is several points below the current penetration rates in neighboring countries. Consequently, the estimated annual increases at short and medium term in the net subscriber figures are lower than the annual increases achieved in recent years by certain other European operators. This business plan also includes sensitivity studies of the most significant assumptions in order to situate them in pessimistic scenarios.

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

Also, as a result of the disposals and reorganization in the audiovisual area, nearly the entirety of Prisa Televisión, S.A.U.'s tax credits have been used.

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

Year generated	USA	MEXICO	BRAZIL	CHILE	ARGENTINA	COLOMBIA	PORTUGAL	TOTAL
1993	1,288							1,288
1994	1,315							1,315
1995	1,569							1,569
1996	110							110
1997	1,757							1,757
1998	1,726							1,726
1999	2,943							2,943
2000	3,874							3,874
2001	3,257							3,257
2002	1,887							1,887
2003	2,910							2,910
2004	3,132						4,100	7,232
2005	3,068						6,220	9,288
2006	7,252						1,996	9,248
2007	5,361				1,332		2,360	9,053
2008	6,339	931	30		560		44	7,904
2009	6,226	3		11,110	693	139		18,171
2010	3,334		20	5,733				9,087
TOTAL	**57,348**	**934**	**50**	**16,843**	**2,585**	**139**	**14,720**	**92,619**
RECOGNIZED		934		16,843	905		2,452	21,134
NOT RECOGNIZED	57,348		50		1,680	139	12,268	71,.485
Period for offset	20 years	10 years	No limit	No limit	5 years	No limit	6 years	

C) Years open for review by the tax authorities

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

The tax authorities inspected certain companies within the consolidated tax and accounting scope, and several tax assessments were issued for the following: personal income tax withholdings and payments, VAT, single revaluation tax, and income tax. At the date of the preparation of the accompanying financial statements, appeals were filed for the following companies related to the corresponding items:

Company	Tax	Years
Parent - Promotora de Informaciones, S.A.	Consolidated income tax	1992 to 1996
Subsidiaries		
Diario El País, S.L.	Personal income tax withholdings	1994 to 1996
Sociedad Española de Radiodifusión, S.L.	Income tax Withholdings from income from movable capital	1990 and 1992 1993

Since the Group does not concur with the criteria applied by the tax authorities, it has filed appeals at the appropriate instances against virtually all the tax assessments issued. The Supreme Court handed down a decision on the appeal filed against the income tax settlements from 1992 to 1994. The settlements for the other years have not yet been resolved. However, the Company filed an appeal for the protection of constitutional rights at the Spanish Constitutional Court in relation to the settlements from 1992 to 1994, which at the date of preparation of these consolidated financial statements had not yet been resolved, except for the settlement relating to 1992, which was paid by the Company. The disciplinary proceedings relating to consolidated income tax from 1992 to 1994 were suspended in full. However, the Group has recorded a provision of EUR 11,408 thousand *(see Note 14)* to cover, inter alia, any payments that it might have to make in this connection in the future. Guarantees have been provided for the total amount of the assessments, the execution of which was therefore stayed or, where appropriate, paid.

A favorable sentence was handed down by the Supreme Court regarding the settlement of Sociedad Española de Radiodifusión S.L.'s 1993 tax on income from movable capital totaling EUR 4,404 thousand.

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

To comply with the resolution issued by the Regional Economic-Administrative Tribunal, during 2010 the Tax Authorities reopened the 2001- 2002 income tax inspection. No significant additional liabilities for the Company are expected to arise in the event of a tax inspection.

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

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

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

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

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

Administrative Tribunal, currently pending resolution. Also, the audits of personal income tax withholdings and prepayments (employees and professionals), tax on property income and tax on income from movable capital for 2004 and 2005 were completed, which gave rise to uncontested assessments that were paid in the year and a contested assessment amounting to EUR 321 thousand. Also, the tax audit of VAT from June 2004 to December 2006 was completed with uncontested assessments amounting to EUR 909 thousand paid in the year and contested assessments amounting to EUR 5,431 thousand, against which appeals have been filed at the Central Economic-Administrative Tribunal and are pending resolution.

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

(22) DISTRIBUTION OF PROFIT

The proposal for the distribution of the profit of Promotora de Informaciones, S.A. for 2010 is as follows (in thousands of euros):

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

(23) EARNINGS PER SHARE

The basic earnings (loss) per share attributed to equity holders of the Parent corresponding to continuing and discontinued operations in 2010 and 2009 were the following:

	Thousands of euros	
	12/31/10	12/31/09
Profit/(loss) for the year from continuing operations attributable to the Parent(*)	(43,364)	52,908
Loss after tax from discontinued operations	(35,011)	(2,429)
Profit/(loss) for the year attributable to the Parent	(78,375)	50,479
Weighted average number of ordinary shares outstanding (thousands of shares)	277,279	219,135
Basic earnings/(loss) per share of continuing operations (euros)	(0.16)	0.24
Basic loss per share of discontinued operations (euros)	(0.13)	(0.01)
Basic earnings/(loss) per share (euros)	(0.28)	0.23

(*) In 2010, in order to calculate basic earnings/(loss) per share, the loss from continuing operations attributable to the Parent amounting to EUR 37,859 thousand were adjusted by EUR 5,505 thousand, the amount corresponding to preferential dividends of December 2010.

Weighted average number of ordinary shares outstanding in 2010 and 2009:

	Thousands of shares	
	2010	2009
Ordinary shares prior to capital increase	219,135	219,135
Share capital increases		
Weighted number of Class A shares	20,945	-
Weighted number of Class B shares	37,539	-
Weighted average of treasury shares	(340)	-
Weighted average number of ordinary shares outstanding for basic earnings per share	**277,279**	**219,135**

Basic earnings/(loss) per share was calculated by dividing the profit (loss) for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares in circulation during the period.

In 2010, the impact on the number of ordinary shares of the share subscription rights (warrants) and the conversion of Class B shares is antidilutive. Therefore, basic and diluted earnings per share amounts are the same.

(24) EVENTS AFTER THE REPORTING PERIOD

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

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

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

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

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

(25) RELATED PARTY TRANSACTIONS

The detail of the balances receivable from and payable to associates and related parties in 2010 and 2009 is as follows:

	Thousands of euros	
	12/31/10	12/31/09
Receivable		
Trade receivables	33,481	11,149
- Associates	33,357	10,890
- Related parties	124	259
Long-term loans	100,826	100,473
Short-term loans	2,187	4,083
Total	**136,494**	**115,705**
Payable		
Trade payables	13,963	9,721
- Associates	13,963	9,633
- Related parties	-	88
Other payables	199	4,212
- Associates	199	167
- Related parties	-	4,045
Total	**14,162**	**13,933**

The transactions performed with related parties in 2010 and 2009 were as follows (in thousands of euros):

	12/31/10		12/31/09	
	Directors and executives	Group employees, companies or entities	Directors and executives	Group employees, companies or entities
Services received	22,541	30,998	9,114	68,296
Other expenses	16,955	-	19,023	-
Total expenses	**39,496**	**30,998**	**28,137**	**68,296**
Finance income	-	425	-	1,140
Services rendered	-	-	-	17,215
Other income	-	8,319	-	-
Total income	**-**	**8,744**	**-**	**18,355**

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

The aggregate amount of EUR 16,955 thousand relates to the accrued salaries of directors *(see Note 26)* and executives.

Remuneration of senior executives-

At December 31, 2010, senior executives of the Prisa Group are considered to be those persons who are members of the Business Management Committee and the Corporate Committee who are not executive directors, in addition to the internal audit director of Promotora de Informaciones, S.A., namely: Ignacio Santillana del Barrio, Fernando Martínez Albacete, Augusto Delkader Teig, Jesús Ceberio Galardi, Miguel Ángel Cayuela Sebastián, Matilde Casado Moreno, Iñigo Dago Elorza, Pedro García Guillén, Oscar Gómez Barbero, Javier Pons Tubio, Kamal M. Bherwani, Andrés Cardo Soria, Bárbara Manrique de Lara and Virginia Fernández Iribarnegaray. The total remuneration earned by the senior executives of Promotora de Informaciones, S.A. in 2010 and of the Group companies other than it, amounted to EUR 7,109 thousand (EUR 5,326 thousand in 2009), which will be paid at short term.

Transactions between Group employees, companies or entities-

The aggregate amount of EUR 30,998 thousand includes mainly the printing services provided by various investees of Dédalo Grupo Gráfico, S.L.

The detail of other transactions performed with related parties in 2010 and 2009 is as follows (in thousands of euros):

	12/31/10			12/31/09		
	Significant shareholders	Group employees, companies or entities	Other related parties	Significant shareholders	Group employees, companies or entities	Other related parties
Financing agreements: loans	-	99,682	-	-	99,864	-
Guarantees provided *(Note 27)*	-	130,000	28,763	-	130,000	28,763
Commitments/guarantees cancelled *(Note 27)*	-	-	-	-	-	-
Dividends and other distributed profits	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-

At December 31, 2010, the aggregate amount of EUR 99,682 thousand (EUR 99,864 thousand in 2009) includes the EUR 92,625 thousand (EUR 92,359 thousand in 2009) credit facility granted to Dédalo Grupo Gráfico, S.L. (*see Note 8*).

(26) REMUNERATION AND OTHER BENEFITS OF DIRECTORS

In 2010 and 2009, the consolidated companies accrued the following amounts in respect of remuneration to Prisa's Board members:

	Thousands of euros	
	12/31/10	12/31/09
Fixed remuneration	2,478	3,068
Variable remuneration	1,811	2,560
Attendance fees	1,833	2,341
Bylaw-stipulated directors' emoluments	1,609	398
Share options	74	-
Other	2,041	5,330
Total	**9,846**	**13,697**

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

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

Owner	Investee	Percentage of ownership (%)	Functions
Juan Luis Cebrián Echarri	Le Monde, S.A.	-	Director
Juan Luis Cebrián Echarri	Lambrakis Press, S.A.	-	Member of the Board of Directors
Gregorio Marañón y Bertrán de Lis	Universal Music Spain, S.L.	-	Chairman
Harry Sloan	Metro Goldwyn Mayer Inc	-	Chairman
Harry Sloan	Zenimax Media Inc	-	Director

It is also hereby stated that:

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

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

This list does not include Prisa Group companies. However, it is hereby stated that the following directors of Promotora de Informaciones, S.A. are part of the managing body of

certain Prisa Group companies, as disclosed in the Company's Annual Corporate Governance Report: Ignacio Polanco Moreno, Juan Luis Cebrián Echarri, Manuel Polanco Moreno, Gregorio Marañón y Bertrán de Lis, Diego Hidalgo Schnur, and Agnés Noguera Borel.

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

(27) GUARANTEE COMMITMENTS TO THIRD PARTIES

Prisa acts as guarantor for bank loans and credit facilities granted to Promotora de Emisoras de Televisión, S.A. and Iberbanda, S.A. for a maximum amount of EUR 10,000 thousand and EUR 27,583 thousand, respectively.

At December 31, 2010, Prisa had provided bank guarantees amounting to EUR 135,026 thousand and USD 10,000 thousand mainly in relation to the tax assessments issued by the tax authorities that were signed on a contested basis and litigation for football rights *(see Note 30).*

Lastly, in 2008 Dédalo Grupo Gráfico, S.L. and its investees entered into a syndicated loan and credit agreement for a maximum amount of EUR 130,000 thousand. In this financing, since November 2009 Prisa has been the guarantor of all the debt and the underlying hedges. Also, in March 2010, Prisa granted the majority shareholders of Dédalo Grupo Gráfico, S.L. a contract of indemnity vis-à-vis third-party claims as a result of actions taken to defend the interests of Prisa or following instructions received therefrom.

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

(28) FUTURE COMMITMENTS

The Prisa Televisión Group and the Media Capital Group have entered into purchase and sale agreements with various suppliers and consumers for future program broadcasting rights and the exploitation of image rights and sports rights. These commitments partially cover the Prisa Televisión Group and Media Capital Group companies' programming needs in the years indicated.

In addition, by virtue of an agreement entered into with Indra on December 23, 2009 *(see Note 5),* Prisa assumed payment commitments totaling EUR 267,225 thousand with the aforementioned company for the coming seven years. In 2010, the amount corresponding to services provided amounted to EUR 14,085 thousand; therefore, pending commitments amount to EUR 253,140 thousand.

At December 31, 2010, the Group had euro and foreign currency payment obligations and collection rights for a net amount payable of approximately EUR 1,163,540 thousand. The net amounts payable in relation to these obligations fall due as follows:

Year	Thousands of euros
2011	515,929
2012	273,415
2013	167,334
2014	99,008
2015	42,518
2016 and subsequent years	65,337
	1,163,541

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

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

In 2010, trade payables over 85 days past due for the Spanish Group companies amounted to EUR 180,268 thousand.

This pending amount exceeds the maximum legal period, and mainly corresponds to payments for which agreements have been reached with suppliers, with contracts signed for periods over the maximum 85-day period. This also includes payables to suppliers with which certain Group companies are involved in unresolved litigation.

(29) LEGAL MATTERS

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

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

(30) LITIGATION AND CLAIMS IN PROGRESS

In 2003 and 2004 the cable operators Auna, Telecable, Tenaria, Euskaltel, R Telecomunicaciones de Galicia and R Telecomunicaciones de Coruña filed requests for arbitration with the Spanish Telecommunications Market Commission (CMT), requesting the right to receive an offer to market several channels provided by Prisa Televisión to its subscribers. The CMT announced its decisions in connection with each case - the proceeding brought by Auna in 2004 and the proceedings brought by the other operators in 2005 - partially upholding the requests for arbitration and ordering Prisa Televisión to submit an offer for the Gran Vía and Canal + Deportes channels. Prisa Televisión filed an appeal at the Madrid Provincial Appellate Court to have these awards set aside and during 2006 the Provincial Appellate Court handed down decisions confirming the awards made by the CMT. Subsequent to the offer submitted by Prisa Televisión, S.A.U., in January 2008 the Madrid Court of First Instance no. 43 closed the proceeding brought by Auna with respect to the enforcement of the award handed down by the CMT.

Cableuropa, S.A.U. (Ono) also filed a claim for damage and loss against Prisa Televisión, S.A.U. at the Colmenar Viejo Court of First Instance no. 3. In its judgment of December 1, 2009, the Court ordered Prisa Televisión to pay approximately EUR 44 million plus the legal interest from when the claim was filed. An appeal against this judgment was filed at the Madrid Provincial Appellate Court and Cableuropa did not request the provisional enforcement of the judgment. Prisa Televisión estimates that there are well founded reasons for which this judgment at first instance will be revised and the aforementioned indemnity rendered null and void, although the definitive judgment will have to be awaited. Should the judgment be favorable, Cableuropa would be obliged to refund the amounts that had been paid by Prisa Televisión.

The proceedings initiated at the behest of the other operators requesting the execution of the aforementioned awards are still in progress at the respective courts.

In addition, Ono filed a claim against AVS and Prisa Televisión, S.A.U. relating to the "guaranteed minimum" of the pay per-view soccer broadcasting agreements entered into by the members of AUNA and AVS. Prisa Televisión answered the claim on May 26, 2008, and the trial was held on September 15, 2009. Its prior claims for the guaranteed minimums proved fruitless. However, in its decision of March 4, 2010, Commercial Court No. 7 of Madrid which was hearing the case upheld the claim of Ono, and obliged AVS and Prisa Televisión, S.A.U. to jointly and severally pay approximately EUR 30 million, plus an amount not yet determined for the 2007/2008 and 2008/2009 seasons (approximately EUR 29 million including interest). AVS and Prisa Televisión, S.A.U. reached an agreement with Ono to avoid the provisional execution of the ruling; they have settled on a payment calendar which begins in March, 2011. The two companies lodged an appeal against the decision and are confident that they will obtain a favorable decision at second instance since, among other reasons, they consider that the guaranteed minimum in question had already been validated in previous proceedings.

The collection societies AIE and AISGE filed a complaint against Prisa Televisión, S.A.U. seeking compensation in connection with intellectual property rights. In 2001 a decision was handed down partially upholding the complaint of these societies. The company filed an

appeal which was dismissed by the Madrid Provincial Appellate Court in 2003. Prisa Televisión filed a cassation appeal against the provincial appellate court's judgment in the related appeal, which was granted leave to proceed by the Supreme Court in 2007. AISGE requested the provisional enforcement of the judgment, since the court had issued a writ providing therefor. On April 7, 2009, the Supreme Court handed down a judgment granting Prisa Televisión leave to proceed with the cassation appeal filed, establishing that the setting of the rates for the use of the repertoire of these societies should be calculated based on, among other criteria, the use of the repertoire and the rates applied by these societies to other operators. AIE and AISGE also filed similar complaints against CanalSatélite Digital, S.L. ("CSD," now merged with DTS) and DTS Distribuidora de Televisión Digital, S.A., which were upheld. The two companies filed appeals against this judgment at the Provincial Appellate Court, which in both cases was dismissed. The aforementioned companies filed cassation appeals at the Supreme Court, which were granted leave to proceed.

On September 15, 2010, the Supreme Court handed down its ruling related to DTS, partially upholding the ruling and only regarding AIE, for the following reasons. The Supreme Court ruled in practically identical terms regarding the appeal filed by CSD in its sentence dated December 13, 2010. In these two rulings, the Supreme Court confirmed the doctrine in the 2009 sentence.

On July 9, 2010, AISGE on the one hand, and DTS and Prisa Televisión on the other, reached an agreement regulating the use of the AISGE-managed repertoire; AIGSE agreed to settle the appeals regarding AIGSE, while maintaining its stance regarding AIE.

At the petition of AIE, on October 26, 2010, Prisa Televisión was notified of the ruling and decree of October 20 by Court of 1st instance 8 in Madrid regarding the aforementioned ruling of 2001 when Prisa Television ran Canal+, ordering the cash settlement requested by the other party. On November 11, Prisa Televisión filed a written opposition, which has still not been ruled upon. Also, in May 2007 Prisa Televisión, S.A.U., CanalSatélite Digital, S.L. and DTS, Distribuidora de Televisión Digital, S.A. filed a complaint against AISGE and AIE at the Spanish Competition Authority (currently Spanish Competition Commission "CNC") for abuse of dominant position. In July 2008 the CNC notified AISGE and AIE that disciplinary proceedings were being initiated against them for possible abuse of their dominant position in the market. On March 5, 2009, a statement of accusations was issued. AISGE and AIE proposed an agreement to terminate proceedings, which was rejected by the CNC. A ruling by CNC on this proceeding is pending.

On June 30, 2010, SGAE, on the one hand, and CSD, DTS, and Prisa Televisión on the other, reached an agreement regulating the companies' use of the SGAE-managed repertoire; they accepted all the established reciprocal actions.

In July, 2008, all the legal and administrative procedures previously underway between AGEDI and AIE were also similarly resolved, and have been finalized.

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

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

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

In the aforementioned proceedings, Mediapro filed a counterclaim against the other parties to the agreement. Prisa Televisión, S.A.U. filed its defense with respect to Mediapro's counterclaim. Both Audiovisual Sport, S.L. (AVS) and Prisa Televisión, S.A.U. have filed claims for liability against Mediapro and the third parties cooperating with the latter. The Court's decision of March 15, 2010, upheld the claim filed by AVS in its entirety, dismissing the counterclaim filed by Mediapro against AVS, Prisa Televisión and Televisión de Cataluña. The Court also ordered Mediapro to pay more than EUR 95 million for the amounts that should have been paid to AVS under the agreement of July 24, 2006, and also for the damage and loss arising from the aforementioned breaches. The Court also ordered Mediapro to provide AVS with the agreements entered into by Mediapro and the football clubs and to notify them of the assignment of the agreements to AVS.

The sentence was appealed by Mediapro, and AVS requested its provisional execution on June 9, 2010. The court handed down its ruling on June 21, 2010 on the request, which was suspended as a result of Mediapro's subsequent application and filing of bankruptcy proceedings, which are still underway before Barcelona Mercantile Court number 7.

AVS also filed a claim before Barcelona Mercantile Court number 7, demanding EUR 85 million in damages not covered by the sentence handed down on March 15, 2010.

This procedure was not affected by the agreement dated June 4, 2009 between Prisa Televisión, CSD, and DTS Distribuidora de Televisión Digital, S.A. with Mediapro for the exploitation of audiovisual rights for soccer during the 2009/2010 and 2011/12 seasons.
In May 2007 Prisa Televisión, S.A.U. filed a claim against F.C. Barcelona, demanding performance of the agreement executed in 1999 by the Club and Telefónica Media, S.L. (currently Telefónica de Contenidos, S.A.U.), to which Prisa Televisión, S.A.U. had been subrogated in October 2003. Under this agreement, the Club assigned, inter alia, the amounts received from the participation of its teams in international competitions to Prisa Televisión,

S.A.U. In this proceeding the Club filed a counterclaim against Prisa Televisión, S.A.U. and Telefónica de Contenidos, S.A.U. On January 12, 2009, a decision was handed down in this proceeding which upheld Prisa Televisión's claims, obliging F.C. Barcelona to settle the appropriate amounts from the 2003/2004 season until the 2007/2008 season. The amounts relating to the seasons up to the 2006/2007 season were the subject of provisional enforcement and were collected by Prisa Televisión. However, Prisa Televisión requested enforcement of the judgment in relation to the amounts for 2007/2008 which was rejected by the court since it considered that in reference to this point the judgment only contained a declaration and that it did not quantify the amounts owed by FCB for this season. Prisa Televisión filed an appeal to the Barcelona Court of Justice against this court decision; on June 3, 2010, it was rejected.

Therefore, Prisa Televisión once again filed a claim against FCB for unpaid amounts during 2007/2008, which went before Court of First Instance no. 24 of Barcelona.

The original sentence handed down on January 12, 2009 was also appealed, by FCB. On September 6, 2010, the Provincial Court of Barcelona confirmed all the terms of the sentence, apart from the date from until which FCB should pay the appropriate amounts (May 4, 2007), as well as the calculation of interest on the loan in favor of Prisa Televisión. This ruling is the subject of an administrative appeal by Prisa Televisión and FCB.

On April 8, 2008, the Investigation Unit ("IU") of the Spanish Competition Commission resolved to initiate disciplinary proceedings, ex oficio, against different companies (including Prisa Televisión, S.A.U. and AVS) and 39 soccer clubs due to restrictive competitive practices which would affect the market for the acquisition of audiovisual rights relating to Spanish soccer events held on a regular basis and the market for the audiovisual exploitation of such rights. On August 27 the Investigation Unit of the Spanish Competition Commission (CNC) prepared a statement of accusations in which the factual conclusions of its investigation are summarized. Also, on July 10, 2009, the Investigation Unit issued a resolution proposal. On April 14, 2010, the CNC handed down its ruling, by virtue of which it fined Prisa Televisión and Mediapro EUR 150,000, and AVS EUR 100,000. These fines were based on the finding that the contract between the two parties restricted competition. Prisa Televisión has filed an administrative appeal which has not yet been ruled upon.

On December 12, 2008, the CMT issued a resolution imposing a sanction against Prisa Televisión for alleged repeated breaches of the requirements relating to the information prepared by the aforementioned company in relation to compliance with the terms and conditions of the Spanish Cabinet Resolution dated November 29, 2002, on which the integration of Vía Digital with Prisa Televisión was conditional. The CMT also handed down a decision imposing a similar penalty against AVS. Both Prisa Televisión and AVS have filed the corresponding appeals for judicial review against these decisions, although no ruling has been issued.

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

(31) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

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APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
EDUCATION					
Full consolidation					
Aguilar A.T.A., S.A. de Ediciones	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Ediciones Santillana, S.A. (Argentina)	1 share	
			Ítaca, S.L.	5.00%	
			Santillana Ediciones Generales, S.L.	95.00%	
Aguilar Chilena de Ediciones, S.A.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	Ítaca, S.L.	0.03%	
			Santillana Ediciones Generales, S.L.	99.97%	
Avalia Qualidade Educacional Ltda.	Avenida São Gabriel. 201 Andar 14 Cj. 1408-1409. CEP 01435-0001. Sao Paulo. Brazil	Publishing	Santillana Educación, S.L.	91.00%	
Canal de Editoriales, S.A.	Juan Bravo, 38. Madrid	Retail sales	Grupo Santillana de Ediciones, S.L.	99.14%	2/91
Constancia Editores, S.A.	Estrada da Outorela 118, 2795. Carnaxide Linda a Velha. Portugal	Publishing	Ítaca, S.L.	0.00%	
			Santillana Educación, S.L.	100.00%	
Distribuidora y Editora Aguilar A.T.A, S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	Ediciones Grazalema, S.L.	0.01%	
			Edicions Obradoiro, S.L.	0.01%	
			Edicions Voramar, S.A.	0.01%	
			Ítaca, S.L.	5.01%	
			Santillana Ediciones Generales, S.L.	94.97%	
Distribuidora y Editora Richmond, S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	Ediciones Grazalema, S.L.	0.10%	
			Edicions Obradoiro, S.L.	0.10%	
			Edicions Voramar, S.A.	0.10%	
			Ítaca, S.L.	4.80%	
			Santillana Educación, S.L.	94.90%	
Ediciones Aguilar Venezolana, S.A.	Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	Editorial Santillana, S.A. (Venezuela)	100.00%	
Ediciones Grazalema, S.L.	Rafael Beca Mateos, 3. Seville	Publishing	Ítaca, S.L.	0.02%	2/91
			Santillana Educación, S.L.	99.98%	
Ediciones Santillana Inc.	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	Santillana Educación, S.L.	100.00%	
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Ítaca, S.L.	5.00%	
			Santillana Educación, S.L.	95.00%	
Ediciones Santillana, S.A. (Uruguay)	Constitución, 1889 - 11800. Montevideo. Uruguay	Publishing	Santillana Educación, S.L.	100.00%	
Edicions Obradoiro, S.L.	Ruela de Entrecercos. 2 2º B. 15705. Santiago de Compostela	Publishing	Ítaca, S.L.	0.01%	2/91
			Santillana Educación, S.L.	99.99%	
Edicions Voramar, S.A.	Valencia, 44. 46210. Pincaya. Valencia	Publishing	Ítaca, S.L.	0.01%	2/91
			Santillana Educación, S.L.	99.99%	
Editora Fontanar, Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Municipio do Rio de Janeiro. Brazil	Publishing	Editora Moderna Ltda.	3 shares	
			Editora Objetiva, Ltda.	99.96%	
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brazil	Publishing	Santillana Educación, S.L.	100.00%	
Editora Objetiva Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Municipio do Rio de Janeiro. Brazil	Publishing	Santillana Ediciones Generales, S.L.	75.00%	
Editorial Nuevo Mexico, S.A. de C.V.	Tenayuca Nº 107. Col Vértiz Narvarte. Mexico City. Mexico	Publishing	Editorial Santillana, S.A. de C.V. (Mexico)	0.00%	
			Lanza, S.A. de C.V.	100.00%	
Editorial Santillana, S.A. (Colombia)	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	Ediciones Grazalema, S.L.	0.00%	
			Edicions Obradoiro, S.L.	0.00%	
			Edicions Voramar, S.A.	0.00%	
			Ítaca, S.L.	5.10%	
			Santillana Educación, S.L.	94.90%	
Editorial Santillana, S.A. (Guatemala)	7ª Avenida 11-11. Zona 9. Guatemala	Publishing	Ítaca, S.L.	0.01%	
			Santillana Educación, S.L.	99.99%	
Editorial Santillana, S.A. (Honduras)	Colonia Lomas de Tepeyac. Casa No. 1626, contiguo al Autobanco Cuscatlan. Boulevard Juan Pablo II. Tegucigalpa. Honduras	Publishing	Ítaca, S.L.	1.00%	
			Santillana Educación, S.L.	99.00%	
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. Dominican Republic	Publishing	Otras Sociedades Grupo Santillana de Ediciones, S.L.	0.05%	
			Santillana Educación, S.L.	99.95%	
Editorial Santillana, S.A. (Venezuela)	Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	Santillana Educación, S.L.	100.00%	
Editorial Santillana, S.A. de C.V. (El Salvador)	Siemens, 48 Zona Industrial Santa Elena. La Libertad. El Salvador	Publishing	Ítaca, S.L.	0.05%	
			Santillana Educación, S.L.	99.95%	
Editorial Santillana, S.A. de C.V. (Mexico)	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	Editorial Nuevo Mexico, S.A. de C.V.	1 share	
			Lanza, S.A. de C.V.	100.00%	
Grup Promotor D'Ensenyement i Difussió en Catalá, S.L.	Frederic Mompou, 11. V. Olímpica. Barcelona	Publishing	Promotora de Informaciones, S.A.	0.01%	2/91
			Santillana Educación, S.L.	99.99%	

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

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Grupo Santillana de Ediciones, S.L.	Torrelaguna, 60. Madrid	Publishing	Promotora de Informaciones, S.A.	75.00%	2/91
Instituto Universitario de Posgrado, S.A.	Torrelaguna, 60. Madrid	Complementary educational services	Santillana Formación, S.L.	52.00%	
Ítaca, S.L.	Torrelaguna, 60. Madrid	Book distribution	Grupo Santillana de Ediciones, S.L.	99.99%	2/91
			Promotora de Informaciones, S.A.	0.02%	
Lanza, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Creation, development and management of companies	Editorial Santillana, S.A. de C.V. (México)	0.00%	
			Santillana Educación, S.L.	100.00%	
N. Editorial, S.L.	Torrelaguna, 60. Madrid	Publishing	Grupo Santillana de Ediciones, S.L.	99.99%	2/91
			Promotora de Informaciones, S.A.	0.01%	
Richmond Educação, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brazil	Publishing	Editora Moderna, Ltda.	100.00%	
			Ítaca, S.L.	1 share	
Richmond Publishing, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	Editorial Santillana, S.A. de C.V. (México)	0.02%	
			Lanza, S.A. de C.V.	99.98%	
Salamandra Editorial, Ltda.	Rua Urbano Santos 160. Sao Paulo. Brazil	Publishing	Editora Moderna, Ltda.	100.00%	
			Ítaca, S.L.	1 share	
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	Ítaca, S.L.	0.01%	
			Santillana Educación, S.L.	99.99%	
Santillana, S.A. (Ecuador)	Avenida Eloy Alfaro. N33-347 y 6 de Diciembre. Quito. Ecuador	Publishing	Santillana Educación, S.L.	100.00%	
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	Ediciones Santillana, S.A. (Argentina)	0.02%	
			Santillana Educación, S.L.	99.98%	
Santillana, S.A. (Perú)	Avenida Primavera 2160. Santiago de Surco. Lima. Peru	Publishing	Santillana Educación, S.L.	95.00%	
Santillana Canarias, S.L.	Urbanización El Mayorazgo. Parcela 14, 2-7B. Santa Cruz de Tenerife	Publishing	Ítaca, S.L.	1.00%	2/91
			Santillana Educación, S.L.	99.00%	
Santillana de Ediciones, S.A.	Avenida Arce. 2333. La Paz. Bolivia	Publishing	Ítaca, S.L.	0.15%	
			Santillana Ediciones Generales, S.L.	0.15%	
			Santillana Educación, S.L.	99.70%	
Santillana del Pacífico, S.A. de Ediciones.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	Ítaca, S.L.	1 share	
			Santillana Educación, S.L.	100.00%	
Santillana Ediciones Generales, S.L.	Torrelaguna, 60. Madrid	Publishing	Grupo Santillana de Ediciones, S.L.	100.00%	2/91
			Ítaca, S.L.	0.00%	
Santillana Ediciones Generales, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	Lanza, S.A. de C.V.	4.78%	
			Santillana Ediciones Generales, S.L.	95.22%	
Santillana Educación, S.L.	Torrelaguna, 60. Madrid	Publishing	Grupo Santillana de Ediciones, S.L.	100.00%	2/91
			Ítaca, S.L.	0.00%	
Santillana Formación, S.L.	Torrelaguna, 60. Madrid	Complementary educational services	Grupo Santillana de Ediciones, S.L.	100.00%	2/91
			Ítaca, S.L.	0.01%	
Santillana Formación, S.L. (Colombia)	Calle 73. Nº 7-31. P8 TO B. Bogotá. Colombia	Consultancy services for the obtainment of quality certification by schools	Distribuidora y Editora Richmond S.A.	1.00%	
			Santillana Educación, S.L.	99.00%	
Santillana USA Publishing Co. Inc.	2105 NW 86th Avenue. Doral. Florida. US	Publishing	Grupo Santillana de Ediciones, S.L.	100.00%	
Sistemas Educativos de Enseñanza, S.A. de C.V.	Calle Vía Augusta, 48-50. Planta 2, Puerta 5. 08006. Barcelona	Publishing	Editorial Nuevo México , S.A. de C.V.	2.00%	
			Lanza, S.A. de C.V.	98.00%	
Uno Educação, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brazil	Publishing	Editora Moderna, Ltda.	100.00%	
			Ítaca, S.L.	1 share	
Zubia Editoriala, S.L.	Polígono Lezama Leguizamon. Calle 31. Etxebarri. Vizcaya	Publishing	Promotora de Informaciones, S.A.	0.10%	2/91
			Santillana Educación, S.L.	99.90%	
Proportionate consolidation					
Historia para Todos, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Worldwide publishing in any language (mainly Spanish), of works preferably related to the history of Mexico and its main figures, particularly the Centenary of the Mexican Revolution and the Bicentenary of Independence, in any format or medium	Santillana Ediciones Generales, S.A. de C.V.	50.00%	
Equity method					
Distribuidora Digital de Libros, S.A.	Calle Vía Augusta, 48-50. Planta 2, Puerta 5. 08006. Barcelona	Services for marketing of digital content	Santillana Ediciones Generales, S.L.	26.66%	
DLD Editora e Distibuidora de Livros Digitais, S.A. (Brasil)	Rua Voluntários da Pátria. 45. Sala 1001. Botafogo. Río de Janeiro. 22270-000. Brazil	Distribution of books and literary content in digital format for electronic devices connected to internet	Editora Objetiva Ltda.	22.24%	

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

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
PRESS					
EL PAÍS					
Full consolidation					
Agrupación de Servicios de Internet y Prensa, S.L.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media	Diario El País, S.L.	93.60%	2/91
			Grupo Empresarial de Medios Impresos, S.L.	5.90%	
			Prisa Digital, S.L.	0.50%	
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of El País newspaper	Promotora de Informaciones, S.A.	100.00%	2/91
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina	Diario El País, S.L.	88.81%	
			Diario El País México, S.A. de C.V.	11.19%	
Diario El País Do Brasil Distribuidora de Publicaçoes, LTDA.	Rua Padre Adelino. 758 Belezinho. CEP 03303-904. Sao Paulo. Brazil	Operation of El País newspaper in Brazil	Diario El País, S.L.	99.99%	
			Prisa División Internacional, S.L.	0.01%	
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Operation of El País newspaper in Mexico	Diario El País, S.L.	88.82%	
			Lanza, S.A. de C.V.	1 share	
			Promotora de Informaciones, S.A.	11.18%	
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper	Diario El País, S.L.	99.99%	2/91
Ediciones El País (Chile) Limitada.	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication, operation and sale of El País newspaper in Chile	Ediciones El País, S.L.	99.00%	
			Grupo Empresarial de Medios Impresos, S.L.	1.00%	
Pressprint, S.L.U.	Miguel Yuste, 40. Madrid	Production, printing, publication and distribution of publishing products in physical and digital format	Diario El País, S.L.	100.00%	2/91
TRADE PRESS					
Full consolidation					
Diario As, S.L.	Albasanz, 14. Madrid	Publication and operation of As newspaper	Grupo Empresarial de Medios Impresos, S.L.	75.00%	2/91
Espacio Editorial Andaluza Holding, S.L.	Gran Vía, 32. Madrid	Ownership of shares of publishing companies	Grupo Empresarial de Medios Impresos, S.L.	100.00%	2/91
Estructura, Grupo de Estudios Económicos, S.A.	Gran Vía, 32. Madrid	Publication and operation of Cinco Días newspaper	Grupo Empresarial de Medios Impresos, S.L.	100.00%	2/91
			Promotora de Informaciones, S.A.	0.00%	
Grupo Empresarial de Medios Impresos, S.L.	Gran Vía, 32. Madrid	Ownership of shares of publishing companies	Promotora de Informaciones, S.A.	100.00%	2/91
Gestión de Medios de Prensa, S.A.	Gran Vía, 32. Madrid	Provision of shared services for regional and local newspapers	Grupo Empresarial de Medios Impresos, S.L.	52.63%	
Promotora General de Revistas, S.A.	Julián Camarillo, 29B. Madrid	Publication production and operation of magazines	Grupo Empresarial de Medios Impresos, S.L.	99.96%	2/91
			Promotora de Informaciones, S.A.	0.04%	

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

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
RADIO					
RADIO IN SPAIN					
Full consolidation					
Algarra, S.A.	García Lovera, 3. Cordoba	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	100.00%	194/09
Antena 3 de Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	64.64%	194/09
			Unión Radio Servicios Corporativos, S.A.	34.78%	
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	99.56%	194/09
Antena 3 de Radio de Melilla, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	194/09
Avante Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Radio Club Canarias, S.A.	3.33%	194/09
			Radio Murcia, S.A.	3.33%	
			Sociedad Española de Radiodifusión, S.L.	93.34%	
Cantabria de Medios, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Propulsora Montañesa, S. A.	100.00%	194/09
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	97.04%	194/09
Corporación Canaria de Información y Radio, S.A.	General Balmes s/n. Las Palmas de Gran Canaria	Operation of radio broadcasting stations	Prisa Radio, S.L.	100.00%	194/09
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	Prisa Radio, S.L.	50.00%	
Frecuencia del Principado, S.A.	Jovellanos 1, Gijón	Operation of radio broadcasting stations	Prisa Radio, S.L.	100.00%	194/09
Gestión de Marcas Audiovisuales, S.A.	Gran Vía, 32. Madrid	Production and recording of sound media	Prisa Radio, S.L.	100.00%	194/09
Gran Vía Musical de Ediciones, S.L.	Gran Vía, 32. Madrid	Provision of music services	Prisa Radio, S.L.	100.00%	194/09
Iniciativas Radiofónicas, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	93.42%	194/09
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	Ediciones LM, S.L.	40.00%	
			Prisa Radio, S.L.	50.00%	
La Palma Difusión, S.A.	Almirante Díaz Pimienta, 10. Los Llanos de Aridane. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	194/09
Onda La Finojosa, S.A.	Limosna, 2. Hinojosa del Duque. Cordoba	Operation of radio broadcasting stations	Algarra, S.A.	100.00%	194/09
Onda Musical, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	49.01%	194/09
			Sociedad Española de Radiodifusión, S.L.	16.68%	
			Unión Radio Servicios Corporativos, S.A.	34.30%	
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	46.25%	
Prisa Radio, S.L. *(fomerly, Sociedad de Servicios Radiofónicos Unión Radio, S.L.)*	Gran Vía, 32. Madrid	Provision of services to radio broadcasting companies	Promotora de Informaciones, S.A.	73.49%	
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	90.07%	194/09
Radio 30, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	Radio Murcia, S.A.	100.00%	194/09
Radio Club Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	95.00%	194/09
Radio España de Barcelona, S.A.	Caspe, 6. Barcelona	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	99.32%	194/09
Radio Lleida, S.L.	Calle Vila Antonia. Nº 5. Lleida	Operation of radio broadcasting stations	Radio España de Barcelona, S.A.	22.17%	
			Sociedad Española de Radiodifusión, S.L.	44.33%	
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	83.33%	194/09
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Compañía Aragonesa de Radiodifusión, S.A.	66.00%	194/09
			Sociedad Española de Radiodifusión, S.L.	24.00%	
Radiodifusora de Navarra, S.A.	Polígono Plazaola. Manzana F - 2ºA. Pamplona	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	194/09
Sociedad Española de Radiodifusión, S.L.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Prisa Radio, S.L.	99.99%	194/09
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	74.60%	
Sociedad de Radiodifusión Aragonesa, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	100.00%	
Societat de Comunicacio i Publicidat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany. Andorra	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	100.00%	
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	50.00%	
Talavera Visión, S.L.	Plaza Cervantes 6 4º. Ciudad Real	Operation of radio broadcasting stations	Valdepeñas Comunicación, S.L.	100.00%	
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Algarra, S.A.	0.95%	194/09
			Compañía Aragonesa de Radiodifusión, S.A.	4.14%	
			Propulsora Montañesa, S. A.	0.95%	
			Radio España de Barcelona, S.A.	1.58%	
			Sociedad Española de Radiodifusión, S.L.	71.64%	
Teleradio Pres, S.L.	Avenida de la Estación, 5 Bajo. Albacete	Media management	Antena 3 de Radio, S.A.	75.10%	
Unión Radio Digital, S.A.	Gran Vía, 32. Madrid	Operation of digital radio broadcasting concession	Antena 3 de Radio, S.A.	40.00%	194/09
			Sociedad Española de Radiodifusión, S.L.	60.00%	
Unión Radio Online, S.A. *(fomerly, Media Festivals, S.A.)*	Gran Vía, 32. Madrid	Production and organisation of shows and events	Nova Ediciones Musicales, S.A.	0.03%	194/09
			Prisa Radio, S.L.	99.97%	
Unión Radio Servicios Corporativos, S.A.	Gran Vía, 32. Madrid	Holdings in radio broadcasting companies	Prisa Radio, S.L.	100.00%	194/09
Valdepeñas Comunicación, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	Prisa Radio, S.L.	50.00%	
Equity method					
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	Prisa Radio, S.L.	35.99%	
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32. Andorra	Operation of radio broadcasting stations	Prisa Radio, S.L.	33.00%	

(*) Consolidated tax group Sociedad de Servicios Radiofónicos Unión Radio, S.L.: 194/09

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2010

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010 PERCENTAGE OF OWNERSHIP	December 2010 TAX GROUP
INTERNATIONAL RADIO					
Full consolidation					
Abril, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Inactive	Comercializadora Iberoamericana Radio Chile, S.A.	0.00%	
			Iberoamericana Radio Chile, S.A.	100.00%	
Aurora, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Inactive	Comercializadora Iberoamericana Radio Chile, S.A.	0.02%	
			Iberoamerican Radio Holding Chile, S.A.	99.98%	
Blaya y Vega, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Advertising sales	Comercializadora Iberoamericana Radio Chile, S.A.	0.00%	
			Radiodifusion Iberoamerican Chile S.A.	100.00%	
Caracol, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	77.05%	
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida, US	Operation of radio broadcasting stations	GLR Broadcasting LLC	100.00%	
Caracol Estéreo, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	77.04%	
CHR, Cadena Hispanoamericana de Radio, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	48.15%	
			Caracol Estéreo, S.A.	46.79%	
			Compañía de Comunicaciones C.C.C. Ltda.	0.00%	
			Promotora de Publicidad Radial, S.A.	5.06%	
			Radio Mercadeo, Ltda.	0.00%	
Comercializadora Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	GLR Chile Ltda .	99.84%	
			Sociedad Española de Radiodifusión, S.L.	0.16%	
Compañía de Comunicaciones C.C.C. Ltda.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	43.45%	
			Caracol Estéreo, S.A.	11.13%	
			Ecos de la Montaña Cadena Radial Andina, S.A.	4.42%	
			Promotora de Publicidad Radial, S.A.	19.27%	
			Sociedad Española de Radiodifusión, S.L.	16.72%	
Compañía de Radios, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Sale of advertising and rental of advertising space	Comercializadora Iberoamericana Radio Chile, S.A.	0.08%	
			Iberoamerican Radio Holding Chile, S.A.	99.92%	
Comunicaciones del Pacífico, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation and management of TV channels and radio stations	Comercializadora Iberoamericana Radio Chile, S.A.	66.67%	
			Iberoamericana Radio Chile, S.A.	33.33%	
Comunicaciones Santiago, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Iberoamericana Radio Chile, S.A.	25.00%	
			Sociedad Radiodifusora del Norte, Ltda.	75.00%	
Consorcio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panama	Advisory services and commercialisation of services and products in general, and in particular to Green Emerald Business Inc.	Sociedad Española de Radiodifusión, S.L.	100.00%	
Corporación Argentina de Radiodifusión, S.A.	Beazley 3860. Buenos Aires. Argentina	Operation of radio broadcasting stations	Ediciones Santillana, S.A. (Argentina)	1.60%	
			GLR Services Inc.	98.40%	
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	76.80%	
Emisora Mil Veinte, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	75.72%	
Fast Net Comunicaciones, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Telecommunications and radio broadcasting services	Comunicaciones Santiago, S.A.	99.00%	
			Iberoamericana Radio Chile, S.A.	1.00%	
GLR Broadcasting, LLC	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami. FL 33137. US	Operation of radio broadcasting stations	GLR Services Inc.	100.00%	
GLR Chile Ltda	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Caracol, S.A.	0.00%	
			Sociedad Española de Radiodifusión, S.L.	100.00%	
GLR Colombia, Ltda.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Provision of services to radio broadcasting companies	Prisa División Internacional, S.L.	1.00%	
			Sociedad Española de Radiodifusión, S.L.	99.00%	
GLR Midi France, S.A.R.L.	Immeuble Le Periscope, 83-87 Av. d´Italie. Paris. France	Radio broadcasting	Prisa División Internacional, S.L.	20.00%	
			Sociedad Española de Radiodifusión, S.L.	40.00%	
GLR Networks, LLC	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami. FL 33137. US	Provision of services to radio broadcasting companies	GLR Services Inc.	100.00%	
GLR Services Inc.	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami. FL 33137. US	Provision of services to radio broadcasting companies	Sociedad Española de Radiodifusión, S.L.	100.00%	
GLR Southern California, LLC	3500 Olive Avenue Suite 250 Burbank, CA 91505. US	Provision of services to radio broadcasting companies	GLR Broadcasting LLC	100.00%	
Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Sale of advertising	Grupo Latino de Radiodifusion Chile Ltda .	100.00%	
			Sociedad Española de Radiodifusión, S.L.	0.00%	
Iberoamerican Radio Holding Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Holdings and sale of advertising space	Comercializadora Iberoamericana Radio Chile, S.A.	0.00%	
			Iberoamericana Radio Chile, S.A.	100.00%	
La Voz de Colombia	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	0.01%	
			Sociedad Española de Radiodifusión, S.L.	75.64%	
LS4 Radio Continental, S.A	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	Corporación Argentina de Radiodifusión, S.A.	30.00%	
			GLR Services Inc.	70.00%	
Promotora de Publicidad Radial, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	77.04%	
Publicitaria y Difusora del Norte Ltda.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Radio broadcasting	Comercializadora Iberoamericana Radio Chile, S.A.	99.00%	
			Iberoamericana Radio Chile, S.A.	1.00%	
Radiodifusion Iberoamerican Chile S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Holdings	Iberoamericana Radio Chile S.A.	100.00%	
			Sociedad Española de Radiodifusión, S.L.	0.00%	
Radio Estéreo, S.A	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	Corporación Argentina de Radiodifusión, S.A.	30.00%	
			GLR Services Inc.	70.00%	

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2010

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010 PERCENTAGE OF OWNERSHIP	December 2010 TAX GROUP (*)
Radio Mercadeo, Ltda.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	29.85%	
			Caracol Estéreo, S.A.	0.35%	
			Ecos de la Montaña Cadena Radial Andina, S.A.	0.01%	
			Emisora Mil Veinte, S.A.	0.35%	
			Sociedad Española de Radiodifusión, S.L.	48.40%	
			Promotora de Publicidad Radial, S.A.	0.35%	
Sociedad Radiodifusora del Norte, Ltda.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A.	80.00%	
			Iberoamericana Radio Chile S.A	20.00%	
Sociedad de Radiodifusión El Litoral, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Rental of equipment and advertising sales	Comercializadora Iberoamericana Radio Chile, S.A.	0.10%	
			Iberoamericana Radio Chile, S.A.	99.90%	
W3 Comm Inmobiliaria, S.A. de C.V.	Carretera Libre Tijuana. Ensenada 3100. Rancho Altamira Blvd Popotla y Camino al FRACC Misión del Mar. Playas de Rosarito. Baja California. US	Real estate development services	Prisa División Internacional, S.L.	1 share	
			Sociedad Española de Radiodifusión, S.L.	99.99%	
Proportionate consolidation					
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.01%	
			Sistema Radiópolis, S.A. de C.V.	99.99%	
GLR Costa Rica, S.A.	Llorente de Tibás. Edifico La Nación. San José. Costa Rica	Radio broadcasting	Sociedad Española de Radiodifusión, S.L.	50.00%	
Radio Comerciales, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	0.03%	
			Sistema Radiópolis, S.A. de C.V.	99.97%	
Radio Melodía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%	
			Radio Comerciales, S.A. de C.V.	1.00%	
Radio Tapatía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%	
			Radio Comerciales, S.A. de C.V.	1.00%	
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.01%	
			Sistema Radiópolis, S.A. de C.V.	99.99%	
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.00%	
			Sistema Radiópolis, S.A. de C.V.	100.00%	
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.00%	
			Xezz, S.A. de C.V.	100.00%	
Sistema Radiópolis, S.A. de C.V.	Avenida Vasco de Quiroga 2000. Mexico City. Mexico	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	50.00%	
Xezz, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%	
			Radio Comerciales, S.A. de C.V.	1.00%	
Equity method					
El Dorado Broadcasting Corporation	2100 Coral Way. Miami. Florida. US	Development of the Latin radio market in the US	GLR Services INC.	25.00%	
Green Emerald Business Inc.	Calle 54. Obarrio Nº 4. Ciudad de Panamá. Panama	Development of the Latin radio market in Panama	Sociedad Española de Radiodifusión, S.L.	34.95%	
WSUA Broadcasting Corporation	2100 Coral Way. Miami. Florida. US	Radio broadcasting	El Dorado Broadcasting Corporation	100.00%	
W3 Comm Concesionaria, S.A. de C.V.	Carretera Libre Tijuana. Ensenada 3100. Rancho Altamira Blvd Popotla y Camino al FRACC Misión del Mar. Playas de Rosarito. Baja California. US	Advisory services on business administration and organisation	Sociedad Española de Radiodifusión, S.L.	48.98%	
MUSIC					
Full consolidation					
Compañía Discográfica Muxxic Records, S.A.	Gran Vía, 32. Madrid	Production and recording of sound media	Gran Vía Musical de Ediciones, S.L.	100.00%	194/09
			Nova Ediciones Musicales, S.A.	1 share	
Gran Vía Musical, S.A.S.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Provision of music services	Gran Vía Musical de Ediciones, S.L.	100.00%	
Lirics and Music, S.L.	Gran Vía, 32. Madrid	Music publishing	Gran Vía Musical de Ediciones, S.L.	100.00%	194/09
Merchandising On Stage, S.L.	Ulises, 49. 28043. Madrid	Production and/or import of textile articles, jewellery, graphic materials, phonographic and/or audiovisual media and the related silkscreen printing, embossing or printing by any means or process	Gran Vía Musical de Ediciones, S.L.	70.00%	
Nova Ediciones Musicales, S.A.	Gran Vía, 32. Madrid	Music publishing	Gran Vía Musical de Ediciones, S.L.	100.00%	194/09
			Promotora de Informaciones, S.A.	1 share	
Planet Events, S.A.	Gran Vía, 32. Madrid	Production and organisation of shows and events	Gran Vía Musical de Ediciones, S.L.	70.00%	
			Nova Ediciones Musicales, S.A.	0.01%	
RLM, S.A.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Production and organisation of shows and events	Gran Vía Musical de Ediciones, S.L.	70.00%	
RLM Colombia, S.A.S.	Puerto de Santa María, 65. 28043. Madrid	Production and organisation of shows and events	RLM, S.A.	100.00%	
Sogecable Música, S.L.	Gran Vía, 32. Madrid	Creation, broadcasting, distribution and operation of thematic television channels	Gran Vía Musical de Ediciones, S.L.	100.00%	194/09

(*) Consolidated tax group Sociedad de Servicios Radiofónicos Unión Radio, S.L.: 194/09

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2010

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010 PERCENTAGE OF OWNERSHIP	December 2010 TAX GROUP (*)
AUDIOVISUAL					
PRISA TV					
Full consolidation					
Audiovisual Sport, S.L	Calle Diagonal, 477. Barcelona	Management and distribution of audiovisual rights	Prisa Televisión, S.A.U.	80.00%	2/91
Centro de Asistencia Telefónica, S.A.	Campezo,1. Madrid	Provision of services	DTS, Distribuidora de Televisión Digital, S.A.	99.61%	
			Compañía Independiente de Televisión, S.L.	0.39%	
Compañía Independiente de Televisión, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management and exploitation of audiovisual rights	DTS, Distribuidora de Televisión Digital, S.A.	99.95%	
Cinemanía, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Operation of thematic television channels	DTS, Distribuidora de Televisión Digital, S.A.	10.00%	
			Compañía Independiente de Televisión, S.L.	90.00%	
DTS, Distribuidora de Televisión Digital, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	Prisa Televisión, S.A.U.	56.00%	
Prisa Televisión, S.A.U. *(fomerly, Sogecable, S.A.U.)*	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Operation of TV activities	Promotora de Informaciones, S.A.	100.00%	2/91
Vía Atención Comunicación, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Provision of digital TV services	DTS, Distribuidora de Televisión Digital, S.A.	100.00%	
Equity method					
Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	News agency and producer of broadcast news	Gestevisión Telecinco, S.A.	100.00%	
Agencia de Televisión Latino-Americana de Serivicios y Noticias País Vasco, S.A.U.	Ribera de Elorrieta. Pab. 7-9. Vizcaya	News agency and producer of broadcast news	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	100.00%	
Atlas Media, S.A.U.	Sant Just Desvern. Calle Bullidor, s/n.		Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	100.00%	
Bigbang Media, S.L.	Calle Almagro. 3. 28010. Madrid	Production, distribution and exploitation of audiovisual rights; exploitation of industrial and intelectual property rights. Management and financial intermediation of audiovisual companies	Gestevisión Telecinco, S.A.	30.00%	
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalogue sales	Prisa Televisión, S.A.U.	25.00%	
Canal Factoría de Ficción, S.A.	Carretera de Fuencarral a Alcobendas. Km 12, 450. 28049. Madrid	Exploitation and distribution of audiovisual products	Gestevisión Telecinco, S.A.	100.00%	
Canal + Investment Inc.	Beverly Hills. California. US	Film production	Prisa Televisión, S.A.U.	60.00%	
Conecta 5 Telecinco, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Exploitation of audiovisual content on the internet	Gestevisión Telecinco, S.A.	100.00%	
Compañía Independiente de Noticias de TV, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	Sociedad General de Televisión Cuatro, S.A.	100.00%	
Edam Acquisition Holding I Cooperative, U.A.		Channelling of the investment of the Consortium formed by Goldman Sachs Capital Partners, Cyrte Fund II B.V. and Mediacinco Cartera, S.L. in Endemol N.V., a company engaging in the creation, production and exploitation of content for television and other audiovisual platforms	Mediacinco Cartera, S.L.	33.00%	
Gestevisión Telecinco, S.A.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Indirect management of public service television	Prisa Televisión, S.A.U.	17.34%	
Grupo Editorial Tele 5, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Exploitation of rights: production and distribution of publications	Gestevisión Telecinco, S.A.	100.00%	
La Fábrica de la Tele, S.L.	Calle Ángel Gavinet. 18. 28007. Madird	Creation, development, production and commercial exploitation of audiovisual content	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	30.00%	
Mediacinco Cartera, S.L.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Intermediation and financial management	Gestevisión Telecinco, S.A.	75.00%	
Mi Cartera Media, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Multimedia exploitation of economic and financial formats and content	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	100.00%	
Pegaso Televisión Inc. (EE.UU.)	Brickell Avenue. 1401. Suite 3311. Miami, Florida. US	Television stations and production of television content	Gestevisión Telecinco, S.A.	44.00%	
Premiere Megaplex, S.A.	Calle Enrique Jardiel Poncela. 4 . 28016. Madrid	Operation of cinemas (film and video distribution)	Gestevisión Telecinco, S.A.	50.00%	
Producciones Mandarina, S.L.	Calle María Tobau. 3. 28050. Madrid	Creation, development, production and commercial exploitation of audiovisual content	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	30.00%	
Promotora Audiovisual de Colombia PACSA, S.A.	Calle 70. Nº 4-60. 11001. Bogotá. Colombia	Audiovisual and communication activities	Grupo Latino de Publicidad Colombia, Ltda.	1.00%	
			Promotora de Actividades Audiovisuales de Colombia, Ltda.	1.00%	
			Prisa Televisión, S.A.U.	53.00%	
Publiespaña, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Exclusive advertising concessionaire of Telecinco	Gestevisión Telecinco, S.A.	100.00%	
Publimedia Gestión, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Implementation and execution of advertising projects	Publiespaña, S.A.U.	100.00%	
Sociedad General de Televisión Cuatro, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Provision of free TV	Gestevisión Telecinco, S.A.	100.00%	
Sogecable Editorial, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management of intellectual property rights	Sociedad General de Televisión Cuatro, S.A.	100.00%	
Sogecable Media, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Sale of advertising space	Sociedad General de Televisión Cuatro, S.A.	100.00%	
Telecinco Cinema, S.A.U.	Carretera de Fuencarral a Alcobendas. 4. 28049. Madrid	Television broadcasting services and intermediation in the markets for audiovisual rights	Gestevisión Telecinco, S.A.	100.00%	
V-Me Media Inc.			Promotora de Informaciones, S.A.	9.16%	
			Prisa Televisión, S.A.U.	23.78%	
LOCAL TELEVISION					
Full consolidation					
Axarquía Visión, S.A.	Paseo de Reding, 7. Malaga	Provision of local television services	Málaga Altavisión, S.A.	80.00%	
Canal 4 Navarra, S.L.	Avenida Sancho el Fuerte, 18. Pamplona	Production and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Canal 4 Navarra Digital, S.A.	Polígono Industrial Cordovilla. Navarra	Provision of local television services	Canal 4 Navarra, S.L.	100.00%	2/91
Collserola Audiovisual, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Provision of local television services	Legal Affairs Consilium, S.L.	92.00%	2/91
			Promotora de Emisoras de Televisión, S.A.	0.50%	
Legal Affairs Consilium, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Localia TV Madrid, S.A.	Gran Vía, 32. Madrid	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
			Promotora de Emisoras, S.L	1 share	
Málaga Altavisión, S.A.	Paseo de Reding, 7. Malaga	Production and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A.	87.24%	2/91
Marbella Digital Televisión, S.A.	Paseo de Reding, 7. Malaga	Provision of local television services	Málaga Altavisión, S.A.	100.00%	2/91
Productora Asturiana de Televisión, S.A.	Asturias, 19. Oviedo	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	59.99%	
Productora Audiovisual de Badajoz, S.A.	Ramón Albarrán, 2. Badajoz	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	61.45%	
Productora de Televisión de Córdoba, S.A.	Amatista s/n. Polígono El Granadall. Cordoba	Provision of local television services	Localia TV Madrid, S.A.	0.01%	2/91
			Promotora de Emisoras de Televisión, S.A.	99.99%	

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

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				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Productora Extremeña de Televisión, S.A.	J. M. R. "Azorín". Edificio Zeus. Polígono La Corchera. Mérida. Badajoz	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	66.00%	
Promoción de Actividades Audiovisuales en Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	TV communication activities in the Canary Islands	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Promotora Audiovisual de Zaragoza, S.L.	Emilia Pardo Bazán, 18. Zaragoza	Provision of local television services	Localia TV Madrid, S.A.	0.10%	2/91
			Promotora de Emisoras de Televisión, S.A.	99.90%	
Promotora de Emisoras, S.L	Gran Vía, 32. Madrid	Radio broadcasting services	Promotora de Informaciones, S.A.	100.00%	2/91
Promotora de Emisoras de Televisión, S.A.	Gran Vía, 32. Madrid	Operation of TV channels	Promotora de Emisoras, S.L.	75.00%	2/91
			Promotora de Informaciones, S.A.	25.00%	
Telecomunicaciones Antequera, S.A.	Aguardenteros, 15. Antequera. Malaga	Provision of local television services	Málaga Altavisión, S.A.	100.00%	2/91
Televisión Ciudad Real, S.L.	Ronda Carmen, 4. Ciudad Real	Production, broadcasting, publication and distribution of all manner of communication media and advertising activities	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
TV Local Eivissa, S.L.	Avenida San Jordi s/n. Edificio Residencial. Ibiza	Provision of television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Equity method					
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.	Calle País Valenciano 5. Ciudad Real	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	33.33%	
Riotedisa, S.A.	Avenida de Portugal, 12. Logroño	Audiovisual productions for TV	Promotora de Emisoras de Televisión, S.A.	49.00%	
Televisión Digital de Baleares, S.L.	Avenida Setze de Juliol, 53. Palma de Mallorca	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	40.00%	

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

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2010	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
MEDIA CAPITAL					
Full consolidation					
Argumentos para Audiovisual, Lda. (CASA DA CRIAÇAO)	Avenida Liberdade. Nº 144/156 - 6º Dto. 1250-146. Lisbon. Portugal	Creation, development, translation and adaptation of texts and ideas for television programmes, films, entertainment, advertising and theatre	Plural Entertainment Portugal, S.A.	100.00%	
Chip Audiovisual, S.A.	Coso, 100 . Planta 3ª puerta 4-50001. Zaragoza	Audiovisual productions for TV	Factoría Plural, S.L.	50.00%	
Desenvolvimento de Sistemas de Comunicaçao, S.A. (MEDIA CAPITAL TECHNOLOGIES)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Development, maintenance and commercial operation of computer hardware and programs; management of multimedia content (images, sound, text and data)	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Editora Multimédia, S.A. (MULTIMÉDIA)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, multimedia production, distribution, consultancy, sales (mail order, telephone and other) of goods and services as well as the acquisition, supply, preparation and dissemination of journalism by any means	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Emissoes de Radiodifusao, S.A. (RADIO REGIONAL DE LISBOA)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting	Media Capital Rádios, S.A (MCR II)	100.00%	
Empresa de Meios Audiovisuais, Lda. (EMAV)	Quinta Do Olival Das Minas. Lote 9. Vialonga. 2625-577. Vialonga. Portugal	Purchase, sale and rental of audiovisual media (cameras, videos, special filming and lighting equipment, cranes, rails, etc.)	Plural Entertainment Portugal, S.A.	100.00%	
Empresa Portuguesa de Cenários, Lda. (EPC)	Quinta Do Olival Das Minas. Lote 9. Vialonga. 2625-577. Vialonga. Portugal	Design, construction and installation of decorating accessories	Plural Entertainment Portugal, S.A.	100.00%	
Factoría Plural, S.L.	Calle Biarritz, 2. 50017 Zaragoza	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	51.00%	
Grupo Media Capital, SGPS, S. A.	Rua Mário Castlhano nº 40. Queluz de Baixo. Portugal	Holdings	Vertix, SGPS, S.A	94.69%	
Kimberley Trading, S.A. (KIMBERLEY)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Performance of any TV-related activity such as the installation, management and operation of any TV channel or infrastructure	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Lúdicodrome Editora Unipessoal, Lda.	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, multimedia production, distribution, consultancy, sale (mail order, telephone or other) of goods and services disseminated via catalogues, magazines, newspapers, printed or audiovisual media	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Música e Entretenimento, S.A (MCME)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, graphic arts and the reproduction of recorded media: magazines, audio publication, video reproduction and the provision of services related to music, the radio, television, film, theatre and literary magazines	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Produçoes, S.A. (MCP)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Design, development, production, promotion, sale, acquisition, exploitation rights, recording, distribution and dissemination of audiovisual media	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Produçoes - Investimentos, SGPS, S.A.	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Holdings	Media Capital Produçoes, S.A. (MCP)	100.00%	
Media Capital Rádios, S.A (MCR II)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Provision of services in the areas of accounting and financial consultancy; performance of radio broadcasting activities in the areas of the production and transmission of radio programmes	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Global, SGPS, S.A. (MEGLO)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Holdings	Grupo Media Capital, SGPS, S. A.	100.00%	
Multimedia, S.A. (CLMC)	Rua de Santo Amaro à Estrela. Nº 17 A. 1249-028. Lisbon. Portugal	Distribution of film activities, video, radio, television, audiovisual and multimedia cinematográficas, de vídeo, radio, televisión, audiovisual y multimedia	Media Global, SGPS, S.A.(MEGLO)	100.00%	
Plural Entertainment Canarias, S.L.	Dársena Pesquera. Edificio Plató del Atlántico. San Andrés 38180. Santa Cruz de Tenerife	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	100.00%	
Plural Entertainment España, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	Media Capital Produçoes - Investimentos, SGPS, S.A.	100.00%	2/91
Plural Entertainment Inc.	1680 Michigan Avenue. Suite 730. Miami Beach. US	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	100.00%	
Plural Entertainment Portugal, S.A.	R. José Falcao. 57 - 3º Dt. 1000-184. Lisbon. Portugal	Production of video and film, organisation of shows, rental of sound and lighting, advertising, sales and representation of registered videos	Media Capital Produçoes - Investimentos, SGPS, S.A.	100.00%	
Produçao de Eventos, Lda. (MEDIA CAPITAL ENTERTAINMENT)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, graphic art and reproduction of recorded media: magazines, audio publication, video reproduction; and provision of services related to music, radio, television, film, theatre and literary magazines	Media Capital Música e Entretenimento, S.A (MCME)	100.00%	

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

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				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Producciones Audiovisuales, S.A. (NBP IBÉRICA)	Almagro 13. 1º Izquierda. 28010. Madrid	Inactive	Plural Entertainment Portugal, S.A.	100.00%	
Productora Canaria de Programas, S.A.	Enrique Wolfson, 17. Santa Cruz de Tenerife	Development of a promotional TV channel for the Canary Islands	Plural Entertainment España, S.L.	40.00%	
Produçoes Audiovisuais, S.A. (RADIO CIDADE)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting, production of audio or video advertising spots	Media Capital Rádios, S.A (MCR II)	100.00%	
Projectos de Media e Publicidade Unipessoal, Lda. (PUPLIPARTNER)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Advertising, production and recording of discs. Development and production of radio programmes Design, preparation and performance of advertising projects (advisory services, promotion, supply, marketing and the distribution of media goods and services)	Serviços de Consultoria e Gestao, S.A. (MEDIA CAPITAL SERVIÇOS)	100.00%	
Radio Comercial, S.A. (COMERCIAL)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting in the areas of programme production and transmission	Media Capital Rádios, S.A (MCR II)	100.00%	
RADIO XXI, Lda. (XXI)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting in the areas of programme production and transmission	Radio Comercial, S.A. (COMERCIAL)	100.00%	
Rede Teledifusora Independente, S.A. (RETI)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Installation, management and operation of the telecommunication network or networks including transport, signal transmission for TV, radio, computer data, etc.	Televisao Independente, S.A. (TVI)	100.00%	
Serviços de Consultoria e Gestao, S.A. (MEDIA CAPITAL SERVIÇOS)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Advisory services, guidance services and operational assistance to public relations companies and organisations	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Serviços de Internet, S.A. (IOL NEGÓCIOS)	Rua Tenente Valadim. Nº 181. 4100-479. Porto. Portugal	Services, publication and sale of electronic goods and services Media publication, production and distribution activities	Editora Multimédia, S.A. (MULTIMÉDIA)	100.00%	
Sociedad Canaria de Televisión Regional, S.A.	Avenida de Madrid s/n. Santa Cruz de Tenerife	Audiovisual productions for TV	Plural Entertainment España, S.L.	40.00%	
Sociedade de Produçao e Ediçao Audiovisual, Lda. (FAROL MÚSICA)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Production of multimedia, audiovisual and phonogram storage media	Media Capital Música e Entretenimento, S.A (MCME)	100.00%	
Televisao Independente, S.A. (TVI)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Performance of any TV-related activity such as the installation, management and operation of any TV channel or infrastructure	Kimberley Trading, S.A. (KIMBERLEY)	100.00%	
Tesela Producciones Cinematográficas, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	100.00%	2/91
Vertix, SGPS, S. A.	Rua de las Amoreiras, 107. Lisbon. Portugal	Holdings	Promotora de Informaciones, S.A.	100.00%	
Equity method					
Plural - Jempsa, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	50.00%	
Plural Entertainment Brasil Produçao de Vídeo, Ltda. *(fomerly, NBP Brasil, S.A.)*	Rua Padre Adelino. Nº 758, 3º andar, Quarta Parada. CEP 03303-904.	Inactive	Media Capital Produçoes - Investimentos, SGPS, S.A.	49.00%	
Uniao de Leiria, SAD. (UNIAO DE LEIRIA)	Estádio Dr. Magalhaes Pessoa. 2400-000. Leiria. Portugal	Football team management	Media Global, SGPS, S.A. (MEGLO)	20.16%	

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

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				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
DIGITAL					
Full consolidation					
Infotecnia 11824, S.L.	Ronda de Poniente 7. Tres Cantos. Madrid	Provision of telecommunication services	Prisa Digital, S.L.	60.00%	
Prisa Digital, S.L. *(fomerly, Prisacom, S.L.)*	Gran Vía, 32. Madrid	Provision of internet services	Promotora de Informaciones, S.A.	100.00%	2/91
PRINTING					
Full consolidation					
Prisaprint, S.L.	Gran Vía, 32. Madrid	Management of printing companies	Grupo Empresarial de Medios Impresos, S.L. Promotora de Informaciones, S.A.	0.00% 100.00%	2/91
Equity method					
Bidasoa Press, S.L.	Calle Malilla Nº 134. 46026. Valencia	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Dédalo Grupo Gráfico, S.L.	Carretera de Pinto a Fuenlabrada, Km. 20,8. Madrid	Printing of publishing products	Prisaprint, S.L.	40.00%	
Dédalo Heliocolor, S.A.	Ctra. Nacional II. Km. 48, 500 Polígono Industrial Nº I. 19171. Cabanillas del Campo. Guadalajara	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Dédalo Offset, S.L.	Carretera de Pinto a Fuenlabrada, Km. 20,8. Madrid	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Distribuciones Aliadas, S.A.	Polígono Industrial La Isla. Parcela 53. 41700 Dos Hermanas. Seville	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Gráficas Integradas, S.A.	Calle Camino de los Afligidos S/N. Alcalá de Henares. Madrid	Printing of publishing products	Dédalo Heliocolor, S.A.	100.00%	225/04
Norprensa, S.A.	Parque Empresarial IN-F. Calle Costureiras. s/n 27003. Lugo	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04

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

(*) Consolidated tax group Dédalo Grupo Gráfico, S.L.: 225/04

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				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
DISTRIBUTION					
Full consolidation					
Aldipren, S.L.	Polígono Campollano. Calle de Distribución. Número 34-38. 02006 Albacete	Storage and distribution of publishing products	Grupo Cronos Distribución Integral, S.L.	65.00%	
Cronodís Logística Integral, S.L.	Calle El Rayo. Parcela 2,4,2. Polígono Industrial La Quinta /R2. 19171. Cabanillas del Campo. Guadalajara	Storage and distribution of publishing products	Grupo Cronos Distribución Integral, S.L.	95.00%	
Districuen, S.L.	Polígono La Cerrajera. Parcela 36. Cuenca	Storage and distribution of publishing products	Grupo Cronos Distribución Integral, S.L.	65.00%	
Distritoledo, S.L.	Polígono Industrial de Toledo II Fase. Calle Arrollo Gadea, 9. 45007. Toledo	Distribution and sale of publishing products	Grupo Cronos Distribución Integral, S.L.	79.50%	
Grupo Cronos Distribución Integral, S.L.	Almanaque Nº 5. Polígono Fin de Semana. 28022. Madrid.	Distribution and sale of publishing products	Redprensa, S.L.U.	50.00%	
Redprensa, S.L.U.	Gran Vía, 32. Madrid	Holdings	Promotora de Informaciones, S.A.	100.00%	2/91
Equity method					
Beralán, S.L.	Igarategi Industrialdea. Nº 58. 20130. Urnieta. Guipúzcoa	Distribution of publishing products	Redprensa, S.L.U.	22.25%	
Cirpress, S.L.	Polígono Tazaba II. Parcela 31. Logrezana - Carreño. 33438. Asturias	Distribution of publishing products	Redprensa, S.L.U.	24.70%	
Comercial de Prensa Siglo XXI, S.A.	Calle Confianza, 1. Polígono Industrial Los Olivos. 28065. Getafe. Madrid	Distribution and sale of publishing products	Dima Distribución Integral, S.L.	100.00%	
Dima Distribución Integral, S.L.	Calle Confianza, 1. Polígono Industrial Los Olivos. 28065. Getafe. Madrid	Distribution of publishing products	Redprensa, S.L.U.	33.66%	
Distribución de Prensa por Rutas, S.L.	Avenida de la Industria, 22. Nave A. Coslada. Madrid	Distribution of publishing products	Dima Distribución Integral, S.L.	100.00%	
Distribuciones Papiro, S.L.	C/Pasteur 15. Polígono Industrial El Montalbo. 37008 Salamanca	Distribution of publishing products	Redprensa, S.L.U.	26.35%	
Distribuciones Ricardo Rodríguez, S.L.	Polígono Asegra. Calle Córdoba. 18-20. 18210. Peligros. Granada	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distribuidora Almeriense de Publicaciones, S.L.	Sierra Cabrera, 1. Polígono Industrial La Juaida. Viator. Almeria	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distribuidora Cordobesa de Medios Editoriales, S.L.	Calle Prolongación Ingeniero Torres Quevedo s/n. Polígono Industrial de la Torrecilla. 14013. Cordoba	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distribuidora de Publicaciones Boreal, S.L.	Rua Alcalde Ramón Añón. Parcela 79-81. 15199. Culleredo. A Coruña	Distribution of publishing products	Redprensa, S.L.U.	29.00%	
Distribuidora Extremeña de Publicaciones, S.L.	Polígono Industrial Prado. Calle Valencia 14. 06800 Mérida. Badajoz	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distrigalicia, S.L.	Carretera de Catabais Km. 3,300 de Ferrol. A Coruña	Storage and distribution of publishing products	Distribuidora de Publicaciones Boreal, S.L.	100.00%	
Distrimedios, S.L.	Agricultura. Parcela D-10 (P. Empresarial). Jeréz. Cadiz	Distribution of publishing products	Redprensa, S.L.U.	29.00%	
Gelesa Gestión Logística, S.L.	Almanaque Nº 5. Polígono Fin de Semana. 28022. Madrid.	Distribution of publications	Dima Distribución Integral, S.L.	100.00%	
Marina BCN Distribucions, S.L.	Calle E. Nº 1. Esquina Calle 6 (Sector E). 08040. Barcelona	Distribution of publishing products	Redprensa, S.L.U.	30.00%	
Prensa Serviodiel, S.L.	Polígono Tartessos 309, Calle A. 21610. San Juan del Puerto. Huelva	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Souto, S.L.	Polígono Industrial Oceao, Calle Da Industria, 107. 27003. Lugo	Distribution of publications	Distribuidora de Publicaciones Boreal, S.L.	100.00%	
Suscripciones de Medios Editoriales, S.L.	Calle de la Agricultura, Parque Empresarial Parcela D10. 11407. Jeréz de la Frontera. Cádiz	Distribution of publishing products	Distrimedios, S.L.	100.00%	
Trecedis, S.L.	Calle Avenida de Bruselas, 5. Arrollo de la Vega. 28108. Alcobendas. Madrid	Distribution of publications	Beralán, S.L.	8.14%	
			Cirpress, S.L.	8.14%	
			Distribución de Prensa por Rutas, S.A.	2.36%	
			Distribuciones Papiro, S.L.	8.14%	
			Distribuidora de Publicaciones Boreal, S.L.	8.14%	
			Distrimedios, S.L.	8.14%	
			Grupo Cronos Distribución Integral, S.L.	8.14%	
			Marina BCN Distribucions, S.L.	8.14%	
			Val Disme, S.L.	8.14%	
Val Disme, S.L.	Calle Dels Argenters 4. P.I. Vara de Quart. 46014. Valencia	Distribution of publishing products	Redprensa, S.L.U.	23.75%	
MEDIA ADVERTISING SALES					
Full consolidation					
Prisa Brand Solutions, S.L.U. *(fomerly, Box News Publicidad, S.L.U)*	Gran Vía, 32. Madrid	Contracting of advertising exclusives	Promotora de Informaciones, S.A.	100.00%	2/91
Prisa Innova, S.L.	Gran Vía, 32. Madrid	Management of promotional products and services	Prisa Brand Solutions, S.L.U.	99.95%	2/91
			Diario El País, S.L.	0.05%	
Solomedios, S.A.	Gran Vía, 32. Madrid	Advertising management	Prisa Brand Solutions, S.L.U.	99.97%	2/91
			Promotora de Informaciones, S.A.	0.03%	

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

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				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
OTHER					
Full consolidation					
GLP Colombia, Ltda	Carrera 9, 9907 Oficina 1200. Bogotá. Colombia	Operation and sale of all manner of advertising	Prisa División Internacional, S.L.	100.00%	
Liberty Acquisition Holdings Virginia, Inc.	Gran Vía, 32. Madrid	Holdings	Promotora de Informaciones, S.A.	100.00%	
Prisa División Inmobiliaria, S.L.	Gran Vía, 32. Madrid	Lease of commercial and industrial premises	Promotora de Informaciones, S.A.	100.00%	2/91
Prisa División Internacional, S.L.	Gran Vía, 32. Madrid	Holdings in foreign companies	Grupo Empresarial de Medios Impresos, S.L.	0.00%	2/91
			Promotora de Informaciones, S.A.	100.00%	
Prisa Finance (Netherlands) BV	Gran Vía, 32. Madrid	Holdings in and financing of companies	Promotora de Informaciones, S.A.	100.00%	
Prisa Inc.	5300 First Union Finacial Centre. Miami. Florida. US	Management of companies in the US and North America	Prisa División Internacional, S.L.	100.00%	
Promotora de Actividades América 2010, S.L.	Gran Vía, 32. Madrid	Production and organisation of activities and projects marking the bicentenary of American Independence	Promotora de Informaciones, S.A.	100.00%	2/91
Promotora de Actividades América 2010 - México, S.A. de C.V.	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600. Mexico City. Mexico	Development, co-ordination and management of all manner of international and national projects marking the bicentenary of American Independence	Prisa División Internacional, S.L.	1 share	
			Promotora de Actividades América 2010, S.L.	100.00%	
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual content	Prisa División Internacional, S.L.	99.00%	
			Promotora de Informaciones, S.A.	1.00%	
Equity method					
V-Me Media Inc.			Promotora de Informaciones, S.A.	9.16%	
			Prisa Televisión, S.A.U.	23.78%	

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

KEY FINANCIAL AGGREGATES OF THE COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

APPENDIX II

INVESTEE	December 2010			
	TOTAL ASSETS	EQUITY	OPERATING INCOME	NET PROFIT (LOSS)
EDUCATION				
Distribuidora Digital de Libros, S.A.	722	465	2	(500)
DLD Editora e Distibuidora de Livros Digitais, S.A. (Brasil)	162	155	0	(139)
RADIO				
RADIO IN SPAIN				
Radio Jaén, S.L.	1,776	1,428	1,424	(8)
Unión Radio del Pirineu, S.A.	666	474	481	80
INTERNATIONAL RADIO				
El Dorado Broadcasting Corporation	457	(1,303)	0	(2)
Green Emerald Business Inc.	1,320	(1,954)	925	(65)
WSUA Broadcasting Corporation	4,074	(4,134)	419	(98)
W3 Comm Concesionaria, S.A. de C.V.	1,170	(799)	478	(1)
AUDIOVISUAL				
PRISA TV				
Canal Club de Distribución de Ocio y Cultura, S.A.	6,402	5,597	18,253	907
Canal + Investment Inc.	N/A	N/A	N/A	N/A
Compañía Independiente de Noticias de TV, S.L.	14,443	(1,316)	40,401	(2,274)
Gestevisión Telecinco, S.A. and subsidiaries	N/A	N/A	N/A	N/A
Promotora Audiovisual de Colombia PACSA, S.A.	N/A	N/A	N/A	N/A
Sociedad General de Televisión Cuatro, S.A.	260,321	55,923	359,967	(12,857)
Sogecable Editorial, S.L.	501	290	408	285
Sogecable Media, S.L.	140,871	(955)	332,102	1,072
V-Me Media Inc.	13,415	9,921	3,751	(12,751)
LOCAL TELEVISION				
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.	N/A	N/A	N/A	N/A
Riotedisa, S.A.	N/A	N/A	N/A	N/A
Televisión Digital de Baleares, S.L.	1,186	1,162	0	(14)
MEDIA CAPITAL				
Plural - Jempsa, S.L.	0	349	0	(175)
Plural Entertainment Brasil Produçao de Vídeo, Ltda. *(formerly, NBP Brasil, S.A.)*	223	(27)	0	(105)
Uniao de Leiria, SAD. (UNIAO DE LEIRIA)	N/A	N/A	N/A	N/A
PRINTING				
Dédalo Grupo Gráfico, S.L. and subsidiaries	322,262	(154,479)	99,971	(84,012)
DISTRIBUTION				
Beralán, S.L.	16,960	4,902	141,223	1,067
Cirpress, S.L.	7,107	1,614	30,743	138
Comercial de Prensa Siglo XXI, S.A.	7,211	(2,090)	73,094	(2,001)
Dima Distribución Integral, S.L.	4,176	4,283	3,833	(378)
Distribución de Prensa por Rutas, S.L.	2,988	81	26,484	74
Distribuciones Papiro, S.L.	5,220	2,120	50,214	724
Distribuciones Ricardo Rodríguez, S.L.	3,777	459	26,890	289
Distribuidora Almeriense de Publicaciones, S.L.	2,454	588	15,041	169
Distribuidora Cordobesa de Medios Editoriales, S.L.	3,341	220	22,755	144
Distribuidora de Publicaciones Boreal, S.L.	18,348	8,777	39,204	801
Distribuidora Extremeña de Publicaciones, S.L.	9,890	2,158	32,923	701
Distrigalicia, S.L.	6,164	2,790	27,643	217
Distrimedios, S.L.	50,580	862	105,196	55
Gelesa Gestión Logística, S.L.	10,045	(576)	94,650	(691)
Logintegral Distribución Madrid, S.L.U.	1,590	(113)	22,453	(116)
Marina BCN Distribucions, S.L.	29,382	6,685	139,447	1,260
Prensa Serviodiel, S.L.	1,979	429	12,232	302
Souto, S.L.	2,468	1,050	9,053	448
Suscripciones de Medios Editoriales, S.L.	7,498	266	5,872	70
Trecedis, S.L.	11,747	3,003	145,859	152
Val Disme, S.L.	25,428	7,786	159,580	1,058

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

Consolidated Directors' Report for 2010

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

CONSOLIDATED DIRECTOR'S REPORT FOR 2010

1. BUSINESS PERFORMANCE

Organizational matters

The Group's activities are organized into four main areas: Audiovisual, Education-Publishing, Radio and Press. This structure is supported by the Digital area, which operates across all the areas.

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

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

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

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

The *most significant events* in the period from January to December 2010 were as follows:

- Advertising revenue reached EUR 673.70 million, led by Radio, with an 8.1% increase. Press grew 4.7% in comparative terms. The Group's advertising revenue after adding its digital activity grew 19.6%. By market, Latin America stood out with 29.8% growth.

- The Audiovisual area, which included Cuatro as a discontinued operation in 2010, reported revenue of EUR 1,372.40 million and EBITDA of EUR 308.78 million, leaving an EBITDA margin of 22.5%. Digital + obtained revenue of EUR 1,133.99 million and an EBITDA of EUR 269.37 million.

- Digital+'s subscriber base ended December 2010 at 1,784,574. Satellite subscriber ARPU during the fourth quarter of 2010 increased by 1.7% year-on-year to EUR 41.7 per subscriber per month. Noteworthy was the growth in satellite value-added services in 2010: 305,379 subscribers own the iPlus digital set-top boxes, and 165,153 subscribe to the Multi+ (multiroom) service.

- Santillana obtained revenue of EUR 642.25 million (+4.1%), with a 12.0% increase in Latin America, with healthy growth in Brazil (+38.9%), Mexico (+20.0%), Chile (+17.3%) and Argentina (+7.1%). EBITDA rose 9.4% to EUR 166.35 million, with a

15.7% increase in Latin America. The EBITDA margin improved by more than 1 percentage point, to 25.9%.

- Radio posted a 7.5% increase in revenue to EUR 405.52 million and contributed EUR 108.07 million to EBITDA (+8.0%). Revenue from international radio grew by 28.6% (advertising revenue rose 34.5%) and EBITDA by 72.2%. According to the third general media survey (EGM) in 2010, Cadena SER, with 4,247,000 listeners, is leader of the 24-hour segment. SER's dominance extends to music radio: its *40 Principales* attracted 3,890,000 listeners.

- EBITDA of the Press business grew 11.3% to EUR 56.48 million. El País' EBITDA totaled EUR 38.56 million, with a net profit of EUR 19.20 million. Diario AS' revenue improved 13.4%, to EUR 82.29 million (advertising revenue grew 55.9%) and its EBITDA went up by 48.0%, to EUR 15.87 million.

- In the Digital segment, the Group attained 50.93 million average unique users per month during 2010, up 28.8% from 2009. Growth was strong for As.com (+38.9%), ElPais.com (+14.1%) -where 30% of the unique users are international- CincoDias.com (+24.0%), Los40.com (+26.3%), and Plus.es (+20.2%). Unique users of other Group projects (e.g. Parasaber, Clasificados, Kalipedia, El Viajero) increased by 62.7% overall. Unique Media Capital users increased 16.2% to 6.52 million.

- Revenue from the international area increased 7.2% (+14.7% in Latin America).

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

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

- Prisa refinanced its debt until 2013.

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

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

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

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

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

- Digital+ acquired the broadcasting rights of the "UEFA Champions League" and the UEFA Super Cup starting in August 2012 for a period of three seasons.

- Prisa Televisión entered into an agreement to broadcast Canal+ on its Telecable, Orange, and ONO television platforms. Also, Digital+ launched a triple play bundle with Jazztel and Orange.

- Canal+ and the best of Digital+'s sports programming have been available on iPads, iPhones, and online since November 2010.

- Canal+Dos is now broadcasting on TDT.

- The Court of First Instance no.36 of Madrid ordered Mediapro to pay EUR 105 million to AVS, a Sogecable subsidiary, plus EUR 31 million in interest and expenses related to the process of returning the soccer rights to the First and Second Division Spanish League to AVS. After filing for insolvency and reaching a creditors' settlement, AVS has requested that the court-designated bankruptcy trustees return these audiovisual rights to the soccer clubs.

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

2. EVENTS AFTER THE REPORTING PERIOD

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

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

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

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

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

3. PRINCIPAL RISKS ASSOCIATED WITH THE BUSINESS

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

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

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

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

4. MAIN FINANCIAL RISKS AND USE OF FINANCIAL INSTRUMENTS

Exposure to foreign currency risk

The Group is exposed to fluctuations in the exchange rates of the various countries in which it operates. The foreign currency risk assumed by the Group relates primarily to the following transactions:

- In 2010, close to 72% of the Prisa Group's consolidated revenue was generated in the domestic market and 28% in the international market, mainly in Latin America and Portugal.
- Results from activities carried on in non-euro area countries which are tied to the performance of their respective currencies: around 32% of the Group's profit from operations at December 31, 2010 was generated in America.
- Financial investments made to acquire ownership interests in foreign companies: these are long-term investments aimed at maintaining stable ownership interests in companies, although such investments are exposed to changes in their net asset value, not only as a result of their activity, but also due to the effect of exchange rate fluctuations.
- Debt denominated in foreign currency: only 1.36% of the Group's total bank borrowings at December 31, 2010 was denominated in foreign currency.

In order to mitigate this risk, the Group arranges hedges to cover the risk of changes in exchange rates (mainly foreign currency hedges, forwards and options) on the basis of its projections and budgets.

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

Exposure to interest rate risk

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

5. ANNUAL CORPORATE GOVERNANCE REPORT

(See Appendix II)

6. TREASURY SHARES

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

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

7. RESEARCH AND DEVELOPMENT ACTIVITIES

Prisa's audiovisual business, through Prisa Televisión, S.A.U., adapted its services and processes to the new technologies on an ongoing basis in cooperation with its technological suppliers, with the objective at being at the forefront of service provision to its subscribers and customers at all times. Accordingly, in 2007, Digital+ began selling state-of-the-art iPLUS digital set-top boxes exclusively for its subscribers, which can store hours of programming, and are integrated with an improved DIGITAL+ electronic programming guide (EPG service) and TDT access. It has also pioneered high-definition broadcasts with Canal+HD, the first high-definition TV in Spain which can be seen on the iPLUS set-top box; the number of new channels offered has increased in recent months. This innovative TV programming continued throughout the year, exemplified by the broadcasting in 3D of events, and more recently, the distribution of contents using iPads, iPhones, and computers; this will be available on other devices in the future. Thus, it is possible to directly receive the signal of six channels, including CANAL+. The Digital+ technological platform is continually evolving and improving the new services it offers to its subscribers. The most recent is called Digital+ "a-la-carte" (VOD), making it possible to download Canal+ contents (e.g. movies, series, documentaries) in iPlus at the subscribers' leisure, independently of the show currently being broadcast.

Other group media have also joined these new distribution channels, developing a single management system and publishing contents with multi-support systems. Currently, cell phone, tablet and web users can access the contents of El País, As, Cinco Días, 40 Principales,

Cinemanía, etc. These developments have borne fruit quite rapidly, with over 600,000 press downloads and 280,000 of the 40 Principales, the Group's main radio station.

The radio business also featured two outstanding developments:

- The websites of the main brands have been integrated into the leading social networks, paving the way for new media communication for and between users, thereby strengthening brand loyalty.
- The international radio presence has boosted the launch of new sites associated with brands, increasing the signal via streaming. Live events have received support from the inclusion of new technology for producing and streaming broadcasts, increasing their potential profitability. The "Premios Los 40 Principales" awards were broadcast to 20,000 live spectators and 100,000 watching on the Internet.

The Group also continued working to incorporate new technologies in the development of contents for its Education segment. The most relevant initiatives were:

- The development of books and educational materials in digital format, designed for students as well as teachers. In almost all the countries in which it operates, the Group leads the way in this type of development; especially noteworthy were the digital books commercialized for the 1st and 2nd cycles of the ESO in Catalunya.

- Digital versions of General Editions, both editorial and new releases, for distribution on the Libranda digital distribution platform. Started in 2010, it leads the Spanish digital book segment; the Santillana Group owns 26.66%. This initiative has spread to other countries, with Brazil and the US at the forefront.

In 2010, Prisa Digital S.L. focused its main R&D investments on carrying out two projects:

- The first is its VoD (Video on Demand) platform, which optimizes audiovisual management while breaking ground for new media products and services.
- The second is the CMD (Customer Marketing Database) platform, which makes it possible to integrate the entire customer database, creating a unified profile; it is therefore possible to have a better understanding of our users so as to be able to provide them relevant products and target advertising campaigns.

At year end, the Prisa Group's Digital Ecosystem went into development. This will consist of smart technology for analyzing user access and consumer behavior towards multi-platform digital contents, as well as advanced technology designed to identify, automatically categorize, integrate, and provide semantic access to digital cloud-based content storage networks. This project will revolutionize technology worldwide, and will take place in coming years.

The Prisa Group's agreement signed with Indra at the end of 2009 makes Indra Prisa's technological provider in the roll-out of a new, unified IT systems management model, which will not only adapt the pace of the Group's technological innovation to the development of new technologies, but will help the Group become more efficient and tap synergies across all the business areas.

8. 2011 REMUNERATION POLICY

The Board of Directors and the Corporate Governance, Appointments and Remuneration Committee of Promotora de Informaciones, S.A. (PRISA), within the scope of their respective powers, approved the 2011 remuneration policy for Board members and the management team.

This policy addresses the following matters:

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

- A maximum of EUR 2,000 thousand will be paid in 2011, pursuant to Article 19 of the bylaws, under the agreed terms and conditions, based on the agreement made at the Extraordinary General Shareholders' Meeting held on November 27, 2010.

  This remuneration will differ depending on each Board Member, whether serving on the Board of Directors, the Executive Committee, and the other Board Committees. Of the portion corresponding to a Board Member for being on the Board, 60% will be paid monthly in cash, and 40% will be paid in Prisa shares (see section entitled "Share option plans"). These shares will be granted to the members of the board four times a year (on a quarterly basis).

- Fees for attending Board and Committee meetings are estimated at EUR 462 thousand for 2011.

- The Board members will also be entitled to the private health insurance taken out by the Company to cover any risks affecting the directors in this connection.

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

8.2. 2011 MANAGEMENT TEAM REMUNERATION POLICY

The management team consists of the CEO and the Chairman of the Executive Committee (the single Executive Director of the Company since November 27, 2010) and senior executive[1]. The remuneration of the Executive Director was approved by the Board of Directors at the proposal of the Corporate Governance, Appointments and Remuneration Committee and that of the senior executives was approved by the latter

- **Fixed remuneration:** The fixed remuneration of the management team in 2011, including the CEO, will amount to EUR 6,066 thousand, the detail being as follows:

[1] Pursuant to the Unified Code, senior executives of the Prisa Group are considered to be those persons who report directly to the chief executive (members of the Business Management Committee and the Corporate Committee who are not executive directors), in addition to the internal audit director of Promotora de Informaciones, S.A., namely: Ignacio Santillana del Barrio, Fernando Martinez Albacete, Augusto Delkader Teig, Javier Pons Tubio, Jesús Ceberio Galardi, Miguel Angel Cayuela Sebastián, Matilde Casado Moreno, Iñigo Dago Elorza, Pedro García Guillén, Oscar Gómez Barbero, Kamal M. Bherwani, Andrés Cardó, Bárbara Manrique de Lara and Virginia Fernández Iribarnegaray.

- **Short-term variable remuneration**: which consists of a bonus tied 100% to achievement of all the management objectives communicated formally to each member of the management team.

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

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

  The bonus for 2011 will be paid after year-end once the Group's consolidated financial statements have been authorized for issue.

  The reference bonus of the management team, including the Executive Director for 2011 is EUR 3,386 thousand.

- **In-kind remuneration plan:** the Group has taken out an insurance policy with an insurance company to cover the risks of death or serious accident with an insured sum equal to one year's total remuneration of the beneficiary. The Group also provides private health insurance, under the expense refund system, for members of the management team and their families.

- **Share delivery and option plans:**

  Based on Section 219 of Corporate Enterprises Act, and Article 19 of the Company bylaws, at the Extraordinary General Shareholders' Meeting on November 27, 2010, a compensation system was authorized consisting of the delivery of shares and/or stock options of the Company to the directors and managers in the Prisa Group during 2010, 2011, 2012, and 2013, to facilitate or increase their shareholdings in the Company.

  The main terms of this agreement were the following:

  The Company may deliver a number of the Company's shares or stock options to each of the Participants. The system may be offered to such directors and mangers in the Prisa Group in the categories indicated in this resolution as may be determined by the Board of Directors, on proposal of the Corporate Governance, Appointments, and Remuneration Committee.

  The number of shares and stock options that may correspond to each Participant will be determined by the Board of Directors on proposal of the Corporate Governance, Appointments, and Remuneration Committee, based on their responsibilities within the management bodies of the Company or any of the companies in its group of their management functions and responsibilities.

(i) Delivery of shares

The total number of shares in no case will exceed 2% of company's capital from time to time, using the average closing quotation of the share on the Continuous Market over the 30 working days immediately prior to the delivery as reference.

(ii) Delivery of stock options

The total number of stock options in no case will exceed 1% of company's capital from time to time. The delivery of stock options will give the right to acquire an equivalent number of shares of the Company, during the period from 12 months to 24 months after delivery of the stock options. The exercise price of each stock option will be the average closing quotation of the share on the Continuous Market for the 30 working days immediately prior to the delivery.

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

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

8.4. MOST SIGNIFICANT CHANGES IN REMUNERATION POLICY WITH RESPECT TO THE REMUNERATION POLICY APPLIED IN 2010 AND OVERVIEW OF THE REMUNERATION POLICY APPLIED IN 2010.

- **Overview of the remuneration policy applied in 2010:**

	Thousand of euros	
	Projected 2010 fixed remuneration	**Actual 2010 fixed remuneration**
Executive Directors	2,610	2,183
Senior executives	4,265	4,439
	6,875	**6,622**

	2010 reference bonus	**2010 actual bonus**
Executive Directors	2,141	1,873
Senior executives	2,120	1,927
	4,261	**3,800**

- **Most significant changes in the 2011 remuneration policy with respect to that applied in 2010:**

	Thousand of euros	
	2010	**2011**
Directors' remuneration	990	2,000
Directors' attendance fees	1,579	462
	2,569	**2,462**

	Thousand of euros	
	Actual 2010 fixed remuneration	**2010 fixed remuneration**
Executive directors and senior management	6,622	6,066
Senior executives		

	Thousands of euros	
	2010 Actual bonus	**2011 Reference bonus**
Executive directors and senior management	3,800	3,386
Senior executives		

The other aspects of the remuneration policy will be in line with those of 2010, taking into account point 2 of this section in relation to the delivery of shares and stock options.

The differences between the actual remuneration in 2010 and the projected remuneration for 2011 are due to changes in the composition of the board of directors. Until November 27, 2010, it comprised 5 executive directors, and after that date, only one of its members (the CEO and Chairman of the Executive Committee) fulfilled this condition.

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

a) The structure of capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents;

Class A common shares Class B convertible non-voting shares

At December 31, 2010, Prisa's share capital amounted to EUR 84,697,802 thousand, and is totally subscribed and paid in, represented by:

a) 443,991,020 Class A common shares, at a par value of EUR 0.10 each, and

b) 402,987,000 Class B convertible non-voting shares, with a par value of EUR 0.10 each, in the specific conditions expressed in Article 8 of Prisa's bylaws, pursuant to Section 98 et seq. of the Corporate Enterprises Act.

These shares are listed on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges on the electronic trading platform (Sistema de Interconexión Bursátil Español).

The Class B convertible non-voting shares have the following minimum characteristics:

- They have the right to a minimum annual dividend per share amounting to EUR 0.175 from the date of their issue until they are converted.

- Each Class B share may be transformed into an Class A common shares at any time, at the holder's discretion. 42 months after they are issued, the Class B convertible non-voting shares (issued pursuant to resolution adopted at the Extraordinary General Shareholders' Meeting on November 27, 2010) are obligatorily converted into ordinary shares.

American Depositary Shares (ADS)

During the extraordinary general meeting held on November 27, 2010, an agreement was reached to increase capital through the issue of 224,855,520 Class A common shares, and 402,987,000 Class B convertible non-voting shares, issued through non-monetary contributions. These common and convertible shares are traded on the Spanish stock exchanges, and on the New York Stock Exchange as American Depositary Shares (ADS).

Holders of the ADSs representing the Class A and Class B shares may request that the depositary entity (Citibank NA) to directly deliver the corresponding Class A and Class B shares and their subsequent trading on the Spanish stock exchanges.

Warrants

During the extraordinary general meeting held on November 27, 2010, an agreement was reached to increase capital through the issue of 241,049,050 Class A common shares, which were issued through a monetary contribution with pre-emptive subscription rights through

warrants. 241,043,628 warrants were issued by PRISA, making the corresponding adjustment and discounting the fractions.

The warrants are listed on the Spanish warrant platform, the underlying component of which are the Class A PRISA shares with a strike price of EUR 2, and can be exercised during 42 monthly windows until they expire on June 5, 2014.

b) Restrictions on the transfer of securities;

There are no restrictions on the transfer of securities;

c) Significant direct and indirect shareholdings;

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

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

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

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

(**) Of the 13,482,068 voting rights declared by the Bank of America Corporation, 2,632,068 correspond to Class A common shares, and 10,850,000 to ADSs representing Class A common shares.

d) Restrictions on voting rights;

There are no restrictions on the voting rights corresponding of the Class A common shares. The convertible Class B shares do not have voting rights.

e) Shareholder agreements.

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

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

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

(i) The syndicated shareholders and directors must meet prior to the holding of General and Board Meetings to decide upon how the syndicated shareholders will vote, being bound to vote in the same manner in the General Meeting, on the basis of the vote determined by the meeting of the syndicated shareholders;

(ii) Should express agreement of the syndicate not be obtained on any of the proposals presented at the General Meeting, it shall be considered that sufficient agreement does not exist in the syndicate and, in consequence, each syndicated shareholder may cast his or her vote freely;

(iii) The members of the syndicate are obliged to attend the meetings of the shareholders in person, or to delegate their voting rights to the person agreed upon by the syndicate, unless expressly agreed otherwise by the syndicate, and to vote in accordance with the instructions agreed upon by the syndicate, and not exercise on an individual basis any right as a shareholder unless previously debated and agreed upon at the syndicated shareholder meeting; and

(iv) The members of the syndicate undertake not to transfer or dispose of, in any way, the shares of Rucandio, S.A. until ten years have elapsed from the death of Jesús de Polanco Gutiérrez, the consensus of all the shareholders being required, in all cases, for any type of transfer to a third party. Any exception to the aforementioned term requires the unanimous agreement of all the shareholders. This limitation is also established in the specific case of the shares of Promotora de Informaciones, S.A. which are directly or indirectly held by Rucandio, S.A

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

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

(i) Each majority shareholder shall have, as a minimum, one representative on Prisa's Board of Directors and, as far as possible, the managing body of Promotora de Publicaciones, S.A. shall have the same composition as that of Prisa;

(ii) The use of the voting rights of the shares of Promotora de Publicaciones, S.L. in the General Meetings of Prisa shall be that determined previously by the majority shareholders and the shareholders of Promotora de Publicaciones, S.L. who are members of the Board of Directors of Prisa shall vote in the same way following the instructions of the majority shareholders; and

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

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

Appointment and replacement of board members.

Directors are appointed at shareholders meetings or, on a provisional basis, by the Board of Directors in conformity with the provisions laid down in the Corporate Enterprises Act and the company bylaws.

Proposals for the appointment of directors must be accompanied by a non-binding report from the Corporate Governance, Appointments and Remuneration Committee. In the case of independent directors, appointments must be proposed by the Corporate Governance, Appointments and Remuneration Committee.

In the case of external directors, the Board of Directors and the Corporate Governance, Appointments and Remuneration Committee shall seek to ensure, within the scope of their respective powers, that the candidates selected are persons of acknowledged competence and experience

The directors' term of appointment is five years and they may be re-appointed. Motions for re-appointment of directors shall be subject to a formal drafting process. A necessary part of this process is an opinion issued by the Corporate Governance, Appointments and Remuneration Committee in which the performance and commitment of the directors proposed during the previous mandate shall be evaluated.

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

The directors shall offer their resignation to the Board of Directors, should the latter deem it appropriate, (i) when they are subject to any of the legally-established prohibitions or grounds for disqualification; (ii) based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanor proceeding; (iii) when they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors; (iv) when the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director looses his respective status as such and (v) when, in the course of one year, they fail to attend more than three meetings of the Board of Directors without just cause, and (vi) when their permanence on the Board due to lack of eligibility based on the terms described in the Board's Regulations, may directly, indirectly, or through related parties risk exercising their duties in a loyal and diligent manner based on the company interest.

Pursuant to Article 15 bis of the Board bylaws, a favorable vote of 75% of the shares having voting rights, present or represented by proxy at a General Meeting shall be required to adopt resolutions concerning changes in the Board of Directors, and the appointment of members of the Board at the Shareholders' meeting, except for candidates proposed by the Board of Directors.

The amendment of the Company's bylaws

Shareholders at General Shareholders' Meeting have the power to amend by the Company bylaws and this should be carried out in conformity with the provisions laid down in the Corporate Enterprises Act and the Company bylaws. Pursuant to Article 15 bis of the Board bylaws, a vote of 75% of the shares having voting rights, present or represented by proxy at a General Meeting shall be required to adopt resolutions concerning amendments to the bylaws including, among others, change of business purpose and capital increases or reductions, unless such operations are required by law.

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

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

Also, Manuel Polanco Moreno has been conferred powers of attorney for the exercise of certain powers.

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

- Resolution on a system of compensation consisting of the delivery of shares and/or stock options of the Company to the directors and managers in the Prisa Group determined by the Board of Directors at the proposal of the Corporate Governance, Appointments and Remuneration Committee for the 2010, 2011, 2012 and 2013 fiscal years ("2010-2013 Share/Stock Options Delivery Plan"), with the powers conferred on the Board of Directors, which may delegate for this purpose to the Corporate Governance, Appointments and Remuneration Committee, to apply, develop, and implement this resolution and to make such changes as may be necessary for application of the Plan, and to establish anti-dilution rules allowing adaption of this scheme for the delivery of stock options to preserve their value if the capital of the company is changed. This "2010-2013 Share/Stock Options Delivery Plan" is applicable to the 2010, 2011, 2012, and 2013 fiscal years, both inclusive. This resolution was adopted by the shareholders in the Extraordinary Meeting on November 27, 2010. If the Board of Directors does not use the authorization to implement this Plan before December 31, 2011, this resolution will be of no effect.

  i. The total number of shares in no case will exceed 2% of the company's capital from time to time. The delivery of shares to each Participant will be made within the framework of the Company's compensation policy, using the average closing quotation of the share on the Continuous Market over the 30 working days immediately prior to the delivery as the reference.

ii. The total number of stock options in no case will exceed 1% of the company's capital from time to time. The delivery of stock options will give the right to acquire an equivalent number of shares of the Company, during the period from 12 months to 24 months after delivery of the stock options. The exercise price of each stock options will be the average closing quotation of the share on the Continuous Market for the 30 working days immediately prior to the delivery.

- Resolution on the derivative acquisition of Prisa's own shares, adopted by shareholders at their extraordinary general meeting held on November 27, 2010, and valid until December 31, 2013. The shares which are acquired by the Company or its subsidiaries authorized to do so can be used to fulfill the "2010-2013 Share/Stock Options Delivery Plan."

- Resolution to increase capital by EUR 241,049,050 by issue and circulation of 241,049,050 new shares having a par value of EUR 10 cents each, with an issue premium of EUR 1.90 each, which will be subscribed and fully paid up against cash contributions with recognition of pre-emptive subscription rights and with an express provision for incomplete subscription; with delegation to the Board of Directors to verify fulfillment of the conditions to which this resolution is subject and redraft article 6 of the Company bylaws to adapt the subscriptions undertaken. The term for exercise of the pre-emptive subscription rights will during 42 monthly windows, until the fourth business day of each calendar month, from the period between January 2011 and June 2014. This resolution was adopted by the shareholders in the Extraordinary Meeting on November 27, 2010.

- Resolution by the Board of Directors adopted by the shareholders at the General Meeting held on December 5, 2008, and in force until December 2013, to delegate the power to increase capital, with the power to exclude, where applicable, any pre-emption rights.

- Resolution by the Board of Directors, adopted by the shareholders at the General Meeting held on December 5, 2008, and in force until December 2013, to delegate the power to issue fixed-income securities, both non-convertible and convertible into newly-issued shares and/or exchangeable for outstanding shares of Prisa or other companies, warrants (options to subscribe new shares or acquire outstanding shares of Prisa or other companies), promissory notes and preference shares, and delegation of the power to increase capital by the amount required to cover the requests to convert debentures or to exercise warrants, and to disapply the pre-emption right of the shareholders and holders of convertible debentures or warrants on newly-issued shares.

h) Any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company. This exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements;

- Shareholders agreement entered into by Prisa and Grupo Godó de Comunicación, S.A. (June 2006).

- The Grupo Godó de Comunicación has a put option on its entire ownership interest in Unión Radio, exercisable during the following three months

- Shareholders agreement between Prisa, Telefónica de Contenidos, S.A., y Gestevisión Telecinco, S.A. (December 2010).
  - Telefónica de Contenidos, S.A. and Gestevisión Telecinco, S.A. shall have a call option on the entirety of Prisa's stake in DTS Distribuidora de Televisión Digital, S.A., which can be exercised should there be a change in control.

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

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

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

The management team includes 10 members (one executive director and nine senior executives) whose contracts include a special clause which provides for a general termination benefit in the event of termination without just cause for an amount ranging from one year's total remuneration to two years' total remuneration (fixed salary + last bonus received) of the member concerned.

10. OUTLOOK

The media industry is sensitive to trends in the main macroeconomic variables and, in particular, to the advertising cycle, which is very closely related to GDP. However, the Prisa Group's exposure to the performance of the advertising market is limited, due to the diversification of its revenue sources, with advertising revenue representing only 24% of total revenue in 2010. Also, it has demonstrated that international presence and leadership position has enabled it to outperform the general market.

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

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

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

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

APPENDIX II: ANNUAL REPORT ON CORPORATE GOVERNANCE

ANNUAL REPORT ON CORPORATE GOVERNANCE

LISTED COMPANIES

DATA IDENTIFYING ISSUER **FINANCIAL YEAR** 31.12.2010

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:

Date Last Modified	Share Capital (€)	Number of Shares	Number of Voting Rights
30/11/2010	84,697,802	846,978,020	443,991,020

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

YES

Class	Number of Shares	Unit par value	Unit number of voting rights	Different Rights
Class A	443,991,020	0.10	1	Ordinary Shares
Class B	402,987,000	0.10	0	Convertible non-voting shares (See section G)

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

Shareholder's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights (*)	Total % of Voting Rights
RUCANDIO, S.A.	0	155,469,694	35.016
PROMOTORA DE PUBLICACIONES, S.L.	91,005,876	0	20.497
ASGARD INVERSIONES, SLU	35,487,164	0	7.993
SABARA INVESTMENT, S.L.	20,709,420	0	4.664
BANK OF AMERICA CORPORATION	0	13,482,068	3.037
UBS AG	26,259,510	0	5.914
DEUTSCHE BANK AG	15,048,684	0	3.389
BERGGRUEN ACQUISITION HOLDINGS LTD	16,719,420	0	3.766
MARLIN EQUITIES II LLC	16,719,420	0	3.766

Indirect Shareholder's Name	Through: direct Shareholder's Name	Number of direct Voting Rights	Total % of Voting Rights
RUCANDIO, S.A.	ASGARD INVERSIONES, SLU	35,487,164	7.993
RUCANDIO, S.A.	TIMON, S.A.	7,928,140	1.786
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	91,005,876	20.497
RUCANDIO, S.A.	RUCANDIO INVERSIONES SICAV, S.A.	339,094	0.076
RUCANDIO, S.A.	SABARA INVESTMENT, S.L.	20,709,420	4.664

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

Shareholder's Name	Date of Transaction	Description of Transaction
RUCANDIO, S.A.	30/11/2010	dropped from 40% of share capital
BERGGRUEN ACQUISITION HOLDINGS LTD	30/11/2010	reached 3% of share capital
MARLIN EQUITIES II LLC	30/11/2010	reached 3% of share capital
DEUTSCHE BANK, A.G	09/12/2010	reached 3% of share capital
UBS AG	03/12/2010	reached 5% of share capital
BANK OF AMERICA CORPORATION	03/12/2010	reached 3% of share capital

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

Name or Corporate Name of Board Member	Number of Direct Voting Rights	Number of Indirect Voting Rights (*)	Total % of Voting Rights
IGNACIO POLANCO MORENO	153,041	39,012	0.043
JUAN LUIS CEBRIÁN ECHARRI	17,048	1,242,257	0.284
JUAN ARENA DE LA MORA	14,999	0	0.003
NICOLAS BERGGRUEN	0	16,719,420	3.766
MATÍAS CORTÉS DOMÍNGUEZ	75	0	0.000
MARTIN FRANKLIN	0	16,719,420	3.766
DIEGO HIDALGO SCHNUR	150	0	0.000
GREGORIO MARAÑÓN BERTRÁN DE LIS	75	118,225	0.027
ALAIN MINC	26,670	0	0.006
AGNES NOGUERA BOREL	100	500	0.000
BORJA JESÚS PÉREZ ARAUNA	8,000	40,350	0.011
MANUEL POLANCO MORENO	27,863	65,266	0.021
EMMANUEL ROMAN	0	0	0.000
HARRY SLOAN	0	0	0.000
ERNESTO ZEDILLO PONCE DE LEON	0	0	0.000

(*Through):

Name or Corporate Name of the indirect holder	Name or Corporate Name of the direct holder	Number of Direct Voting Rights	Total % of Voting Rights
MARTIN FRANKLIN	MARLIN QUITIES II ILC	16,719,420	3.766
NICOLAS BERGGRUEN	BERGGRUEN ACQUISITION HOLDINGS LTD	16,719,420	3.766

Total % of Voting Rights controlled by the Board of Directors	7.926

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	168,372	42,913	211,285	0.048
JUAN LUIS CEBRIÁN ECHARRI	18,752	1,366,482	1,385,234	0.312
JUAN ARENA DE LA MORA	16,498	0	16,498	0.004
NICOLAS BERGGRUEN	0	33,438,840	33,438,840	7.531
MATIAS CORTES DOMINGUEZ	82	0	82	0.000
MARTIN FRANKLIN	0	33,438,840	33,438,840	7.531
DIEGO HIDALGO SCHNUR	165	0	165	0.000
GREGORIO MARAÑON Y BERTRAN DE LIS	82	130,047	130,129	0.029
AGNES NOGUERA BOREL	110	550	660	0.000
MANUEL POLANCO MORENO	30,676	71,792	102,468	0.023
BORJA PEREZ ARAUNA	8,800	44,385	53,185	0.012

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:

Type of Relationship
Corporate

Brief Description:
Promotora de Publicaciones, S.L. controls directly 100% of the share capital of Sabara Investment, S.L.

Names of the Related Persons or Entities
SABARA INVESTMENT, S.L

Type of Relationship
Corporate

Brief Description:
Rucandio, S.A. controls directly 56.53% of the share capital of Timón, S.A.

Names of the Related Persons or Entities
TIMON, S.A.

Type of Relationship
Corporate

Brief Description:
Timón, S.A. controls directly 49.54% and Rucandio, S.A. controls directly 4.97% of the share capital of Promotora de Publicaciones, S.L. Consequently, Rucandio, S.A. controls direct and indirectly 54.51% of the share capital of Promotora de Publicaciones, S.L.

Names of the Related Persons or Entities
PROMOTORA DE PUBLICACIONES, S.L.

Type of Relationship
Corporate

Brief Description:
Timón, S.A. directly controls 100% of Asgard Inversiones, S.L.U.

Names of the Related Persons or Entities
ASGARD INVERSIONES, SLU

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:

Type of Relationship
Contractual

Brief Description:
Berggruen Acquisitions Holding LTD and Marlin Equities II, LLC ("Sponsors") entered into an agreement with PRISA, on March 5, 2010, named as “Sponsor Support Agreement", by virtue of which the Sponsors "as warrantholders of Liberty Acquisitions Holdings" commits their selves to vote in favor of the amendment of the "Warrants Agreement", within the scope of the Business Combination Agreement (reference to which is made in section G of this report). This agreement expired as the Business Combination Agreement was consummated.

Names of the Related Persons or Entities
Berggruen Acquisitions Holding LTD Marlin Equities II, LLC

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

% of share capital
35.016

Brief Description of the Agreement
Shareholders´ Agreement in Rucandio, S.A. (See the note in section G)

Parties to the Shareholders' Agreement
IGNACIO POLANCO MORENO
ISABEL MORENO PUNCEL
MARIA JESÚS POLANCO MORENO
MARTA LOPEZ POLANCO
ISABEL LOPEZ POLANCO
MANUEL POLANCO MORENO
JAIME LOPEZ POLANCO
LUCIA LOPEZ POLANCO

% of share capital
20.497

Brief Description of the Agreement
Shareholders´ Agreement in Promotora de Publicaciones, S.L. (See the note in section G)

Parties to the Shareholders' Agreement
EVIEND SARL
MANUEL VARELA UÑA
MANUEL VARELA ENTRECANALES
ISABEL VARELA ENTRECANALES
MARTA VARELA ENTRECANALES
Mª CRUZ VARELA ENTRECANALES
ANDRÉS VARELA ENTRECANALES
ANA VARELA ENTRECANALES
CARMEN DEL MORAL RUIZ
RUCANDIO, S.A.
TIMÓN, S.A.
LIBERTAS 7, S.A.
INVERSIONES MENDOZA SOLANO, S.L.

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

NO

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

NO

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

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
3,150,000	0	0.700

(*) Through:

Total:	0

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

Gains/(losses) of sales of treasury stock 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 Shareholders' Meeting held on November 27, 2010 passed the following resolution:

The derivative acquisition of the Company's own shares is authorised, directly or through any of its subsidiary companies, by way of purchase and sale or any other "inter vivos" act for consideration, up to 31 December 2013, the ending date of the "2010-2013 Share/Stock Options Delivery Plan".

The limits or requirements of these acquisitions will be as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not exceed the allowable legal maximum.
- The acquired shares must be free of any liens or encumbrances, must be fully paid up and not subject to performance of any kind of obligation.
- A frozen reserve may be established within the liabilities on the company's balance sheet in an amount equivalent to the amount of the treasury shares reflected in assets. This reserve must be maintained until the shares have been disposed of or cancelled or there is been a legislative change so authorising.
- The acquisition price may not be less than par value or more than 20 percent of the quoted value. The transactions for the acquisition of own shares will be accordance with the rules and practices of the securities markets.

All of the foregoing will be understood to be without prejudice to application of the general scheme for derivative acquisitions contemplated in article 146 of the current Capital Companies Act.

Express authorisation is granted for the shares acquired by the Company or its subsidiaries pursuant to this authorisation, and those owned by the Company at the date of holding this General Meeting, to be used, in whole or in part, to facilitate fulfilment of the "2010-2013 Share/Stock Options Delivery Plan".

Also, it is resolved to revoke the unused part of the authorisation granted by the General Shareholders Meeting of 30 June 2010.

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:

NO

Maximum percent of voting rights that a shareholder may exercise pursuant to legal restrictions	0

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

NO

Maximum percent of voting rights that a shareholder may exercise pursuant to restrictions in the bylaws	**0**

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

NO

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

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	17
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 March 93	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
JUAN LUIS CEBRIÁN ECHARRI		CHIEF EXECUTIVE OFFICER	15 Jun 83	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING

JUAN ARENA DE LA MORA		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
NICOLAS BERGGRUEN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MATÍAS CORTÉS DOMÍNGUEZ		DIRECTOR	25 Mar 77	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MARTIN FRANKLIN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
DIEGO HIDALGO SCHNUR		DIRECTOR	17 Jun 82	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
GREGORIO MARAÑÓN BERTRÁN DE LIS		DIRECTOR	15 Jun 83	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
ALAIN MINC		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
AGNES NOGUERA BOREL		DIRECTOR	20 Apr 06	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
BORJA JESÚS PÉREZ ARAUNA		DIRECTOR	18 May 00	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MANUEL POLANCO MORENO		DIRECTOR	19 Apr 01	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
EMMANUEL ROMAN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
HARRY SLOAN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
ERNESTO ZEDILLO PONCE DE LEON		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING

Total Number of Board Members	15

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

Board Member	Board member status upon retirement	Retirement Date

ADOLFO VALERO CASCANTE	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS	November 27, 2010
RAMÓN MENDOZA SOLANO	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS	November 27, 2010
JOSÉ BUENAVENTURA TERCEIRO LOMBA	INDEPENDENT	November 27, 2010
EMILIANO MARTINEZ RODRIGUEZ	EXECUTIVE	November 27, 2010
ALFONSO LOPEZ CASAS	EXECUTIVE	November 27, 2010
FRANCISCO JAVIER DIEZ DE POLANCO	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS	June 30, 2010

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. JUAN LUIS CEBRIÁN ECHARRI	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	CEO

Total Number of Executive Directors	1
% of the Board	6.667

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. IGNACIO POLANCO MORENO	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	TIMÓN, S.A.
MR. NICOLAS BERGGRUEN	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	BERGGRUEN ACQUISITIONS HOLDINGS LTD
MR. MARTIN FRANKLIN	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	MARLIN EQUITIES II LLC
MR. MANUEL POLANCO MORENO	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	TIMÓN, S.A.
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. DIEGO HIDALGO	CORPORATE GOVERNANCE,	PROMOTORA DE

SCHNUR	APPOINTMENTS AND REMUNERATION COMMITTEE	PUBLICACIONES, S.L.

Total number of external directors representing significant shareholdings	7
% of the Board	46.667

INDEPENDENT EXTERNAL DIRECTORS

Director's Name	Profession
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	LAWYER
MR. EMMANUEL ROMAN	FINANCIAL. Co-CEO OF GLG Partners
MR. HARRY SLOAN	LAWYER. CHAIRMAN OF METRO GOLDWYN MAYER
MR. ERNESTO ZEDILLO PONCE DE LEON	ECONOMIST. EX PRESIDENT OF MEXICO
MR. ALAIN MINC	ENGINEER, POLITICAL AND ECONOMIC ADVISER. PROFESSOR
MR. JUAN ARENA DE LA MORA	ENGINEER AND FINANCIAL. EX PRESIDENT OF BANKINTER. EX PROFESSOR OF HARVARD BUSINESS SCHOOL.

Total number of independent external directors	6
% of the Board	40.000

OTHER EXTERNAL DIRECTORS

Director's Name	Committee that Proposed His/Her Appointment
MR. MATIAS CORTES DOMINGUEZ	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

Total number of other external directors	1
% of the Board	6.667

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

Director´s Name	MR. MATIAS CORTES DOMINGUEZ
Relationships with the company, directors or Shareholders	--
Reasons	Considering the professional relationship held by the Director with the Company during 2010, the Board of Directors decided to change his status.

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

Director's Name	Date	Previous status	Current Status
MR. IGNACIO POLANCO MORENO	27/11/2010	EXECUTIVE	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

MR. MANUEL POLANCO MORENO	27/11/2010	EXECUTIVE	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. MATIAS CORTES DOMINGUEZ	31/12/2010	INDEPENDENT	OTHER EXTERNAL DIRECTOR

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	Justification
BERGGRUEN ACQUISITIONS HOLDINGS LTD	As a consequence of the "Business Combination Agreement" or "Acuerdo de combinación de negocios" entered into between PRISA and Liberty Acquisitions Holdings Corp (LIBERTY) on March 5, 2010, which is described in section G of this report, Mr. Nicolas Berggruen has been appointed as director representing significant shareholdings.
MARLIN EQUITIES II, ILC	As a consequence of the "Business Combination Agreement" or "Acuerdo de combinación de negocios" entered into between PRISA and Liberty Acquisitions Holdings Corp (LIBERTY) on March 5, 2010, which is described in section G of this report, Mr. Martin Franklin has been appointed as director representing significant shareholdings.

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:

NO

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
MR. ALFONSO LOPEZ CASAS

Reasons
Prior to the celebration of the Extraordinary Shareholders Meeting held on November 27, 2010, the Board of Directors in full presented its resignation, to facilitate the approval of the resolution regarding the number of directors and appointment of directors.

Director´s Name
MR EMILIANO MARTINEZ

Reasons
Prior to the celebration of the Extraordinary Shareholders Meeting held on November 27, 2010, the Board of Directors in full presented its resignation, to facilitate the approval of the resolution regarding the number of directors and appointment of directors.

Director´s Name
MR ADOLFO VALERO

Reasons

Prior to the celebration of the Extraordinary Shareholders Meeting held on November 27, 2010, the Board of Directors in full presented its resignation, to facilitate the approval of the resolution regarding the number of directors and appointment of directors.

Director´s Name
MR BORJA PEREZ ARAUNA

Reasons
Prior to the celebration of the Extraordinary Shareholders Meeting held on November 27, 2010, the Board of Directors in full presented its resignation, to facilitate the approval of the resolution regarding the number of directors and appointment of directors.

Director´s Name
MR JOSE BUENAVENTURA TERCEIRO

Reasons
Prior to the celebration of the Extraordinary Shareholders Meeting held on November 27, 2010, the Board of Directors in full presented its resignation, to facilitate the approval of the resolution regarding the number of directors and appointment of directors.

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
JUAN LUIS CEBRIAN ECHARRI	DIARIO EL PAIS, S.L.	CHIEF EXECUTIVE OFFICER
JUAN LUIS CEBRIAN ECHARRI	GRUPO MEDIA CAPITAL, SGPS, S.A.	DIRECTOR
JUAN LUIS CEBRIAN ECHARRI	PRISA DIVISION INTERNACIONAL, S.L.	REPRESENTATIVE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER PRISA
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010 COLOMBIA LTDA.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010 MEXICO, S.A. DE CV.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010, S.L.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	EDICIONES EL PAIS	REPRESENTATIVE OF THE SOLE DIRECTOR DIARIO EL PAIS, S.L.

JUAN LUIS CEBRIAN ECHARRI	PRISA TELEVISION, S.A.U	DEPUTY CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	PRISA INC	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
AGNES NOGUERA BOREL	DIARIO EL PAÍS, S.L.	DIRECTOR
DIEGO HIDALGO SCHNUR	DIARIO EL PAIS, S.L.	DIRECTOR
GREGORIO MARAÑÓN BERTRÁN DE LIS	PRISA TELEVISION, S.A.U	DIRECTOR
MANUEL POLANCO MORENO	PRISA TELEVISION, S.A.U	CHAIRMAN
MANUEL POLANCO MORENO	CHIP AUDIOVISUAL, S.A.	DIRECTOR
MANUEL POLANCO MORENO	DIARIO AS, S.L.	CHAIRMAN
MANUEL POLANCO MORENO	DIARIO EL PAIS, S.L.	DIRECTOR
MANUEL POLANCO MORENO	GRUPO MEDIA CAPITAL, SGPS, S.A.	DIRECTOR
MANUEL POLANCO MORENO	INSTITUTO UNIVERSITARIO DE POSGRADO, S.A.	DIRECTOR
MANUEL POLANCO MORENO	MCP MEDIA CAPITAL PRODUCOES, S.A	CHAIRMAN
MANUEL POLANCO MORENO	MEDIA CAPITAL PRODUCOES INVESTIMENTOS SGPS, S.A.	CHAIRMAN
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT CANARIAS, S.L.U	JOINT AND SEVERAL DIRECTOR
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT ESPAÑA, S.L.U	JOINT AND SEVERAL DIRECTOR
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT PORTUGAL, S.L.U	CHAIRMAN
MANUEL POLANCO MORENO	PRISA DIVISION INTERNACIONAL, S.L.	DIRECTOR
MANUEL POLANCO MORENO	PRISA DIGITAL, S.L.	DIRECTOR
MANUEL POLANCO MORENO	PRODUCTORA CANARIA DE PROGRAMAS, S.A.	DIRECTOR
MANUEL POLANCO MORENO	SOCIEDAD CANARIA DE TELEVISION REGIONAL, S.A.	DIRECTOR
MANUEL POLANCO MORENO	DTS, DISTRIBUIDORA DE TELEVISIÓN DIGITAL, S.A.U.	CHAIRMAN
MANUEL POLANCO MORENO	PLURAL JEMPSA SL	JOINT MANAGING DIRECTOR
MANUEL POLANCO MORENO	TESELA PRODUCCIONES CINEMATOGRÁFICAS, S.L.	JOINT AND SEVERAL DIRECTOR
MANUEL POLANCO MORENO	TVI - TELEVISÃO INDEPENDENTE, SA	CHAIRMAN
MANUEL POLANCO MORENO	VERTIX, SGPS, S.A.	CHAIRMAN
MANUEL POLANCO MORENO	PRISA INC	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 GLOBAL SICAV, S.A.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	SAPRI INVERSIONES 2000 SICAV, S.A	CHAIRMAN
JUAN ARENA DE LA MORA	FERROVIAL, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	ALMIRALL, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	DINAMIA CAPITAL PRIVADO, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	SOL MELIÁ, S.A.	DIRECTOR
AGNES NOGUERA BOREL	LIBERTAS 7, S.A.	CHIEF EXECUTIVE OFFICER
ALAIN MINC	CRITERIA CAIXACORP, S.A.	DIRECTOR
BORJA JESUS PEREZ ARAUNA	VALSEL INVERSIONES SICAV, S.A.	DIRECTOR
BORJA JESUS PEREZ ARAUNA	CARAUNA INVERSIONES SICAV, S.A.	CHAIRMAN
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	VISCOFAN, S.A.	DIRECTOR
MATIAS CORTES DOMINGUEZ	SACYR VALLEHERMOSO	DIRECTOR

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:

NO

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:

Investment and financing policy	YES
Definition of group company structure	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plan, as well as management goals and annual budgets	YES
Remuneration policy and assessment of performance of senior management	YES
Risk management and control policy, as well as periodic monitoring of internal information and control systems	YES

Dividends policy, and treasury stock policy, particularly with regard to limitations thereon	YES

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	2,019
Variable Salaries	1,600
Allowances	1,579
Remuneration Stipulated in the Bylaws	990
Stock Options and/or Options in Other Financial Instruments	68
Others	2,034
Total:	**8,290**

Other Benefits	Euros 000
Advances	0
Loans	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Obligations Assumed	0
Life Insurance Premiums	22
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	459
Variable Salaries	211
Allowances	254
Remuneration Stipulated in the Bylaws	619
Stock Options and/or Options in Other Financial Instruments	6
Others	7
Total:	**1,556**

Other Benefits	Euros 000
Advances	0
Loans	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Obligations Assumed	0
Life Insurance Premiums	7
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	6,319	1,204
External Directors Representing Significant Shareholdings	1,331	265
Independent External Directors	640	87
Other External Directors	0	0

Total	**8,290**	**1,556**

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

Total Directors' Remunerations (in Euros 000)	9,846
Total Directors' Remunerations/Profits Attributed to the Parent Company (in %)	0.0

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
KAMAL BHERWANI	CHIEF DIGITAL OFFICER
ANDRES CARDÓ SORIA	DIRECTOR OF CORPORATE DEVELOPMENT AND MARKETING
MIGUEL ANGEL CAYUELA SEBASTIAN	CHIEF EXECUTIVE OFFICER OF GRUPO SANTILLANA
IGNACIO SANTILLANA DEL BARRIO	GENERAL MANAGER
PEDRO GARCÍA GUILLÉN	CHIEF EXECUTIVE OFFICER OF PRISA TELEVISION
AUGUSTO DELKADER TEIG	PRESIDENT OF PRISA RADIO
JAVIER PONS TUBIO	CHIEF EXECUTIVE OFFICER OF PRISA RADIO
MATILDE CASADO MORENO	CHIEF FINANCIAL OFFICER
JESUS CEBERIO GALARDI	GENERAL PRESS DIRECTOR AND GENERAL DIRECTOR OF EL PAIS
VIRGINIA FERNANDEZ IRIBARNEGARAY	INTERNAL AUDIT DIRECTOR
FERNANDO MARTINEZ ALBACETE	GENERAL SECRETARY
IÑIGO DAGO ELORZA	SECRETARY OF THE BOARD OF DIRECTORS AND CHIEF LEGAL ADVISOR
OSCAR GOMEZ BARBERO	CHIEF ORGANIZATION, TECHNOLOGY AND LOGISTICS OFFICER
BARBARA MANRIQUE DE LARA	COMMUNICATION MANAGER

Total Senior Management Salaries (in Euros 000)	**7,109**

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	10

	Board of Directors	Shareholders' Meeting
Body authorizing these clauses	YES	NO

Are the participants at the Shareholders' Meeting informed of these clauses?	YES

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, Directors' compensation shall consist of an annual amount provided for in the terms set forth by the board of directors, within limits established by shareholders at the annual shareholders meeting. The remuneration of individual directors may differ depending on the offices they hold and their service on board committees, and shall be compatible with per diem expenses paid for attendance at meetings. When approving the annual accounts at the annual shareholders meeting, shareholders may amend the limit set on directors' remuneration and, if not amended, the current limit shall automatically be revised at the beginning of the fiscal year, based on any variation in the total national Consumer Price Index.

The board shall determine the exact amount of per diem expenses and individual compensation to be paid to each director, within the limit set at the annual shareholders meeting.

Without prejudice to the remuneration set forth above, directors' compensation may also include stock or stock options, or amounts pegged to share value. Such compensation shall require the approval of shareholders at the annual meeting, indicating the number of shares to be awarded, the exercise price for stock options, the value of shares taken as a reference, and the duration of this compensation system. Likewise, the company may subscribe a civil liability insurance policy for its directors.

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:

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.	NO
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.	YES

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

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	YES
Variable remuneration	YES
Main features of benefits system, with an estimate of its annual cost or equivalent	NO
Conditions that must be respected in the contracts of executive directors who perform senior management duties	YES

B.1.16. Indicate whether the board submits to a non-binding vote at the shareholders meeting and as a separate item on the agenda, a report on the remuneration policy of directors. 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

Issues Addressed in the Remuneration Policy Report

The report on remuneration policy included in the Management Report addresses the following issues: 1.-Remuneration policy for the board of directors (Article 19); 2.- Remuneration policy with respect to the management team in 2011: Fixed salary; Variable short-term remuneration; Remuneration in kind plan; Delivery of shares and stock option plan; 3.- Other aspects of management remuneration: Guarantee clauses; 4.-Summary of the application of the remuneration policy in 2010 and the most significant changes in remuneration policy for 2011 vs. the policy applied in 2010. The latter includes:

- Summary of the application of the remuneration policy in 2010

	Management Team Forecast Fixed Remuneration 2010	**Management Team Actual Fixed Remuneration 2010**
Executive Directors	2,610,362 €	2,183,518 €
Senior Managers	4,265,141 €	4,438,696 €
	6,875,504 €	**6,622,214**

	Management Team 2010 Reference Bonuses	**Management Team Actual 2010 Bonuses**
Executive Directors	2,141,048 €	1,873,342 €
Senior Managers	2,120,285 €	1,926,862 €
	4,261,333 €	**3,800,204 €**

- The most significant changes in remuneration policy for 2011 vs. the policy applied in 2010:

	2010	**2011**
Remuneration for the Board	990,000 €	2,000,000 €
Per diem allowances	1,579,000 €	462,000 €
	2,569,000 €	**2,462,000 €**

	Management Team 2010 Actual Fixed Remuneration	**Management Team 2011 Fixed Remuneration**
Executive Director and senior man gers	**6,622,214** €	**6,066,386** €

	Management Team Actual 2010 Bonuses	**Management Team 2011 reference Bonuses**
Executive Director and senior managers	**3,800,204** €	**3,386,186** €

Other aspects of the remuneration policy are similar to last year's, taking into account, in relation to the Delivery of

shares and stock option plan, the observations in paragraph 2 of this section. The difference between real compensation paid in 2010 and compensation forecasted for 2011 reflects the new composition of the Board of Directors that, until November 27, 2010, was composed by 5 executive directors and, since then only one of its members (the CEO and Chairman of the Executive Committee) is an executive director.

Role of the Remuneration Committee
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.

Was outside advice sought?	YES
Name of external consultants	Spencer Stuart

B.1.17. If applicable, identify the members of the Board of Directors who are likewise members of the boards of directors, managers or employees 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	RUCANDIO, S.A.	CHAIRMAN
IGNACIO POLANCO MORENO	PROMOTORA DE PUBLICACIONES, S.L.	CHAIRMAN
IGNACIO POLANCO MORENO	ASGARD INVERSIONES, SLU	JOINT AND SEVERAL DIRECTOR
IGNACIO POLANCO MORENO	TIMÓN, S.A.	CHAIRMAN
JUAN LUIS CEBRIÁN ECHARRI	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR
JUAN LUIS CEBRIÁN ECHARRI	TIMÓN, S.A.	DIRECTOR
NICOLAS BERGGRUEN	BERGGRUEN ACQUISITION HOLDINGS LTD	CHAIRMAN
MARTIN FRANKLIN	MARLIN EQUITIES II LLC	DIRECTOR
AGNES NOGUERA BOREL	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR (REPRESENTATIVE OF LIBERTAS 7, S.A.)
BORJA PÉREZ ARAUNA	ASGARD INVERSIONES, SLU	JOINT AND SEVERAL DIRECTOR
BORJA PÉREZ ARAUNA	TIMÓN, S.A.	DEPUTY CHAIRMAN
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR
MANUEL POLANCO MORENO	RUCANDIO, S.A.	DIRECTOR
MANUEL POLANCO MORENO	PROMOTORA DE PUBLICACIONES, S.L	DIRECTOR
MANUEL POLANCO MORENO	TIMÓN, S.A.	DEPUTY CHAIRMAN

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 MORENO	RUCANDIO, S.A.	THE DIRECTOR OWNS 13.55% OUTRIGHT AND IS THE NAKED OWNER OF 11.45% OF THE SHARE CAPITAL OF RUCANDIO, S.A.
JUAN LUIS CEBRIÁN ECHARRI	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT (0.02% OWNED OUTRIGHT AND 0.01% IN NAKED OWNERSHIP) AND 0.25%

		INDIRECT HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
NICOLAS BERGGRUEN	BERGGRUEN ACQUISITION HOLDINGS LTD	THE DIRECTOR HAS INDIRECT HOLDINGS (99%) IN THE SHARE CAPITAL OF BERGGRUEN ACQUISITION HOLDINGS LTD
MARTIN FRANKLIN	MARLIN EQUITIES II LLC	THE DIRECTOR HAS DIRECT HOLDINGS (60.75%) IN THE SHARE CAPITAL OF MARLIN EQUITIES II LLC
AGNES NOGUERA BOREL	PROMOTORA DE PUBLICACIONES, S.L.	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. LIBERTAS 7, S.A. HAS DIRECT HOLDINGS (10.75%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
BORJA JESÚS PÉREZ ARAUNA	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT HOLDINGS (0.0049%) 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.
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS INDIRECT HOLDINGS (11.5632%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR CONTROLS EVIEND SARL, A COMPANY BOUND BY THE SHAREHOLDERS AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L. DESCRIBED IN SECTION A.6.
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS INDIRECT HOLDINGS (0.44%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
MANUEL POLANCO MORENO	RUCANDIO, S.A.	THE DIRECTOR OWNS 13.55% OUTRIGHT AND IS THE NAKED OWNER OF 11.45% OF THE SHARE CAPITAL OF RUCANDIO, S.A.
MATÍAS CORTÉS DOMINGUEZ	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT HOLDINGS (0.06%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.

B.1.18. Indicate if the Board Regulation has been amended during the year.

YES

Description of Amendments
The regulation of the Board of Directors of Promotora de Informaciones, SA has been amended by resolution of the Board held on November 25, 2010, with the previous favourable report of the Corporate Governance, Nominations and Remunerations Committee. The modifications to this Regulation come from the desire of the Board of progress in the construction and improvement of corporate governance through the following specific measures: a) To review general requirements for Directors in line with the Corporate Governance. b) Advancing in the definition of external Directors, both representing significant shareholder and independent. c) Reinforce the character and the presence of independent directors on the Board of Directors and the Audit Committee. d) Specify the definition and solution to the existence of structural conflicts of interest that may be permanent in some

member of the Board of Directors.

e) Adapt to changes in statutory regulation for the second point on the agenda of the general meeting held on November 27, 2010.

f) Adapt the Regulation to the Royal Decree 1/2010, dated 2 July, approving the text of the Corporation Law and the Law 12/2010 of 30 June, amending, among others, the Law 24/1988 of 28 July, the Securities Market.

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 seventeen 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.

As provided in article 15 bis of the Bylaws, a favorable vote of 75% percent of the shares having voting rights, present or represented by proxy at a General Meeting shall be required to adopt resolutions concerning changes in the Board of Directors and a appointment of members of the Board at the Shareholders' Meeting, except for candidates proposed by the Board of Directors.

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.

Honorary Directors: The Board of Directors may confer the title of Honorary Director on those directors who have served on the board for over 25 years and who, based on their merit and extraordinary devotion to the Company, deserve being included in that category after leaving the board.

The Corporate Governance, Appointments and Remuneration Committee shall issue a non-binding opinion prior to the Board's appointment of Honorary Directors.

The title of Honorary Director is a purely honorary distinction and, thus, Honorary Directors are not members of the Board of Directors.

The Board may withdraw this distinction, based on the circumstances of each case.

Honorary Directors may attend board meetings, and may voice their opinions but may not vote, and shall duly receive notice of meetings from the Chairman.

Honorary Directors have the right to receive compensation as determined by the Board of Directors.

- 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 appointed by co-optation may be ratified in office by resolution of the first shareholders meeting following his appointment

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

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

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

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

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

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

f) When the belonging to the Board for lack of fitness, in the manner described in Article 31.5 of the Board of Directors Regulations, may jeopardize directly, indirectly or through persons connected with him/her, the loyal and diligent exercise of his/her functions under the corporate interest.

Article 31.5 of the Board of Director Regulations provides that in cases where the conflict of interest is, or reasonably expected to be, of such nature as to constitute a structural and permanent conflict between the Director (or a person related to him/her, or in the case of a proprietary Director, the shareholder or shareholders who proposed or made the appointment or persons directly or indirectly related thereto) and the Company and the companies in its group, it is understood that the Director has no, or no longer has, the required qualifications for the performance of duties for the purposes of Article 21 of this Regulation.

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:

NO

Risk-Limiting Measures
The CEO bears ultimate responsibility for the management of the company and chairs the Executive Committee. The Chairman of the Board monitors and supervises management, defining strategies and promoting corporate governance. The Chairman likewise has the power to propose appointments and changes in board membership, including the chief executive.

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.

NO

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

NO

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

Type of Resolution:
Any type

Quorum	%
Attendance at the meeting, either in person or by proxy, of half plus one of the board members	53.33

Majority Required	%
An absolute majority of the votes of all directors in attendance or represented by proxy, unless a reinforced majority is required by law.	53.33

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

NO

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

YES

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:

NO

Age limit for the Chairman	0
Age limit for the Chief Executive Officer	0
Age limit for Directors	0

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

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
Article 8.1 of the Board Regulation provides that in the composition of the Board of Directors the external or non executive directors will represent a majority with respect of the executive directors, with the presence of independent directors. To such effects, in exercising its right to fill vacancies and to propose appointments at Annual Shareholders Meetings, the Board of Directors shall procure, in the composition of this body, a majority of external or non-executive directors with respect to executive directors.

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

Description of the principal procedures
The selection process is based solely on the suitability and prestige of the candidates. No ad hoc procedure for selecting female directors has been implemented, precisely due to the non-sexist nature of the company's 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	7
Number of Meetings That the President Did Not Attend	0

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

Number of meetings of the Executive or Delegated Committee	11
Number of meetings of the Audit Committee	7
Number of meetings of the Remuneration and Appointments Committee	8
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	3
% of absences with respect to the total number of votes during the year	3.120

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

NO

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

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, oversees compliance with the legal requirements and the proper application of generally accepted accounting principles, and issues opinions on proposals to amend accounting principles and criteria suggested by the management.

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

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.

Procedure for appointment and removal
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. The Board of Directors may appoint a Deputy Secretary, who need not be a director, to assist the Secretary to the Board of Directors. 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.

Does the Appointments Committee issue an opinion concerning the appointment?	YES
Does the Appointments Committee issue an opinion concerning the removal?	NO
Is the appointment approved by the full Board?	YES
Is the removal approved by the full Board?	YES

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

YES

Observations
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.

Paragraphs f) and g) of Article 24 of the Board Regulations provides that the Audit Committee shall have, among others, the following basic responsibilities:

-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 any case, the Audit Committee shall receive from the external auditors every year written confirmation of its independence from the entity or entities linked to auditors, directly or indirectly, and information of any additional services provided to these entities by said external auditors or societies, or by persons or entities linked to them in accordance with the provisions of Law 19/1988 of July 12, Audit of Accounts.

-To issue every year, prior to the issuance of the Audit Report, a report expressing an opinion on the independence of external auditors. This report shall, in any case, make reference on the provisions of additional services referred to above paragraph f).

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.

Likewise, 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.

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

NO

Former auditor	Current auditor

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

NO

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

	Company	Group	Total
Amount paid for non-auditing services (Euros 000)	390	2,009	2,399
Amount paid for non-auditing services / Total amount invoiced by the auditing firm (%)	16.00	54.00	38.960

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

Explanation of the reasons:

In the 2009 Annual Report of the Audit Committee, and regarding the individual and consolidated annual accounts for 2009, it was expressed that the audit report issued on April 23, 2010, indicates that in all significant aspects those accounts represent a true and fair view of the assets, financial position, earnings, changes in net equity and cash flow for the year ending December 31, 2009, with the exception of any effects that may derive from the eventual approval and authorizations described by the auditor in the following paragraph included in both the consolidated, as well as the individual audit report, that is rewritten below:

> "As indicated in Note 1.c) of the attached consolidated annual report, in the next few months the Group will implement two capital increases to finalize the restructuring process agreed with its creditor banks with respect to its syndicated loan and bridge loan, fixing May 19, 2013 as the maturity date for both. The capital increases will be approved at the annual shareholders meeting of the parent company, once the pertinent authorizations have been obtained from the securities authorities".

In the meeting held on April 27, 2010, the Audit Committee reviewed this issue and expressed its confidence that the Group will obtain such authorizations and approval and, thus, will successfully complete its debt restructuring process.

Such capital increases were approved by the Extraordinary Shareholders Meeting held on November 27, 2010, and executed on November 30, 2010, once the required authorizations were obtained. Likewise, the debt restructuring process was signed by the creditor banks.

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	20	19

	Company	Group
Number of years audited by the present auditing firm / 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
JUAN LUIS CEBRIÁN ECHARRI	LAMBRAKIS PRESS, S.A.	0.000	MEMBER OF THE BOARD OF DIRECTORS
JUAN LUIS CEBRIÁN ECHARRI	LE MONDE, S.A.	0.000	DIRECTOR
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	UNIVERSAL MUSIC SPAIN, S.L.	0.000	CHAIRMAN
HARRY SLOAN	METRO GODWYN MAYER INC	0.000	CHAIRMAN
HARRY SLOAN	ZENIMAX MEDIA INC	0.000	DIRECTOR

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

YES

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, article 26 bis establish that in order to be assisted in exercising their functions, any Director may request the hiring, under the Company cost, legal, accounting, technical, financial, commercial or other experts. The engagement must deal with specific problems of certain importance and complexity that arise in the performance of their duties. The application for hire will be channeled through the President or Secretary of the Board of Directors, who may subject to prior approval of the Board of Directors, which may be denied when there are reasons that justify it. Articles 14 and 23 of said Regulation respectively establish that the Executive Committee 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

Description of the Procedure
Pursuant to Article 13 of the Board Regulations, the Secretary of the Board of Directors shall ensure the proper functioning of the Board. 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 Committee meeting. 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

Description of the Procedure
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: a) When they are subject to any of the legally-established prohibitions or grounds for disqualification. b) When based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanor proceeding. c) When they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors. d) When the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director looses his respective status as such. e) When in the course of a year they fail to attend more than three meetings of the Board of Directors without just cause. f)When the belonging to the Board for lack of fitness, in the manner described in Article 31.5 of these Regulations, may jeopardize directly, indirectly or through persons connected with him/her, the loyal and diligent exercise of his/her functions under the corporate interest.

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:

NO

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.

NO

Decision adopted	Grounds for the decision

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
MR. JUAN LUIS CEBRIÁN ECHARRI	CHAIRMAN	EXECUTIVE DIRECTOR
MR. MATIAS CORTES DOMINGUEZ	MEMBER	OTHER EXTERNAL DIRECTOR
MR. GREGORIO MARAÑON Y	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

BERTRAN DE LIS		
MR. MANUEL POLANCO MORENO	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. MARTIN FRANKLIN		EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. EMMANUEL ROMAN	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. ALAIN MINC	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

AUDIT COMMITTEE

Name	Position	Classification
MR. JUAN ARENA DE LA MORA	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MRS. AGNES NOGUERA BOREL	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. ALAIN MINC	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. EMMANUEL ROMAN	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Position	Classification
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MR. BORJA PEREZ ARAUNA	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. DIEGO HIDALGO SCHNUR	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. HARRY SLOAN	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

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

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	YES
Periodic review of internal control and risk management systems, so that the main risks are adequately identified, managed and notified	YES
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	YES

that senior managers take into account the conclusions and recommendations contained its reports	
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	NO
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	YES
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	YES
Ensuring the independence of the external auditor	YES
In the case of group companies, encouraging the group auditor to assume responsibility for auditing group companies.	YES

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 eight board members, which shall always include the Chief Executive Officer, who shall preside this Committee, Chairman of the Audit Committee and Chairman of the Corporate Governance, Appointments and Remuneration Committee. Appointment of the members of the Executive Committee shall be made upon a proposal from the Chairman of the Board of Directors 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. Likewise, concerning the financial information, intermediate first quarter and third quarter reports may be approved by either the Board of Directors or the Executive Committee.

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 Chief Executive Officer, company interests warrant a meeting or when two or more members of the Executive Committee 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.

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 21 ter of the Bylaws and Article 25 of the Board Regulations:

The Corporate Governance, Appointments and Remuneration Committee shall have a minimum of three (3) and a maximum of five (5) external directors, to be determined by resolution of the Board of Directors upon a motion from the Chairman.

The Corporate Governance, Appointments and Remuneration Committee may request the attendance of the company's Chief Executive Officer at its meetings.

The members of the Corporate Governance, Appointments and Remuneration Committee shall leave their posts when they do so in their capacity as directors or when so resolved by the Board of Directors.

The Chairman of the Committee shall be selected by the Board of Directors from among its independent directors. The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, shall act as Secretary of the Committee.

Regardless of any other tasks assigned it by the Board of Directors, the Corporate Governance, Appointments and Remuneration Committee shall have the following basic responsibilities:

1) To report on proposals for appointment of executive Directors, proprietary Directors, other external Directors (non proprietary or independent) and Honor Directors, and 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, ii) the individual remuneration of executive directors and other conditions set forth in their contracts and iii) the individual remuneration of honorary directors.

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 and of the Executive Committee.

7) To issue opinions on proposals for appointment of company representatives on the governing bodies of subsidiaries.

8) To propose the Annual Report on Corporate Governance to the Board of Directors.

9) To present a report to the Board of Directors, evaluating the performance and composition of the Board.

10) 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.

11) To exercise such other powers granted to the committee in this Regulation.

The Corporate Governance, Appointments and Remuneration Committee shall meet each time the Board of Directors of the Company or its Chairman requests that an opinion be issued or proposals be approved within the scope of its powers and provided that, in the opinion of the committee chairman, it is necessary to properly fulfill 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 Audit Committee shall have the number of members that is determined by the Board of Directors from time to time, with a minimum of three (3) and a maximum of five (5) members. It shall have a majority of non-executive directors who shall not have a contractual relationship with the Company other than the position to which they are appointed. The composition of the committee shall provide appropriate representation to independent directors. At least one member of the Committee shall be independent and shall be appointed taking into account his/her knowledge and experience in accounting or auditing.

The appointment and termination of committee members shall be made by the Board of Directors on a motion from the Chairman.

Committee members shall leave their posts when they cease to be directors or when so agreed by the Board of Directors.

The Chairman of the committee shall be elected by the Board of Directors from among its members who are independent directors, and may not maintain a contractual relation with the Company other than the position for which he is appointed. The committee chairman shall be replaced every four years, and may be re-appointed one year after having left the post. The Secretary of the Board of Directors and, in his absence, the Deputy Secretary shall act as Secretary of the Committee.

The primary function of the Audit Committee is to assist the Board of Directors in its tasks of overseeing the management of the company.

The Audit Committee shall have all of 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 263 of the Companies Act, to be submitted at the annual shareholders meeting.

a) To supervise internal auditing services.

b) To understand and supervise the financial reporting process and the effectiveness of internal control systems of the Company, and risk management systems, and discuss with the auditors or audit firms significant weaknesses of the control system detected in developing internal audit.

c) To supervise the process of preparation and presentation of regulated financial information.

d) 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 any case, the Audit Committee shall receive from the external auditors every year written confirmation of its independence from the entity or entities linked to auditors, directly or indirectly, and information of any additional services provided to these entities by said external auditors or societies, or by persons or entities linked to them in accordance with the provisions of Law 19/1988 of July 12, Audit of Accounts.

e) To issue every year, prior to the issuance of the Audit Report, a report expressing an opinion on the independence of external auditors. This report shall, in any case, make reference on the provisions of additional services referred to above paragraph f).

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.

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 COMMITTEE	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:

Committee Name
EXECUTIVE COMMITTEE
Brief Description
Its composition, operations and powers are set forth in the Board of Directors Regulation, which is available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2010 that affect this committee are detailed in section B.1.18 above.

Committee Name
CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

Brief Description
Its composition, operations and powers are set forth in article 21 ter of the Bylaws (recently joined by resolution of the Extraordinary Shareholders Meeting held on November 27, 2010) and in the Board of Directors Regulation, which are available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2010 that affect this committee are detailed in section B.1.18 above.

On May 2010 the Corporate Governance, Appointments and Remuneration Committee published a report on compliance with the company's rules of corporate governance during the 2009 financial year and also concerning the functions and activities of the Committee during said financial year.

Committee Name
AUDIT COMMITTEE
Brief Description
Its composition, operations and powers are set forth in article 21 bis of the Bylaws (modified by resolution of the Extraordinary Shareholders Meeting held on November 27, 2010) and in the Board of Directors Regulation, which are available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2010 that affect this committee are detailed in section B.1.18 above.

On May 2010 the Audit Committee published a report on its functions and activities during the 2009 financial year.

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

NO

If not, explain the composition of the Executive Committee
There is a predominance of independent directors in the Executive Commission (3 of its members have this nature) and likewise it is composed by 1 executive director, 2 directors representing significant shareholdings and 1 other external director. The Board of Directors is composed by 1 executive director, 7 directors representing significant shareholdings, 6 independent directors and 1 other external director.

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

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:

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)
D. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	PRISA TELEVISION, S.A.U	Contractual	PROVISION OF SERVICES	200
MATIAS CORTES DOMINGUEZ	PROMOTORA DE INFORMACIONES, S.A.	Contractual	PROVISION OF SERVICES	20,107
MATIAS CORTES DOMINGUEZ	PRISA TELEVISION, S.A.U	Contractual	PROVISION OF SERVICES	2,004
MATIAS CORTES DOMINGUEZ	DIARIO AS, S.L.	Contractual	PROVISION OF SERVICES	80
D. ALAIN MINC	PRISA TELEVISION, S.A.U	Contractual	PROVISION OF SERVICES	150

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:

Name of the Group Entity	Brief Description of the Transaction	Amount (Euros 000)
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 FEBRUARY 8, 2008, FOR A MAXIMUM OF 130,000,000 EUROS.	130,000
DÉDALO GRUPO GRAFICO, S.L.	PROVISION OF SERVICES BY SEVERAL COMPANIES IN WHICH DEDALO GRUPO GRAFICO, S.L. HAS HOLDINGS, TO SEVERAL GRUPO PRISA COMPANIES.	30,998
DÉDALO GRUPO GRAFICO, S.L.	LOANS FOR A TOTAL OF 95,116,000 EUROS, PLUS INTEREST ACCRUED, GRANTED BY COMPANIES IN WHICH PRISA HAS HOLDINGS TO DEDALO GRUPO GRAFICO, S.L. OR COMPANIES IN WHICH IT HOLDS INTERESTS AS A RESULT OF DIFFERENT FINANCING OPERATIONS.	95,472
SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	LOANS FOR A TOTAL OF 4,566,000 EUROS, PLUS INTEREST ACCRUED, GRANTED BY SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L. TO THE COMPANIES IN WHICH IT HOLDS HOLDINGS, W3COMM CONCESIONARIA, S.A. DE CV AND GREEN EMERALD BUSINESS INC.	4,635

PRISA TELEVISION, S.A.U	REVENUE SHARE OF REAL MADRID CLUB SPONSORSHIP AND MERCHANDISING, FROM THE COMPANY REAL MADRID GESTIÓN DE DERECHOS, S.L. IN WHICH PRISA TELEVISION HOLDS AN INTEREST.	8,319
IBERBANDA, S.A.	GUARANTEES GRANTED BY PRISA	28,763

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

Director`s name	Description of the conflict of interest
Juan Luis Cebrián Echarri	Approval of his new services agreement by the Board of Directors.
Matías Cortés Domínguez	Approval of his professional services by the Board of Directors

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.

5.- Nonetheless, in cases where the conflict of interest is, or reasonably expected to be, of such nature as to constitute a structural and permanent conflict between the Director (or a person related to him/her, or in the case of a proprietary Director, the shareholder or shareholders who proposed or made the appointment or persons directly or indirectly related thereto) and the Company and the companies in its group, it is understood that the Director has no, or no longer has, the required qualifications for the performance of duties for the purposes of Article 21 of this Regulation.

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, descendents and siblings of the person subject to this Code of Conduct or of his/her spouse;
(iii) the spouses of the ascendants, descendents 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?

NO

Specify the subsidiary companies that are listed:

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. Control of Risks Derived from the Reliability of Financial Information

e. Information, infrastructures and technology risks

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

a. Control of Strategic Risks

The CEO is responsible for the day-to-day management of the company, without prejudice to the general supervisory functions of the Board of Directors and its Executive Committee, to which all powers that may legally be delegated have been granted.

By authority of the CEO, Group management determines the Group's strategic plan, defining the objectives to be met for each business area, developmental goals and growth rates, based on both national and international market conditions, taking into consideration in those plans the appropriate risk levels for each business and market. The Company's general policies and strategies require the Board of Directors' prior authorization. In that regard, the strategic or business plan, as well as management objectives, the annual budgets and investment policies 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 well as 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 of Business 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, and the Operative Efficiency Committee, which coordinates the business units to improve the efficiency of Group processes.

Transactional business risks, as well as operational, commercial, legal, fiscal and other types of risks are monitored by their respective organizations, with supervisory mechanisms in place for each at the corporate level. 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. In other respects, risks inherent in radio and television, which are generally regulated activities subject to temporary administrative concessions or licensing, are evaluated by the general management of their respective business units and supervised at the corporate level by the Secretary General.

Likewise, commercial risks related to advertising and matching our offer of services and product to client demands are continuously monitored by the Group's Commercial Management and by a specialized Advertising Committee. In that regard, we should underscore that, in comparison with other companies in the sector, Group revenue is less dependent on advertising commercial cycles due to the Santillana publishing business and, above all, the pay television audiovisual business, which show periodic and recurring fluctuations. In effect, the Group's top-line activities are based on turnover from subscribers to its digital television platform, which generated 32.35% of the Group's operating turnover in 2010. In other respects, the Transversal Business Committee coordinates the different business units that analyze business opportunities as well as joint actions among business units.

c. Control of Financial Management Risks

- Financing Risks

The Group's financial obligations are described in Note 12, "Financial Debt" in Prisa's 2010 Consolidated Annual Report.

In that regard, the Group's debt level involves certain payment obligations, interest payments and amortization of principal, as well as certain operational limits derived from the financing contracts undertaken. To meet its financial obligations, during 2010 the Group concluded a process to restructure its financial debt, reaching a refinancing framework agreement with its creditor banks that envisions certain changes in the terms and conditions of its principal financing contracts including, among others, an extension of the due dates of the Company's bridge loan and a series of bilateral credit lines until May 19, 2013. Likewise within the framework of its debt restructuring process, the Group has reinforced its capital structure through a capital increase that generated cash in the amount of 650 million euros. These mechanisms reduced the Group's debt gearing and increased its working capital.

Concerning the management of its short-term financial obligations, the Group envisions strictly following the maturity schedule for its financial debt, as well as maintaining lines of credit and other means of financing that will enable it to cover its short, medium and long-term cash needs. In that regard, the Group maintains a centralized treasury management system and a Treasury Account, Debt and Capex Committee that monitors the Group's expenditures weekly, as well as making periodic consolidated financial forecasts that optimize available resources to meet the financial needs of each business and to service the debt.

- 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 exchange rate risks

The Group is exposed to exchange rate fluctuations, basically due to financial investments in American companies, as well as income and profit from those investments. During 2010 revenue from the international area and Latin America respectively accounted for 20.07% and 20.21% of the Group's consolidated income.

In that regard, the Group is exposed to potential variations in the exchange rates of the different currencies in which it holds debt with financial institutions. At December 31, 2010 the weight of non-euro currencies with respect to total Group debt was 1.36%.

In this context, and with a view to lessening this risk, based on its forecasts and budgets the Group maintains risk-coverage contracts to offset exchange rate variations (basically exchange risk insurance, forwards and currency options).

- 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. In 2010 paper consumption represented 9.51% of the Group's total purchases and consumption.

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 past years this single information system was implemented in the Group companies located in Spain, the United States, Colombia, Mexico and the radio broadcasting companies located in Argentina. During 2010 it was implemented in the publishing companies located in Argentina and Chile. This system will continue to be implemented in the remaining Group companies over the next few financial years.

- A system for reviewing economic and financial information regulated in manuals, instructions and internal regulations (valuation and accounting policy manual, instructions for closing accounts, annual economic and financial information calendar, corporate accounting plan, intra-group operations and conciliation regulation) and verification of compliance with internal control systems through internal and external audits. In that regard, simultaneously with the implementation

of a single financial information system, conversion to a common chart of accounts for all Group companies has likewise been undertaken, along with the training required to ensure the adequate application of the single accounting plan.

The objective of the adoption of the same chart of accounts by all companies is to facilitate consolidation and reporting, analysis and monitoring of financial information, as well as to provide all Group companies with a common financial language.

e. Risk control in information systems, infrastructures and technology

The Corporate Security Department manages Grupo Prisa's overall security in collaboration with the office of the Group's Secretary General in data protection and the Human Resources Department in information security, workplace risk prevention and business continuity. In line with the increased internationalization of the business, global security management includes consulting in the areas of physical and network security and the adoption of coordinated measures to reinforce protection of the confidentiality, integrity and availability of information and information systems, as well as the security of the Group's remaining assets –personnel, processes, installations and content. During the 2010 fiscal year these activities were especially relevant in establishing the new externalized Information Technologies and Communications model.

To achieve this, in compliance with the Corporate Security Policy, a Corporate Security Management System (CSMS) has been implemented, as a project that commenced in 2008 with the support of an important technology company and which will be completed over several years. Controls derived from this system are applied in the following areas: general policies, security policy, organizational structure security, asset classification and control, personnel security, physical and environmental security, management of communications and operations, management of control centers and externalized security, systems development and maintenance, access control, security incidents management, and business continuity and compliance.

Through this System the Group integrates all security areas of its different business units, establishing general rules and controls to be applied throughout the Group or specific ones for the Business Units.

The Group periodically carries out projects in communications security, incident management, security auditing, IT contingency plans, vulnerability analysis and alert systems. Projects planned for 2011 include a data loss prevention plan (DLP), a security operations center and an automatic alert system. Concerning physical security, risk analysis was conducted with respect to certain assets, and the resulting contingency plan for physical risks is projected for 2011. Likewise, centralization of security management is in its final stages in the different headquarters, strengthening the Comprehensive Corporate Control Center, which coordinates the Group's various Control Centers with respect to any physical or network security incident. Moreover, physical security resource optimization studies are being carried out to reduce costs and implement technological improvements.

In addition, Grupo Prisa has a Technological Observatory to identify risks and business opportunities afforded the Group as a result of technological developments.

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:

NO

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

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

SI

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

	understand and supervise the financial reporting process and the effectiveness of internal control systems of the Company, and risk management systems, and discuss with the auditors or audit firms significant weaknesses of the control system detected in developing internal audit" (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. To this end, the Board Secretary shall provide all of the aforementioned with a copy of the same (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 others, the Audit Committee has the power 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 (Article 24.4.c)).

- 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) 10)

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 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.

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	0	0
Quorum required at adjourned meeting	0	0

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

Description of the resolutions that require qualified majority	Value
See section below with description of the differences	75.000

Description of the differences:
Article 15 bis of the Bylaws provides that except as provided in the Law, a favorable vote of 75% percent of the shares having voting rights, present or represented by proxy at a General Meeting shall be required to adopt resolutions concerning the following matters:

a) Amendments to the Bylaws including, among others, change of business purpose and capital increases or reductions, unless such operations are required by law.

b) A corporate conversion, merger or spin-off of any type, as well as the assignment of all corporate assets and liabilities.

c) Dissolution and liquidation of the Company.

d) Exclusion of pre-emptive subscription rights in capital increases for cash.

e) Changes in the Board of Directors.

f) Appointment of members of the Board at the Shareholders' Meeting, except for candidates proposed by the Board of Directors.

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.h.) of the Company Bylaws, each share with voting rights 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

Description of Measures
As provided in Article 14.2 of the Shareholders' Meeting Regulations, the Chairman of the Board of Directors shall act as chairman at the Shareholders' Meeting or, in his absence, the Vice Chairman, if any, or in the absence of both of them, the Director who is present and has the most seniority or, in the absence of all of the foregoing, a shareholder chosen by the other shareholders in attendance at the Meeting. 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: 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 Extraordinary Shareholders Meeting held on November 27, 2010, resolved to modify the Shareholders' Meeting Regulations to reflect the amendments introduced in the Company Bylaws, and to adapt its article 19 to the content of Article 197 of the Capital Corporations Act:

- The amendment to Article 2 is required in order to reflect the matters that are reserved for Shareholders' Meetings, as per the amendment to Article 12 of the Bylaws.

- The amendment to Article 8 is required in order to reflect the appointment of proxies by electronic means, as per the amendment to Article 15 of the Bylaws.

- The amendment to Article 9 is required in order to reflect electronic proxy solicitation, as per the amendment to Article 15 of the Bylaws.

- The amendment to Article 11 is required in order to reflect the regulation of electronic voting, as per the amendment to Article 15 of the Bylaws.

- The amendment to Article 12 is required in order to reflect the regulation of the places where Shareholders' Meetings may be held, as per the amendment to Article 15 of the Bylaws.

- The amendment to Article 14 is required in order to reflect the regulation of the procedures for conducting of Shareholders' Meetings, as per the amendment to Article 15 of the Bylaws.

- The amendment to Article 17 is required in order to reflect the regulation of the procedures for validly convening Shareholders' Meetings, as per the amendment to Article 15 of the Bylaws.

- The amendment to Article 20 is required in order to reflect the regulation of the possibility of splitting votes at a Meeting with regard to American Depositary Shares, as per the amendment to Article 15 of the Bylaws.

- The amendment to Article 20 is required in order to reflect the regulation of majority votes at Meetings, as per the amendment to Article 15 bis of the Bylaws.

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

	Attendance Statistics				
Date of Shareholders' Meeting	**% physically present**	**% represented by proxy**	**% distance voting**		Total
			Vote by electronic means	**Others**	
30 June 2010	72.152	4.279	0.000	0.000	76.431
27 November 2010	71.630	2.874	0.000	0.000	74.504

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 June 30, 2010:

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 2009 financial year, as well as the proposal for distribution of profits.

Second.- Approval of the Board of Directors' management of the Company during the 2009 financial year.

Third.- 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, 2010.

Fourth. – Determination of the number of Directors in 13 and appointment of Mr. Borja Pérez Arauna as Director.

Fifth.- Authorization of the direct or indirect derivative acquisition of treasury shares within the legal limits and requirements. Revocation of any unexercised powers authorizing the derivative acquisition of treasury shares granted at the Annual Shareholders' Meeting on June 18, 2009.

Sixth.- It was resolved to delegate powers to the Board of Directors, the Chairman of the Board of Directors Mr. Ignacio Polanco Moreno, the Chief Executive Officer Mr. Juan Luis Cebrián Echarri and the Secretary Mr. Iñigo Dago Elorza.

Agenda	Votes in favor		Votes against		Abstaining	
	Votes	%	Votes	%	Votes	%
Item 1	167,210,300	99.835	42,967	0.026	233,528	0.139
Item 2	167,264,869	99.867	133,158	0.080	88,768	0.053
Item 3	167,414,880	99.957	60,507	0.036	11,408	0.007
Item 4.1	161,657,738	96.520	5,605,596	3.347	223,461	0.133
Item 4.2	161,744,232	96.570	5,507,029	3.288	238,534	0.142
Item 5	161,930,595	96.683	5,541,127	3.308	15,073	0.009
Item 6	167,456,061	99.982	15,842	0.009	14,892	0.009

The following resolutions were adopted at the Shareholders' Meeting held on November 27, 2010:

First.- Capital increase in a nominal value of 24,104,905 euros by issue and circulation of 241,049,050 new shares having a par value of 10 cents on the euro each, with an issue premium of 1.90 euros, which will be subscribed and fully paid up against cash contributions with recognition of pre-emptive subscription right and with an express provision for incomplete subscription.

Second.- Amendment of the Bylaws.

Third.- Creation of new class of shares. Increase of capital, in a nominal value of 62,784,252 euros by issue and circulation of 224,855,520 Class A common shares, with a par value of 10 cents on the euro each, and 402,987,000 Class B convertible non-voting shares, with a par value of 10 cents on the euro each, that will be subscribed and fully paid up against in-kind contributions consisting of common shares and warrants of Liberty Acquisition Holdings Virginia, Inc. and, if applicable, preferred shares of that company.

Fourth.- Amendment of the General Shareholders' Meeting Regulation.

Fifth.- Determination of the number of Directors in 15 and appointment of Directors.

Sixth.- Compensation for the Board of Directors

Seventh.- Approval of plan to deliver shares and stock options of the Company, as compensation for members of the Board of Directors and management personnel.

Ninth.- It was resolved to delegate powers to the Board of Directors, the Chairman of the Board of Directors Mr. Ignacio Polanco Moreno, the Chief Executive Officer Mr. Juan Luis Cebrián Echarri and the Secretary Mr. Iñigo Dago Elorza.

Agenda	Votes in favor		Votes against		Abstaining	
	Votes	%	Votes	%	Votes	%
Item 1	163,160,757	99.938	102,357	0.063	1,000	0.001
Item 2.1	163,255,530	99.996	2,552	0.002	1,202	0.001
Item 2.2	163,157,929	99.935	100,153	0.061	1,202	0.001
Item 2.3	163,255,530	99.996	2,552	0.002	1,202	0.001
Item 2.4	163,157,929	99.935	100,153	0.061	1,202	0.001
Item 3	162,762,955	99.963	499,957	0.306	1,202	0.001
Item 4	163,256,180	99.995	1,902	0.001	1,202	0.001
Item 5.1	163,119,804	99.913	51,867	0.032	87,613	0.054
Item 5.2	163,036,715	99.862	134,956	0.083	87,613	0.054
Item 6	163,119,656	99.912	98,231	0.060	46,227	0.028
Item 7	161,839,512	99.128	1,002,951	0.614	421,651	0.258
Item 9	163,214,361	99.971	43,721	0.027	6,032	0.004

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

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:

8.1. Shareholders may authorize another shareholder to act on their behalf as a proxy. Grant of proxy shall be valid for a specific meeting. This requisite shall not apply when the proxy holds a notarized power of attorney to manage all of the shareholder's assets located in Spain. Grant of proxy shall be indicated on the attendance card provided with the notice of meeting, in a letter, and in any case, shall bear the grantor's signature.

8.2. The proxy form shall contain or have annexed thereto the agenda for the meeting, as well as the request for voting instructions and an indication as to how the proxy shall vote, in the event that precise instructions are not provided. If proxy has been validly granted pursuant to the Law and this Regulation but does not include instructions as to how to vote or there are doubts as to the scope of the proxy granted, it will be understood that the proxy's powers (i) extend to all items on the agenda of the General meeting, (ii) the vote is intended to be favorable with respect to all proposals set forth by the Board of Directors and (iii) this shall likewise extend to any off-agenda items that may arise, with respect to which the proxy shall vote in the manner deemed most favorable to the interests of the shareholder he represents.

8.3. Proxy granted to persons ineligible to exercise this right pursuant to the Law shall be invalid and have no effect.

8.4. Proxy may also be granted by electronic means of distance communication according to the procedures set forth in Article 11.2. of this Regulation, provided that they are not incompatible with the type of proxy, and the shareholders' identity shall be verified with the same requisites provided in the aforementioned Article 11.2., the term set forth in Article 11.3. of this Regulation for the valid receipt of the proxy card likewise being applicable.

8.5. Proxy may always be revoked, and will be considered to have been so if a shareholder who has granted proxy attends a meeting in person.

8.6. The Board of Directors is empowered to implement the foregoing provisions, setting forth the appropriate rules, means and procedures according to available technology, in order to enable proxy to be granted electronically, and adjusting them when warranted to any norms that may be issued in that regard.

Specifically, the Board of Directors may (i) regulate the use of guarantees with respect to electronic signatures for granting proxy through electronic correspondence and (ii) set an earlier deadline for receiving proxies granted by mail or electronically.

8.7. The person presiding at the meeting and the secretary of the Shareholder's Meeting shall have broad powers to judge the validity of the documents or means used for authorizing proxies.

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:

NO

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

www.prisa.com / 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

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

   Not applicable

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

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

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

Partially complies

Prior to the celebration of the Extraordinary Shareholders Meeting held on November 27, 2010,the Board of Directors in full presented its resignation to facilitate the approval of the resolution provided for in the agenda of the Shareholders Meeting regarding the number of directors and appointment of directors, which was also approved in full at the shareholders meeting.
The modification of the Bylaws was passed separately by groups of articles that were substantially independent.

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

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 voluntary accepted.

Complies

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

Partially complies

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

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

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

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

13. **Independent directors should comprise at least one third of all board members.**
    See section: B.1.3

Complies

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

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

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

Partially complies

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 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

Not applicable

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

Partially complies

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

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

Partially complies

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.

Not applicable

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

Explain

During the last year the Board of Director has not conducted its evaluation because the company has been in transition, occupied with its financial restructuring and with the strengthening of its capital structure.

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

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

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.**

Partially complies

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

Partially complies

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

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

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

See section: B.1.2

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

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

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

Partially complies

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

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

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

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

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

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.

Explain

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

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

Partially complies

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.

Explain

The Company complies with the provisions of Article 260 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

Partially Complies

The Secretary of the Executive Committee is the same as the Board of Directors. However, the composition of the Executive Committee is not similar to that of the Board of Directors, as explained in section B.2.6 of this report

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

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

Partially complies

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

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

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

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

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

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

Partially complies

The Audit Committee has resolved to propose to the Board of Directors the implementation of a mechanism for complaints.

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

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

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

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

Explain

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. Harry Sloan), and the other two (Mr. Diego Hidalgo Schnur and Mr. Borja Pérez Arauna) 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

Partially complies

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

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

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

Complies

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.

- It should be preliminarily underscored that:

During 2010 PRISA has signed an agreement ("Business Combination Agreement" or "BCA") on March 5, 2010, with the US company Liberty Acquisition Holdings Corp. (which has the legal form of a "special purpose acquisition company"), consolidated into a new text called the "Amended and Restated Business Combination Agreement", in August 2010.

Under this agreement, PRISA has carried out certain corporate actions and particularly two capital increases, which have involved a change in the shareholding structure of the Company and also the amendment of the Bylaws and the internal rules of the Company.

The capital increases are the following:

i) Capital increase by issuance of 241,049,050 Class A ordinary shares, issued in exchange for a cash consideration with preemption rights implemented through warrants (the Warrants). PRISA Warrants quote on the platform of the Spanish Stock Warrants, the Warrants have Prisa Class A shares as underlying titles, their exercise price amounts 2 euros and they may be exercised on a monthly basis for 42 windows (up to the date of their expiration on June 5, 2014).

ii) Capital increase by issuance of 224,855,520 Class A Shares and 402,987,000 non-voting convertible Class B shares, issued by compensation in kind, which was subscribed by contribution of all common shares and warrants of Liberty Acquisition Holdings, Corp., once absorbed by its subsidiary, Liberty Acquisitions Holdings Virginia, Inc. (the company resulting from the merger, hereinafter "Liberty").

Ordinary shares and convertible shares quote in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, through the Spanish Stock Exchange Interconnection System ("Sistema de Interconexión Bursátil Español", SIBE) and also as American Depositary Shares (ADS) in the New York Stock Exchange.

Holders of ADS which represent Class A and Class B shares have the right to apply to the Depositary of such ADS (Citibank NA) the direct delivery of the corresponding Class A and Class B shares and their consequent trading on the

Spanish Stock Exchanges.

Likewise, each Class B convertible non-voting share will be transformed into a Class A common share, at any time, at the election of its holder. 42 months after the date of issue of the Class B convertible non-voting shares (that took place on November 27, 2010), those shares mandatorily will be transformed into Class A common shares.

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

i) It is indicated the share capital at December 31, 2010, which has been subsequently changed.

ii) The modification date (30/11/2010) indicates the registration in the Commercial Register of the share capital passed by the General Shareholders Meeting held on November 27, 2010.
iii) Class B shares are non voting convertible shares that will be entitled to receive a minimum dividend per share of 0.175 euros per annum, from the date of their issue, and that will be governed as expressly provided in articles 6 and 8 of the Articles of Association and in accordance with articles 98 and following of the Capital Companies Act.

- With regard to **Section A.2** of this report it should be underscored that the reported significant holdings are those that as per December 31, 2010 had been disclosed by their holders to the CNMV.

Regarding the shareholdings of Bank of America Corporation it is underscored that of the 13,482,068 voting rights held by this company, 2,632,068 are ordinary Class A shares and 10,850,000 are ADSs representing ordinary Class A shares.

- With regard to **Section A.3** of this report it should be underscored that the "stock options" of the Company comprise the following:

i) Pre-emptive subscription rights implemented as Warrants: The "stock options of the Company" reported by the following directors are Warrants: Mr. Ignacio Polanco Moreno, Mr. Juan Luis Cebrián Echarri, Mrs Agnes Noguera Borel, Mr. Borja Pérez Arauna, Mr. Diego Hidalgo Schnur, Mr. Gregorio Marañón y Bertrán de Lis, Mr. Matías Cortés Dominguez, Mr. Juan Arena de la Mora and Mr. Manuel Polanco Moreno.

ii) Class B shares and ADSs representing these shares: On December 31, 2010, Each Mr. Nicolas Berggruen and Mr. Martin Franklin indirectly hold 33,438,840 Class B Prisa Shares and/or ADSs representing these shares.

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

Shareholder Agreement in Rucandio, S.A.
On December 23, 2003 in a private document Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno–deceased- (whose children have succeeded to her position in this agreement), Mr. Manuel Polanco Moreno, Ms. Mª 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 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.:
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 net capital gains on treasury shares disposed of during 2010 amounted to 356 thousand euros, affecting 1,242,306 shares.

- With regard to **Section A.10** of this report it should be underscored that ordinary Class A shares don´t have any restriction on the exercise of voting rights. Convertible Class B shares are non-voting shares as provided in articles 6 and 8 of the Bylaws.

-With regard to **Section B.1.2** of this report it should be underscored that first appointment of Mr. Ignacio Polanco Moreno as Chairman of the Board of Directors was 23 July 2007 and first appointment of Mr. Juan Luis Cebrian Echarri as Chief Executive Officer was 20 Oct 88.

- With regard to **Section B.1.3** of this report it should be underscored that the Corporate Governance, Appointments and Remuneration Committee did not "propose" the appointment of the directors that are not qualified as independent, but rather issued a "favorable opinion" concerning those appointments, pursuant to the provisions of the Board of Directors Regulation.

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

- 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.1.11** of this report it should be underscored that the percentage that the total directors´ remuneration represent on the profits attributed to the parent company is calculated (as in the Corporate Governance Reports from previous years) on the outcome of the consolidated group, that in the year 2010 did not have profits.

- 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, 2010 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.1.38** of this report it should be underscored that the audit report on the accounts for 2009, issued on April 23, 2010, indicated that in all significant aspects those accounts represent a true and fair view of the assets, financial position, earnings, changes in net equity and cash flow for the year ending December 31, 2009, with the exception of any effects that may derive from the eventual approval and authorizations described by the auditor in the following paragraph included in both the consolidated, as well as the individual audit report:

> "As indicated in Note 1.c) of the attached consolidated annual report, in the next few months the Group will implement two capital increases to finalize the restructuring process agreed with its creditor banks with respect to its syndicated loan and bridge loan, fixing May 19, 2013 as the maturity date for both. The capital increases will be approved at the annual shareholders meeting of the parent company, once the pertinent authorizations have been obtained from the securities authorities".

Once the required authorizations and approvals were obtained, the above mentioned capital increases were approved at the Extraordinary Shareholders Meeting held on November 27, 2010 and executed on November 30, 2010. Likewise the restructuring debt was signed by the creditors banks.

- With regard to **Section B.1.40** of this report and by virtue of article 229 of Capital Companies Act, it should be underscored that:

i) Director Mr. Juan Luis Cebrián`s offspring, holds the position of Manager of the film area in Television Española (Corporación RTVE. Radio Televisión Española).
ii) Director Mr. Alain Minc´s offspring holds the position of Editor of Versión Femina, within Lagardére Group.
iii) Director Mr. Nicolas Berggruen, indirectly through its company Berggruen Holding LTD holds a 45% share of LeYa, a holding company of an editorial group which comprises Brazilian, Portuguese and African editorial companies.
iii) Subsequently to December 31, 2010, Mr. Juan Luis Cebrian Echarri and Mr. Manuel Polanco Moreno have accepted the position of director of Gestevision Telecinco, SA (appointments passed by the shareholders meeting of that company, held on December 24, 2010).

- 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.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.

Likewise it should be underscored that the following services were rendered during 2010 directly or indirectly by Prisa directors to companies of Grupo Prisa:

i) Legal advice services in the amount of 200,000 euro, rendered by the Director Mr. Gregorio Marañón y Bertrán de Lis to PRISA TELEVISION, S.A.U.

ii) Legal counsel services in a series of proceedings in several jurisdictions (administrative, civil, commercial and arbitral) and legal advice in various matters, rendered by Cortés Abogados y Cía S.R.C, thorough Tescor Profesionales Asociados, S.L.P, to PRISA and PRISA TELEVISION, S.A.U amounting 20,107,000 euro and 2,004,000 euro, respectively.

iii) Services as counsel in several proceedings, rendered by Mr. Luis Cortés Dominguez, son of the director Mr. D. Matías Cortés Dominguez, thorough Tescor Profesionales Asociados, S.L.P, to Diario As, in the amount of 80,000 euro.

iv) Strategic consulting services rendered by Mr. Alain Minc to PRISA TELEVISION, S.A.U., amounting 150,000 euro.

-With regard to **Section C.4** of this report it should be underscored that the aggregate amount of 95,472,000 euros for operations with Dédalo Grupo Gráfico, is a consequence of the following:

i) 92,625,000 euros represent a loan granted by Prisaprint, S.L (a Prisa investee company) to Dédalo Grupo Gráfico, S.L. or with companies in which Dédalo has interests, as a consequence of financing operations.

ii) 2,491,000 euros represent loans granted by Diario El Pais, S.L. (a Prisa investee company) to Distribuciones Aliadas and Norprensa (companies in which Dédalo Grupo Gráfico, S.L. holds interests).

iii) Accrued interest regarding the above financing operations.

- With regard to **Sections C.7 and F.2** of this report it should be underscored that PRISA Portuguese subsidiary Grupo Media Capital, S.G.P.S, S.A. is listed on the Portuguese securities market.

- 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 by some 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.

-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.

-As stated in the beginning of this section, certain Prisa´s Class A and Class B shares trade on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADS).

Therefore Prisa qualifies as a "foreign private issuer" under the rules and regulations set forth by the Securities and Exchange Commission (SEC) and is subject to certain reporting and corporate governance obligations under the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002 and the corporate governance requirements of the NYSE.

Nevertheless, Prisa doesn`t prepare an annual corporate governance report other than that required under Orden ECO/3722/2003.

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:

NO

This Annual Report on Corporate Governance was approved by the Board of Directors of the Company at its meeting on February 17, 2011.

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

NO