



ANNUAL REPORT 2011





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01

Year in review

01

Year in review

The Valencian Journalist's Union honors Daniel Anido and Rodolfo Irago with the Press Freedom Award



The Ondas pay tribute to the rigor of Cadena SER's current affairs program Hoy por Hoy



The Spanish Minister of Education, Ángel Gabilondo, presents a master's program in Human Rights, sponsored by the Jesús de Polanco Academic Chair



JANUARY

- Strategic partnership between PRISA and Indra.
- *El País* closes the year as absolute market leader with average circulation at 391,816 copies.
- Santillana USA Publishing and Hispanic Communications Network Announce New Strategic Content Alliance.

FEBRUARY

- Javier Pons is named deputy managing director of PRISA Radio.
- Elpais.com, second most mentioned brand among internet users.

MARCH

- PRISA signs deal with Liberty: the Group will receive up to 900 million dollars.
- Canal+ to broadcast World Cup in 3D via Digital+.
- PRISA against climate change. The Group's companies support the WWF's Earth Hour.
- PRISA wins the football wars.
- Hernán Rivera Letelier wins the 13th Annual Alfaguara Literary Prize.
- As.com becomes first sports site to launch an Android app.

APRIL

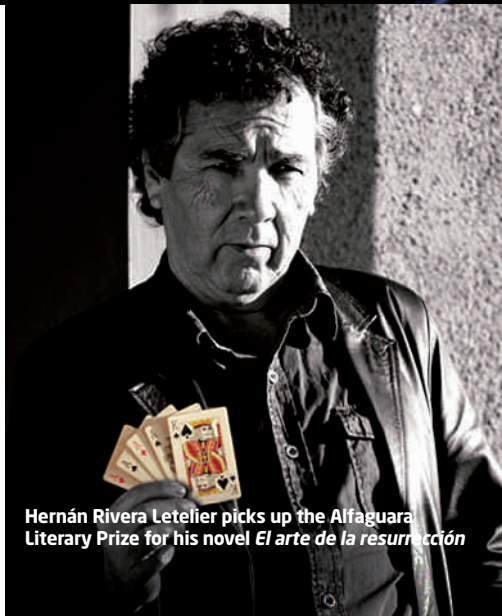
- PRISA and Telecinco sign deal on Cuatro merger and the acquisition of a 22% stake in Digital+.
- Daniel Anido and Rodolfo Irago win the José Couso Press Freedom Award.
- Spain's Competition Commission finds in favor of PRISA TV's football broadcast model.
- Alfaguara to co-publish the digital edition of the winner of the II Premio Bubok de Creación Literaria 2010.
- *El País* editorial team, Judith Torrea, Jean Daniel and José Cendón win the Ortega y Gasset Awards for Journalism 2010.
- SER opens its doors to the Prince and Princess of Asturias.
- PRISA signs refinancing deal with its banks.
- PRISA earns 279 million euros from the sale of 25% of Santillana to DLJ South American.

MAY

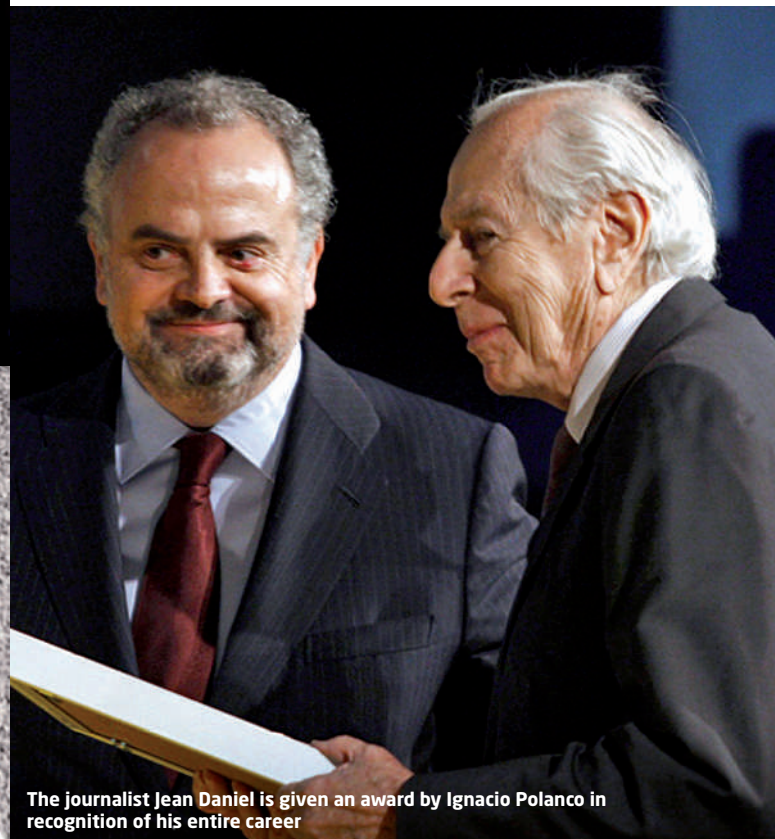
- The Valencian Journalists' Union honors Daniel Anido and Rodolfo Irago with the Press Freedom award.
- Cuatro wins three awards at the New York Festivals 2010.
- SER and *El País*, Spain's favorite media outlets.
- Santillana launches web book for high school students.
- Canal + broadcasts the first ever 3D bullfight.
- Journalist Milagros Pérez Oliva wins the Josep Trueta medal.
- Canal+ wins four Laus prizes.
- *El País* reporter Soledad Gallego-Díaz wins the Cirilo Rodríguez prize.



Mario Vargas Llosa wins 2010 Nobel Prize in Literature



Hernán Rivera Letelier picks up the Alfaguara Literary Prize for his novel *El arte de la resurrección*



The journalist Jean Daniel is given an award by Ignacio Polanco in recognition of his entire career

JUNE

- Cincodias.com sees a record 43% growth in May.
- Cuatro wins the Gold Laurus Prize.
- Caracol Radio consolidates its lead with 8,826,600 listeners.
- As becomes first sports site available on iPad.
- Rafael Fraguas wins the Press Association of Madrid's Francos Rodríguez Award 2009.
- Dario Arizmendi, of Caracol Radio, is honored by the newspaper *La Nación*.
- Canal + wins the prize for best company advertiser at the 2010 Publifestival.
- PRISA regains football-broadcast rights.
- PRISA General Shareholders' Meeting 2010.

JULY

- PRISA maintains its membership in the FTSE4Good IBEX, the index of socially responsible companies.
- PRISA initiates its digital transformation.
- Canal+ Liga gains 160.000 subscribers during the World Cup.
- The Jesús de Polanco Academic Chair launches a master's program in Human Rights.
- Santillana enters digital publishing with Libranda.
- Juan Luis Cebrián is honored in the Dominican Republic for his contribution to culture.
- Herbin Hoyos, from Caracol Radio, wins the Tolerance Prize in Madrid.
- The *New Grammar of the Spanish Language* and writer Juan Goytisolo win the International Don Quixote de la Mancha Award 2010.

AUGUST

- PRISA and Liberty announce commitment of additional institutional investors.



Publishing house Santillana co-founder,
Francisco Pérez González, dies

SEPTEMBER

- Santillana reorganizes management to strengthen its lead and commitment to digital businesses.
- *Carrusel Deportivo* wins the Academia de la Radio's special award.
- Iñaki Gabilondo wins the Catalan Blanquerna Prize.

OCTOBER

- Mario Vargas Llosa wins 2010 Nobel Prize in Literature.
- As.com wins best news design award 2010.
- Caracol Radio wins two Simon Bolivar Journalism Awards.
- Humberto López Morales wins the II annual Isabel Polanco International Essay Prize.
- BBVA, Panda Security and Saft win the Cinco Días Awards for Business Innovation 2010.
- Francisco Pérez González, honorary Director of PRISA, dies.



The Prince and Princess of Asturias attend the 50th birthday celebrations of Santillana Publishing group



NOVEMBER

- *El País* signs distribution deal with Chile's *La Tercera*.
- PRISA may join controlling stakeholders of *Le Monde*.
- The educational community celebrates 50 years of Santillana.
- The Ondas pay tribute to the rigor of Cadena SER's current affairs program *Hoy por Hoy*.
- The Fundación General of the UIMP, the Monterrey Tech and the Fundación Santillana create an open, educational space for the Spanish-speaking world.
- Telefónica and Telecinco get green light for Digital+ transaction.
- *El País* launches online edition in English.
- Plural Entertainment's *Meu Amor* wins Emmy for best soap opera.
- New PRISA Board of Directors. The Board welcomes seven new members.
- Green light for the combination of PRISA and Liberty.
- PRISA agrees to eliminate condition providing for partial sale of Media Capital.
- The UN congratulates PRISA for its Global Compact Progress Report.



Dario Arizmendi, of Caracol Radio, is honored with the Order of Vorraine by the Colombian newspaper *La Nación*

DECEMBER

- As pays tribute to the year of wonders. The Spanish national football team, Nadal, Lorenzo, Márquez, Gento and Forlan, are among those honored.
- Cadena SER is in the lead once again.
- PRISA'S new shares go public.
- Mario Vargas Llosa picks up the Nobel Prize for Literature 2010.
- The 40 Principales Awards gala goes interactive.
- PRISA TV opts to cease producing CNN+ and create a global news channel instead.
- PRISA, Telecinco and Telefónica confirm alliance.
- PRISA TV sells headquarters. The Group banks 80 million euros in the deal and signs a 20-year lease-back on the property.



PRISA

PRISA, a global group



- PRISA, a global group
- Vision, mission and values
- PRISA' s social responsibility
- Corporate structure and governance
- Application and scope of this report

02

PRISA, a global group

PRISA is the world's leading Spanish and Portuguese-language media group in the fields of education, information and entertainment, thanks to its multi-channel offer of high-quality products consumer focused.

Present in 22 countries, it reaches more than 50 million users through its global brands *El País*, 40 Principales, Santillana and Alfaguara. As market leader in general-interest press, free-to-view and pay TV, spoken-word and music radio, education and publishing, it is one of the world's most profitable media groups and possesses an extraordinary portfolio of assets. Its presence in Brazil and Portugal and among the growing Hispanic community in the US has given the Group an Ibero-American dimension and has opened up a potential global market of 700 million people.

With more than 250 websites, visited monthly by 51 million unique users, PRISA is at the forefront of multi-channel and multi-platform content distribution. The Group has embarked on an ambitious strategy of content distribution, offering products and services adapted to users' consumer habits through mobile phone devices, iPads, e-books and PSP games consoles. PRISA has its own Research and Development division, which is backed by the world's leading software operators.



Vision, mission and values

A commitment to society is at the very core of PRISA. From the very beginning, the founders and promoters of *El País* have been committed to Spanish society, to defending and expanding democratic liberty, equality and civil rights for all.

Three decades after the first issue of *El País*, this commitment remains as strong and vital as ever.

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

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

These values have always been embraced by the teams of professionals working at *El País* and have subsequently been taken on board by all the Group's companies as they strive to be both socially responsible and leaders in the fields of education, news and entertainment in the Spanish and Portuguese-speaking markets. We are thus responsive to the needs and expectations of a free, responsible, respectful and sustainable society.

Meanwhile, the rapid changes taking place in the media sector have spurred PRISA's transformation into a "new company", focused not only on the production and distribution of content in Spanish and Portuguese,

***El País* Editorial Code.**

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

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

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

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

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

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

José Ortega Spottorno,
March 5, 1977.

but also on learning more about each of its stakeholder groups, as well as on the use of new technologies.

This shift in business model has been accompanied by a new approach to corporate identity (specifically, repositioning and a new image) that requires us to update and reassess our mission, vision and values to enable the group to better face the challenges ahead without losing sight of our core principles.

PRISA is the world's leading creator and provider of Spanish and Portuguese-language content in the fields of education, information and entertainment, thanks to its consumer-oriented multi-channel offer of high-quality products. We are committed to improving people's quality of life and to contributing to the progress of society by offering goods and services that will enrich the lives of consumers of

our news and information, and educational and entertainment products. We are committed to enriching culture worldwide as part of our mission to guarantee sustainable economic and social progress and ensure participation in a global society.

In short, we remain as committed as ever to our values.

- *People*: Everything we do revolves around people.
- *Creativity*: Creativity is our most basic tool in our ongoing drive to innovate.
- *Dedication*: Our dedication guarantees value, quality and excellence.
- *Pluralism*: We see pluralism as embracing freedom of expression, transparency and diversity.
- *Connecting*: We are aware of the importance of being connected and being accessible in order to share and collaborate.

Social responsibility at PRISA

At PRISA we believe that our business operations play a significant social role in the development of democratic society. That's why the company has always focused on developing the best possible teams of professionals and on championing quality and credibility across all our products within the same ethical framework under which *El País* was founded: that is to say, solidarity, transparency, independence and the protection of the environment.

As a large media and publishing group, we take our responsibilities seriously, not merely in how we manage our businesses but also through our products – through which we strive to raise awareness and inform the public of the issues facing society.

We believe that our relationships with our suppliers are key to our mission to act responsibly. Through all our suppliers we foster a distribution of wealth and the creation of real socioeconomic and technological value. That's why our Suppliers Policy takes into account not just factors regarding pricing, quality and geographical reach, but also issues such as the supplier's social commitment, particularly in the areas

of taxation, workers' rights, human rights and the environment.

PRISA's social commitments may be grouped into four main areas:

- Informing responsibly.
- Committed to Education.
- Responsible Entertainment.
- Responsible management across the value chain.

Informing responsibly

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

With a view to guaranteeing the fulfillment of these duties, *El País* was a pioneer from the very outset in

adopting a series of professional and ethical frameworks such as the editorial codes, style book and readers' editor, which have been subsequently embraced by all the businesses across the Group.

These ethical standards have fostered the growth of a business culture that is rigorous, critical and of high quality and that has set the standard in Spain and in the Americas. In the audiovisual sector, PRISA's companies have signed up to a number of codes that guarantee the quality of their news services. These include a code for self-regulation of television content for children.

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

Committed to Education

PRISA's operations include a wide range of products and services that foster the development of individuals, teachers and companies, from children's education to executive training programs.

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

As well as our commitment to quality, innovation and service, we have contributed over the decades to improving educational practice and have facilitated public debate on the future of the education systems in Spain and the Americas.

PRISA is also committed to promoting Spanish language and culture worldwide.

Responsible Entertainment

Every day, more than 51 million people in Europe and Latin America choose our TV channels, read our books, and tune in to our radio stations for leisure and entertainment.

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

All our media outlets are signed up to a code for self-regulation of televisual content for children. The group also supports an agreement on self-regulation of television advertising.

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

Our music stations avoid subjects that might prove offensive to listeners, particularly during time slots when children might be listening.

PRISA's media outlets have also shown their commitment to society by organizing events such as the aid concert *Premios Principales Solidarios*, the proceeds from which went to the charity Ayuda en Acción.

Responsible management across the value chain

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

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

Our commitment to sustainable development has meant we've made significant headway in environmentally sound management across all our companies, worldwide. Paper and cardboard, in different formats, is the consumer good used by the group that has most potential environmental impact. We carefully manage the use of paper right across its life cycle: from production to recycling.

Our commitment

Our commitment to society

PRISA has been signed up to the UN Global Compact since 2008. This initiative demonstrates the group's commitment, in both its operations and general strategies, to the Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption. In November 2010, the Spanish Network for the UN Global Compact paid tribute to the high level of implementation at PRISA of the Ten Principles that the UN Compact outlines for the advancement and integration of Corporate Social Responsibility policies in the companies management.

Investors, meanwhile, realise that PRISA is a company with responsible practices in terms of sustainability which is why the company has been included in the FTSE4Good since 2008, the international index aimed at measuring the performance of companies that meet globally recognised corporate responsibility standards. Once again, in 2010, PRISA made it on to the index in recognition of its Corporate Social Responsibility policies in the areas of human rights, labor, the environment and anti-corruption.

Main achievements

Internal audit on corporate social responsibility

Every year, PRISA carries out an internal audit to measure the degree of awareness and commitment to corporate social responsibility among our companies; to discover the details of all those initiatives in the area of corporate social responsibility within the Group; and to identify good practice, weaknesses and opportunities in the area of corporate social responsibility and thus develop a framework for future initiatives.

The study involved 18 countries (Spain, Portugal, Brazil, Argentina, Columbia, Bolivia, Ecuador, Peru, Chile, the US, Puerto Rico, Paraguay, Uruguay, the Dominican Republic, Guatemala, Honduras, El Salvador and Mexico) across all the business units and was aimed at analyzing human resources, relations with stakeholders, social commitment and the environment. Qualitative questionnaires were carried out, as were telephone interviews with a view to learning more about the level of social commitment within PRISA.

These findings form the basis for this report and inform all future strategies in the area of corporate social responsibility.

- Strategic alliances:
 - Environment.
 - Social action.
 - Equality/integration.
- To extend our influence across the value chain.
- Content-production strategy:
 - Identified and uniform across all business units and markets.
- Internal communication:
 - With our employees and suppliers.
 - With our media outlets.
 - Encourage "ambassadors" for our brands.
 - Among communications teams of our business units and markets.
- Awareness campaigns:
 - Boost our influence as opinion leaders on society.
- Implement measurement systems in management:
 - Measure what we're doing to enable us to improve.
- To take on a role of leadership in order to promote corporate social responsibility in the media sector.
- Take advantage of internal resources:
 - Training.

Global campaign for awareness against climate change

PRISA threw its weight behind the global awareness

campaign against climate change organized by the WWF, *Earth Hour*, on March 27. The initiative involved all the group's companies in all countries where the group operates. It was the largest mass public event that PRISA supported as media partner in 2010, and one that the Group has been supporting since 2009. As a crucial news and cultural player in the Spanish and Portuguese-speaking worlds, the Group will continue to support the initiative in the future in keeping with our commitment to raising awareness in this area.

The initiative in 2010 mobilized more than 125 countries (37 more than in 2009) in 4,211 cities worldwide in order to show that collective action can effectively lobby governments to act against climate change. All of PRISA's media outlets in all those countries where it operates were involved in the awareness campaign: television, radio, press and internet. The campaign took place throughout March by means of a countdown on Unión Radio's stations, on programs on Cuatro and Digital+, in *El País* and *Cinco Días*, on all the group's web pages and through Santillana, thus helping to spread the word that we still have time to prevent climate change.

PRISA involved all its employees through in-company initiatives and designed web page on the corporate site with the slogan: PRISA against climate change.

The day following the event (March 28) *El País* thanked all its readers for supporting the campaign on behalf of PRISA.

The cost of running the campaign through editorial coverage and the donation of advertising space was valued at over 11 million euros across all the group's media outlets.

The SomosPRISA initiative

Another noteworthy initiative in 2010 in the area of corporate social responsibility was the ongoing success of **SomosPRISA**, a project in the area of internal communication aimed at fostering company culture and a sense of belonging. The first phase involved launching a new corporate intranet. The Communications Department is now working on rolling out the intranet across all of the Group's business units in order

to transform it into a platform encompassing all in-company units and thus facilitating internal communications.

For the first time, the Group has a collaborative work space that works as a channel keeping employees up to date on company news and allowing them to participate at a more personal level in the day-to-day activity of all the different business units of the Group. It's a flexible model that has become an obligatory port of call for all the Group's companies and to which they have direct access.

A working group has been set up at the Corporate Center, made up of intranet managers from each of the companies with the aim of collaborating to identify potential synergies and to take advantage of opportunities in the area of internal communication.

Responsible communication

Over the past year, progress has been made in the plan for the management of indicators and for responsible communication. This has shown us the way forward.

Noteworthy achievements include:

a. New management of Communications: In 2010, PRISA's Department of Communication embarked upon a series of changes to modernize the management of Group communications, strategically focused on employing the most advanced technologies to position PRISA as a consumer-oriented company and on facilitating the Group's expansion in international markets, particularly the US, Brazil and Mexico.

This shared project, led by the Directorate of Corporate Communication, made up of the communications directors from all the Group's business units, aims to integrate PRISA's commitments as a socially responsible Group with its commercial operations and its relations with stakeholders as well as social and environmental issues.

b. To set up internal and external channels of communication in the area of Social Responsibility: The corporate web site, prisa.com, has a special section on social responsibility that

is constantly being updated. The Communication Department also periodically informs the media of all initiatives, and employees receive updates via SomosPRISA. These departments also attend meetings and forums on corporate social responsibility, such as those organized by the Fundación Carolina, Media Responsable and the UN.



- c. To inform everyone in the organization of PRISA's commitment to sustainability and to involve them completely:** The Annual Report has a role to play in raising awareness on corporate social responsibility and sustainability at an internal level among all our stakeholders. The WWF campaign, *Earth Hour*, was a significant turning point in raising awareness and taking full advantage of the synergies existing between the different companies at a global level. The business units were enthusiastic about this initiative, which will form the basis for future projects of a similar nature.

Corporate Governance and structure

Board of Directors

Chairman

Ignacio Polanco Moreno

Chief Executive Officer and Chairman of the Executive Committee of the Board

Juan Luis Cebrián Echarri

Members:

Juan Arena de la Mora
Nicolas Berggruen
Matías Cortés Domínguez
Martin E. Franklin
Diego Hidalgo Schnur
Gregorio Marañón y Bertrán de Lis
Alain Minc
Agnès Noguera Borel
Borja Pérez Arauna
Manuel Polanco Moreno
Emmanuel Roman
Harry E. Sloan
Ernesto Zedillo

Secretary non Director

Iñigo Dago Elorza

Executive Committee of the Board

Chairman

Juan Luis Cebrián Echarri

Matías Cortés Domínguez
Martin E. Franklin
Gregorio Marañón y Bertrán de Lis
Alain Minc
Manuel Polanco Moreno
Emmanuel Roman

Audit Committee

Chairman

Juan Arena de la Mora

Agnès Noguera Borel
Alain Minc
Emmanuel Roman

Corporate Governance, Appointments and Remuneration Committee

Chairman

Gregorio Marañón y Bertrán de Lis

Diego Hidalgo Schnur
Borja Pérez Arauna
Harry E. Sloan

Formal policies for good governance

The principal objectives of Corporate Governance for Grupo PRISA are efficient administration and the provision of timely information, allowing the Group to respond to the needs of investors and analysts as well as to comply with legal disclosure requirements for regulated securities markets. The Group has established professional management structures of proven effectiveness and experience. It has developed a corporate communications policy providing market agents with the tools and information necessary for analysis and investment decision-making.

Company restructuring in 2010

In 2010, PRISA concluded a Business Combination Agreement (BCA) with the US company Liberty Acquisition Holdings Corp. (which has the legal form of a "special purpose acquisition company").

This agreement led specifically to two capital increases with the consequent modification of the Group's shareholder structure, statutes and regulations. The capital increases are as follows:

1. Capital increase by way of cash contribution by the issue and circulation of 241,049,050 Class A common shares, recognising pre-emptive subscription right via Warrants.
2. Capital increase by the issue and circulation of 224,855,520 Class A common shares, and 402,987,000 Class B convertible non-voting shares, to be 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").

The new Class A and class B shares were subsequently admitted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, within the Exchange Interconnection (Continuous Market) System (SIBE) and as "American Depositary Shares" (ADS) on the New York Stock Exchange.

PRISA Warrants trade on the Spanish stock exchanges. As a consequence of the issue and circulation of

shares, PRISA acquired a number of new legal obligations with regards to filing information with the Spanish and US markets. Specifically, PRISA is now considered a foreign private issuer under the rules and regulations of the SEC and is obliged to comply with the requirements of U.S. federal securities laws applicable to public companies, such as the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002, as well as those governing corporate governance at the NYSE.

Internal regulations

The company is governed according to its Articles of Association and the following regulations:

General Shareholder's Meeting Regulations

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

Board of Directors Regulations

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

Internal Code of Conduct for Securities Market Issues

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

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

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

Corporate Governance Recommendations

Through the *Annual Corporate Governance Report (ACGR)*, the company reports on the degree of com-

pliance with corporate governance recommendations. Since the 2007 report, the company has taken on board the recommendations outlined in the *Unified Code on Good Corporate Governance* issued by the Comisión Nacional del Mercado de Valores (CNMV) in May 2006.

Criteria for actions by the Board of Directors

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

Culture of Corporate Social Responsibility in the governance bodies of the Company

Corporate Social Responsibility Policy

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

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

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

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

Appointments and Resignations

Specific procedures regulating executive appointments

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

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

The Board of Directors shall be made up of a minimum of three and a maximum of 17 members, determined at the annual shareholders meeting.

The Board is currently made up of 15 members, including one executive, seven directors representing controlling shareholders, six independents and one external member.

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

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

Executive Committee and Board of Directors Committees

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

Details of the composition and responsibilities of the Executive Committee and of the other committees, as well as meetings held over the course of 2010, are available in the ACGR.

The Audit Committee and the Corporate Governance, Appointments and Remuneration Committee have both published reports describing their functions and activities over 2010.

Appointing and removing board members

Chapter VI of the Board Regulations details the pro-



cedures for the appointment and removal of Board members:

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

The Board, upon submitting a non-binding proposal to the Corporate Governance, Appointments and Remuneration Committee, can grant the distinction of honorary Board Member to those members who have served on the board for more than 25 years and who, in consideration of their merits and extraordinary dedication, are deemed deserving of this

position after having ceased to serve on the board. This is an honorary position and honorary Members are therefore not members of the Board.

Motions for the re-election of members are submitted by the Board of Directors to the shareholders meeting and shall be subject to a favorable opinion issued by the Corporate Governance, Appointments and Remuneration Committee, who will assess the performance of the directors over their previous mandate.

Members shall maintain their posts for a term of five years and may be re-elected.

Directors shall offer their resignations to the Board of Directors when their term is completed, or when the General Meeting, subject to its statutory powers, decides to relieve them of their post.

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 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 their remaining on the Board is deemed inappropriate, under the terms of Article 31.5 of the Board Regulations, and may directly, indirectly or through third parties associated with the Board Member, imperil the loyal and diligent exercise of his or her functions with regards to company interests. Under the terms of the aforementioned Article 31.5, in all those situations where there exists a conflict of interests, or one may be reasonably be expected to exist, and this is deemed to constitute a structural and permanent conflict between the Board Member (or between an associate, or in the case of a director representing controlling shareholders, a shareholder who proposed his or her appointment, or any other party directly or indirectly related to him or her) and with the Company or Group companies, said Member will be deemed to have failed to fulfill the duties inherent in his or her post.

The Board of Directors shall not propose the removal of any independent director before completing the term of office set forth in the bylaws for which he was

appointed, unless the Board deems that there is just cause for doing so and after seeking the opinion of the Corporate Governance, Appointments and Remuneration Committee. In that regard, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post.

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

Evaluation of the performance and composition of the Board of Directors

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

Information

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

Transparency

Formal and transparent policy regarding the remuneration of company directors

Remuneration Policy

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

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

The Annual Corporate Governance Report will provide information regarding the remuneration of executives and the management team. Furthermore, the Company complies with Article 260 of the LSA

(Law of Limited Liability Companies), establishing that the Report must include the "overall remuneration" of executives.

Transparency of Information

Providing relevant information to the markets

The company will provide the securities markets, through CNMV, with relevant information immediately and prior to its communication by any other means. This information will also be posted on the PRISA website.

Furthermore, quarterly and annual financial reports will be submitted to the markets, after review by the Audit Committee and approval by the Board of Directors.

Corporate website

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

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

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

Investor Relations Department

This department, integrated within the Finance and Administration Departments of the Group, is responsible for attending to the needs and receiving ana-

lysts and investors, explaining the evolution of the Group and providing other relevant information. Over one hundred private investors are received in the department's offices each year.

The department is also responsible for issuing the quarterly public reports, visiting investors in the principal global markets (London, New York, Paris, Milan, etc.) and attending conferences held by investment banks.

In compliance with the Board of Directors Regulations, mechanisms have been established to provide regular, although not privileged, information to institutional investors through presentations and reports submitted to the CNMV, and via the corporate website.

The Investor Relations Department maintains a permanent relationship with analysts following PRISA, providing them with relevant and detailed information. One goal of the department is to increase the number of experts, currently at 20, who are following the share price. The aim is to achieve more exhaustive coverage, in clear benefit to the investors who have placed their confidence in PRISA.

Shareholder Relations Department

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

This department will also attend to the general public, providing information about the Group.

Participation

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

There are no specific restrictions on the exercise of the right to vote for holders of Class A ordinary shares. Class B shares are non-voting shares, in accordance with articles 6 and 8 of the Articles of Association.

There are no specific restrictions on the acquisition or sale of company shares. Such actions are subject

to the general legal code governing shares and securities.

Risk management

Risk management policy

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

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

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

- a. Control of strategic risks.
- b. Operational risks.
- c. Risks control related to financial management.
- d. Risks control related to reliability of financial information.
- e. Risk control related to technological, IT and infrastructural systems

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

a. Control of strategic risks

The day-to-day management of the company is the responsibility of the CEO, subject to the supervision

of the Board of Directors and its Executive Committee, and he has all the powers to act in this area, delegated in him by law.

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

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

b. Operational risks

For business development, the Group has a decentralized structural organization with coordinating bodies such as the Business Management Committee, which carries out tasks of analyzing and monitoring both business evolution and the environment and operational problems of the different business units, and the Operational Efficiency Committee, aimed at coordinating the different business units of the Group.

Risks in business transactions (operational, commercial, legal, fiscal and so on) are monitored by their respective organizations, by means of supervisory mechanisms at the corporate level.

For example, the Fiscal Management department monitors the tax law in each of the geographical areas where the Group operates and assesses the different potential risks posed by varying interpretations by the local authorities of the prevailing tax system. Likewise, the risks inherent in the radio and television markets, which are often subject to the concession of broadcast licenses by the authorities, are monitored by the appropriate director generals, reporting at a corporate level to the Secretary General. Commercial risks, related to advertising and

offering the appropriate services and products to our customers, are continuously monitored by the Group's Sales Management Department, by a content committee, by a committee specialized in promotional policy and by a publicity monitoring committee. It is worth noting that the Group's revenues are less dependent than those of other companies in this sector on the ups and downs of the advertising cycle. This is due to the input from the publishing arm, Santillana, and, above all, on the revenues acquired by the pay-per-view audiovisual businesses. Subscription revenues, derived from pay-per-view digital television, made up 32.35% of the Group's operating revenues in 2010. Meanwhile, the Group's other business units frequently coordinate to evaluate and participate in new business opportunities, through the Transversal Business Committee.

c. Risk control related to financial management

■ *Finance Risks*

The Group's financial obligations as of December 31, 2010, are detailed in "Financial Debt" in PRISA's annual consolidated report for 2010. This Group's debt as of December 31 was 3,342 million euros.

The Group's level of debt brings with it certain financial obligations such as servicing the interests and principal, as well as operational limitations as laid out in the financing contracts signed. In order to meet these obligations, in 2010 the Group finalized its debt restructuring and reached a financing agreement with its banks that imply certain modifications in the terms and conditions of loans, such as a deal to extend maturity on the Group's bridging loan and several bilateral credit lines till May 19, 2013. The Group also restructured its debt through a capital increase which has led to an injection of 650 million euros. Both moves have reduced the financial leverage of the Group and given the Group more room for manoeuvre.

The management of short-term debt follows a detailed calendar of maturity dates as well as the maintenance of lines of credit and other financial instruments that enable the Group to meet all

foreseen financial commitments, in the short, medium and long term. The Group has set up a centralized treasury management system and a Cash, Debt and Capex Committee and carries out weekly assessments and projections, in this regard, which enable us to optimize our available resources in order 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. PRISA therefore takes out interest rate cover, basically by means of contracts that limit exposure to the maximum rates of interest.

■ *Exposure to exchange rate risks*

The Group is exposed to exchange rate fluctuations mostly through the financial investments it has made in Latin American companies and the returns on those investments. In 2010 the revenues and consolidated results from the International area and Latin America made up 28.07% and 20.21% respectively of the Group's overall figures.

PRISA is also exposed to exchange rate fluctuations since it maintains debts with financial entities in different countries. As of December 31, 2010, the weight of currencies other than the euro in the Group's debt was 1.36%.

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

■ *Exposure to Risks Related to the Cost of Paper*

The Group is exposed to the possibility of variations in its results due to fluctuations in the price of paper, the essential raw material in some of its production processes. The Group has set up a strategic coverage program through which, by means of long-term contracts, it can cover the price of a given percentage of the volume of paper to be consumed over a certain period of time. In 2010 paper consumption made up 9.51% of the group's purchases.

d. Risk control related to 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 provides the basis for preparing financial and accounting information, as a means to mitigate risks of manipulation or fraud. Mention should be made of the function of the Group's Financial Management department, which assigns responsibilities and authority in the different areas involved in generating this type of information.
- Continual updating of financial information rules and systems.

Noteworthy in this respect is the initiative currently being carried out to integrate and homogenize all the information systems by means of a single information system for all the Group's business units. In previous years the Group's companies in Spain, the US, Colombia Mexico and radio stations in Argentina have participated in this system and in 2010 the system has been successfully implemented for publishing businesses in Argentina and Chile. The system will integrate all the other companies in the Group over the next few years.

A system to review economic and financial information regulated by manuals, instructions and internal rules (manuals for evaluation and accounting policies, instructions concerning procedures for closing accounts, annual calendar of economic and financial information, corporate accounting plan, rules for intragroup operations and consolidation), and compliance with internal control systems through in-house and external audits.

The adoption of a single financial information system, outlined previously, and a unified accounting procedure is aimed at facilitating the integration and reporting of financial information and its subsequent analysis and assessment, thus enabling all the companies to share a common financial language, so to speak.

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

The Department for Corporate Security and Safety

oversees the overall security of the Group, integrating the different security and safety-related areas – particularly physical and IT – and collaborating on data protection and work safety with the Secretary General and Human Resources Department. This global management system, increasingly regg and IT systems security and the adoption of coordinated measures aimed at reinforcing the protection of privacy, integrity and availability of information and the Group's systems, as well as the safety of personnel, assets and installations. Activity in this area was significant over 2010 due to the establishment of a new externalized model for Information and Communications Technology.

In line with our Corporate Security Policy, the Group has continued to develop the Corporate Security and Safety Management System, established in 2008 in collaboration with an important technology firm and due to continue over the next few years. This system is applied to a number of different areas: general policy, security policy, security organizational structure, personal safety and security, workplace and environment safety, communications and operations management, management of external control centers, development and maintenance of systems, access control, incident management, and continuity and business compliance.

This system incorporates information analysis tools and methodologies, as well as norms and guidelines, and is aimed at a convergence of the different security-related issues from the business units.

The Group has an ongoing commitment to carrying out security related projects in the area of communications security, incident management, safety and security audits, IT contingency plans, risk assessment and early-warning systems. 2011 will see the implementation of initiatives covering Data Loss Prevention, the so-called "balanced scorecard", as well as an automated early-warning system. In terms of physical safety, a number of risk analysis studies have been carried out on Group assets and in 2011 a contingency plan will be drawn up in this area. Nearing completion is the centralization of management at company headquarters, including a Control Center that coordinates the safety and security related activities of the group's different

control centers. Studies are also being carried out to optimize the use of resources used in safety and security.

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

Stakeholders

Associations PRISA belongs to

In keeping with a commitment to an ongoing exchange of ideas in their relevant sectors, many of companies in PRISA are members of different professional associations and organizations.

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

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

In the Spanish education area, Santillana is an active member of the National Book Editors Association, ANELE, as well as other educational organizations with common values such as quality and responsibility in teaching. In the field of radio, SER is a member of the Asociación Española de Radiodifusión Comercial (Association of the Spanish Commercial Radio Broadcasters). In the audiovisual sector, Sogecable represents the Group in UTECA (TV and Audiovisual Content Union). The Group's newspapers are members of AEDE (Spanish Newspaper Editors Association). In Portugal, Grupo Media Capital is a member of the Portuguese Social Media Confederation, which brings together more than 600 companies from the press, radio and TV sectors. Further information is available on chapter 3.

PRISA and the Fundación Santillana run a number of renowned educational and cultural initiatives in Spain and in the Americas and have signed agreements with a number of cultural, educational and

scientific organizations, including the Organization of Ibero-American States, the Spanish Royal Academy, the Cervantes Institute, Fundación Biblioteca Virtual Miguel de Cervantes, Fundación Teatro Real, Fundación Carolina, Fundación Cultural Hispano-Brasileña, Fundación Conocimiento y Desarrollo, Fundación Empresa y Crecimiento, Fundación Príncipe de Asturias and Fundación Bertelsmann. In the area of scientific research, development and innovation, the company collaborates with Fundación Pro CNIC and Fundación COTEC. PRISA maintains close ties to various universities in Spain and the Americas, including the Universidad Autónoma of Madrid, with whom we run the Journalism School and the Jesus de Polanco Chair for Ibero-American studies. PRISA also collaborates with the Carlos III University, the Menéndez Pelayo International University and is also associated to the Universidad Autónoma of Barcelona, the University of Alicante and the Carlos III University through the Instituto Universitario de Posgrado. The Fundación Santillana's offices in Latin America (Colombia, Brazil and Argentina) develop similar initiatives in the areas of education and culture.

PRISA's media have had long championed development campaigns promoted by NGOs such as Oxfam, Ayuda en Accion, UNICEF and the UNHCR, through news reports, promotion and sponsorship agreements.

Grupo PRISA's media have institutional channels which are permanently open to suggestions, criticisms and complaints, and organize tours of offices and facilities. They are attentive to the concerns of different social groups and stakeholders and encourage the exchange and debate of ideas, which serves to enrich society as a whole. Stakeholders can submit their enquiries, suggestions and concerns to the Corporate Center through the Communication Department, and the Investor and Shareholder Relations Departments. Additionally, the corporate website (www.prisa.com) provides investors and shareholders with relevant information about the Company.

PRISA is also a member of the Spanish issuers association, Emisores Españoles, whose main objectives include: i) to promote measures to strengthen legal certainty in all matters relating to the issuance of listed securities and to participate in the development

a better legal framework at both a national and European level, ii) to contribute to the development of high standards of corporate governance, iii) to promote communication between companies and their shareholders and iv) to maintain a relationship of dialogue and cooperation with the Administration and, in particular, the National Securities Market Commission (CNMV).

Internal audit

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

The functions of this Department include:

- a) The evaluation of internal control systems to improve efficiency in the management and control of risks inherent in the activities of the Group.
- b) The revision of operations in order to verify that the results achieved concur with the established objectives and that operations and programs are implemented and executed as planned.
- c) Providing an independent opinion on the interpretation and application of legal accounting codes.
- d) The evaluation of efficiency in the use of the resources of the Group.
- e) The revision of measures implemented to safeguard assets and their verification.
- f) The revision of the accuracy and integrity of the operational and financial information of the companies within the Group and the means employed to identify, evaluate, classify and communicate said information.

The Audit Department designs an Annual Internal Auditing Action Plan for the identification and evaluation of the risks inherent in the activities of the business areas of PRISA, establishing priorities for Internal Au-

ditions and ensuring concurrence with the goals of the organization.

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

The Audit Committee will designate the head of the internal audit service, supervise the internal audit services and be cognizant of financial information processes and the internal control systems of the Company as well as all risk management systems. It will liaise with the auditors on relevant weaknesses within the internal control system and in the development of the audit.

Independence of the External Auditor

Designation of the External Auditor

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

Relations with the External Auditor

The External Auditor and the Audit Committee will communicate on questions that may compromise the independence of the external auditor or any other issues related to the Auditing of company accounts. The Audit Committee shall receive annually from the auditors written confirmation of their independence from the entity or entities linked to it directly or indirectly, and relevant information on any additional services provided to these entities by said auditors, companies, or by persons or entities linked to them in accordance with the provisions of Law 19/1988 of July 12, Auditing of Accounts.

The Audit Committee shall deliver annually, prior to the publication of the audit report, a report which

will express an opinion on the independence of auditors. This report shall cover the provision of additional any services referred to above.

The external auditor attends meetings of the Audit Committee to report on the most relevant aspects of the work performed by the External Auditor.

External Auditor fees

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

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

Application and scope of this Report

This Annual Report provides a faithful and transparent overview of the degree of development of the actions and commitments of Grupo PRISA in economic, social and environmental areas over the course of 2010, and is similar to those of the past four years.

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

The Report contains information on the following companies and markets:

Just as in 2009, in producing this Report, we have followed the recommendations of the *Guide for the Creation of Sustainability Reports* from the **Global Reporting Initiative-TM**, a key international organization in Sustainability Reporting. The GRI-G3 Technical Protocols have been taken into consideration in the evaluation of data for our calculations, leading us to reformulate and combine some indicators found in the Guide, to improve clarity and adapt them to our activity.

In writing this report we have taken into account:

- Meetings under the supervision of the Communications Department to discuss the most relevant topics.
- The results of the internal audit on corporate social responsibility.
- Benchmarking from other companies in the sector, both national and international.

The information and results provided here refer to 2010, although in some specific cases, information from previous



PRISA self-declares a B GRI Application Level for its 2010 Sustainability Report

Application and scope



	●						
	●	●					
	●		●		●	●	●
	●	●	●	●			●

* Santillana collects information from Peru, Puerto Rico, Bolivia, USA, Paraguay, Uruguay, Ecuador y Republica Dominicana, in addition to these countries.

years has also been provided, as this illustrates the Group's evolution over time. It is to be hoped that this Report will satisfy all its readers and as always, we welcome comments and suggestions via our web page.

Guiding principles behind the Report

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

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

Materiality

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

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

Stakeholder Inclusiveness

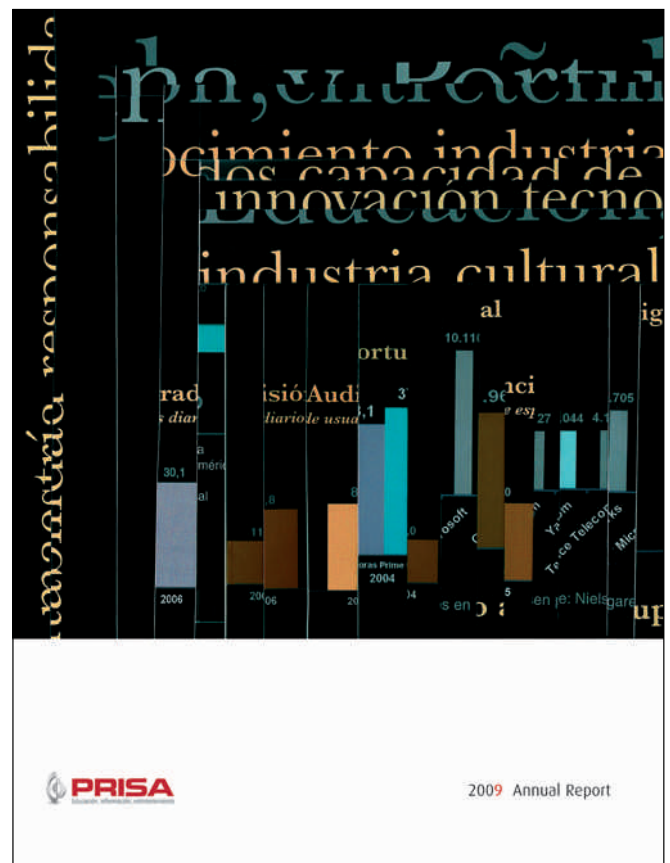
Stakeholders are entities or individuals that can reasonably be expected to be significantly affected by the Group's activities. The company should endeavor to satisfy the demands and concerns of these groups through the improvement and maintenance of the quality of its products and services.

Timeliness

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

Clarity

The report should present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders. Information should be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the



organization and its activities. Graphics and consolidated data tables can help make the information in the report, such as management and control mechanisms, as well as plans of action and commitments, accessible and understandable.

Reliability and transparency

Information used in the preparation of a report has been reliably and comprehensively gathered, recorded, compiled, analyzed, and disclosed in order to reflect the real situation of PRISA.

Significant changes over the period covered by this report affecting the size, structure and holdings of the company.

- PRISA and Indra signed a strategic agreement that will increase the technological level of the Group.
- PRISA signed an agreement with Liberty leading to a capital injection of up to USD 900 million.
- PRISA won the football broadcast rights war.
- PRISA and Telecinco formalized the integration operation of Cuatro and the acquisition of 22% of Digital +.
- DLJ South American took a 25% in Santillana, giving PRISA a cash injection of 279 million euros.
- PRISA embarked on its digital transformation.
- PRISA and Liberty confirmed 100 million more in commitments from institutional investors.
- Grupo Santillana reorganized its business model to strengthen its leadership and commit itself to the digital world.
- PRISA in negotiations to become part of the controlling stakeholders of *Le Monde*.
- PRISA agrees to eliminate the condition of the partial sale of Media Capital.
- PRISA's new shares began trading.

- PRISA decided to cease production of CNN+ and instead to create a new global news channel.
- PRISA, Telecinco, Telefónica formalize their alliance.
- PRISA TV sells its headquarters for 80 million euros and signs a 20-year lease.





A live music performance on a stage. The background is a large, curved wall covered in a vibrant projection of pink and red flowers. Two musicians are visible: one on the left playing a keyboard and another on the right playing a guitar. The stage is lit with warm, reddish-orange lights. In the foreground, there is a black banner with white text.

CONCIERTO
PRIVADO
CANAL+

CANAL+ HD

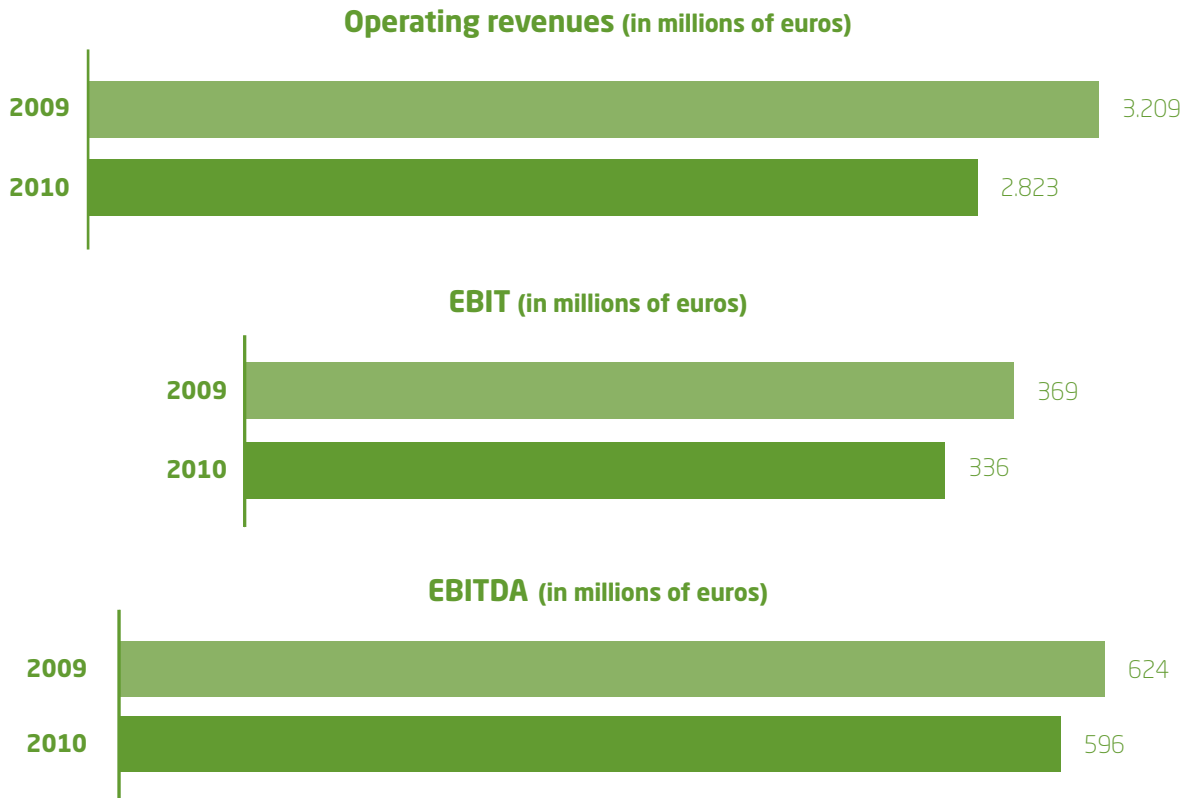
Education, information and entertainment in transformation

- The transformation of PRISA
- Business Areas
 - Santillana
 - PRISA Noticias
 - PRISA Radio
 - PRISA TV



Education, information and entertainment in transformation

In 2010, PRISA embarked on a new phase of development. The Group is committed to a modernization of its traditional business model that will transform it into a consumer-oriented company through the use of the most advanced technology. This process is taking place against the backdrop of the changes that are occurring in the media and content sectors. These rapid changes require the transformation of PRISA into a new company, focused not only on the production and distribution of content in Spanish and Portuguese, but also on building up a greater knowledge base of each of its stakeholders and on the increasing use of new technologies.



In 2010 PRISA implemented much of its financial restructuring plan, with the consolidation of all its companies with the exception of Cuatro. In fiscal year 2010, the Group reported revenues of EUR 2,822.73 million and EBITDA of 596.33 million. The consolidated EBIT was EUR 336.15 million. After dedicating more than 130 million euros to restructuring the balance, the net result was EUR -72.87 million. The Group ended the year having consolidated all its business areas in profit, despite the very adverse economic climate affecting the sector.

The divestment plan and the reinforcement of capital structure has seen a capital injection of nearly 2,000 million euros, which has enabled the Group to significantly reduce its debt, which now stands at 4.92 times EBITDA.

With 13,885 employees spread between Europe and the Americas, PRISA is configured into four major business areas: Publishing, Education, Press, Radio and Audiovisual, all of which are supported in their digital development by a transversal, cross-corporate division.

The transformation of PRISA

In 2010, PRISA embarked on a new phase of development. The Group is committed to a modernization of its traditional business model that will transform it into a consumer-oriented company through the use of the most advanced technology. This process is taking place against the backdrop of the changes that are occurring in the media and content sectors. These rapid changes require the transformation of PRISA into a new company, focused not only on the production and distribution of content in Spanish and Portuguese, but also on building up a greater knowledge base of each of its stakeholders and on the increasing use of new technologies.

Since December 3, PRISA shares have been trading in Spain and in the USA, making the group an even more plural and international company with a new governance model and a majority of independent board members of major international importance. This ensures both the

effective governance and full transparency in all of the Group's activities required to face this new phase of growth.

As part of this transformation, in 2010 we created PRISA Brand Solutions, in order to provide specific solutions for advertising clients and their brands, that will maximize return and provide them with a greater degree of integration into our content. PBS was born from the merger of two of the group's advertising sales companies: Box Publicidad, responsible for managing advertising in print and online, and GDM, which was responsible for the marketing of advertising space on television and radio. The resulting company has almost 300 employees, eight offices and 350 million euros in annual turnover from 60 fully managed communication media. This is a new business model based on the strategy of differentiation, with the capacity to combine many different advertising channels and thus offer advertising solutions tailored to our customers' needs.

Currently, the company is focused on the transformation of its production model, on developing products based on consumer habits and needs, on the growth of our businesses, on international expansion and the promotion of cross-corporate synergies. This is a paradigm shift in the media and content-industry worldwide, caused chiefly by the impact of new technologies. This process directly affects PRISA, which has embarked upon a complete transformation of the entire organization in order to adapt to the new digital world.

In this regard, in 2010 the Group has advanced considerably along the path started in 2008 and 2009, whereby the former Prisacom, which had been in charge of the Group's digital operations, has gradually been ceding management of digital business to each of the respective offline brands to instead focus on its role in the areas of support and R & D. Since 2009, the editions of elpais.com, as.com, cincodias.com, cuatro.com, los40.com, etc., have all been fully integrated into their corresponding traditional media to better facilitate coordination and synergies between them, and thus enable the provision of integrated products that meet new customer demands. Thus, from each of the brands and business units, we develop content for all devices on the market, with the technical and strategic support of the digital area, whose current mission is aimed at:



Launching of Manuel Rivas' latest novel *Todo es silencio* (Everything is quiet), published by Alfaguara

- Providing a unified strategic and innovative vision for the Group's digital activity.
- Developing the necessary technological platforms to manage digital content.
- Developing and exploiting new digital products.

January 2010 saw the appointment of two senior executives at PRISA, Kamal M. Bherwani as Chief Digital Officer, and Andres Cardó, as director of Corporate Development and Marketing, which marked the start of a new business strategy for the Group, and a paradigm shift in its development. Bherwani is a senior executive with renowned worldwide experience, whose vision and strategy have transformed organizations and inspired teams in both the public and private sector.

As Chief Digital Officer (CDO) of PRISA, Bherwani is responsible for digital strategy and innovation, including PRISA's digital strategy in the area of sales, digital distribution, content management systems (CMS), internal technology and all technological alliances.

Andres Cardó will drive expansion of the business units with an emphasis on the U.S. and Brazilian markets, and



will be responsible for international organic growth and diversification into new businesses and cross-corporate projects. In the areas of Sales and Marketing, he will be responsible for the policies and business strategies of the business units, which include advertising, promotions and brand extension.

Bherwani and Cardó, in their respective fields, are set to transform the business model of PRISA, and will ensure that the group's businesses development within an advanced technological environment and that they are personalized to the individual needs of the millions of consumers of the Group's products.

From a product standpoint, the last quarter of 2009 saw the development of the Infometeo.es news channel, a new website produced by the weather channel at Digital+, which channels its information into the Group's other media. It is now the benchmark for Spanish-language weather information.

Moreover, we have developed an adaptation of the microsites tool plus.es that allows journalists to create websites and programs without involving technical teams.

Santillana

Quality and innovation at the service of education and culture

Santillana celebrated its 50th anniversary in 2010. Founded in 1960 with the aim of providing a successful and innovative model for educational publishing, Santillana is today a global publishing group in Spanish and Portuguese. The group is present in almost all Spanish-speaking countries, where it is leader in education. Santillana is also a significant player in other lines of business such as general-interest publishing, as well as in Portugal, United Kingdom, Brazil and the United States. Over 2010 Santillana added 6,000 new titles to its catalog of 31,000 titles.

Over the past fifty years, Santillana has built a cultural bridge between Spain and Latin America and has been instrumental in improving education. Santillana is committed to education and for three decades has sponsored school innovation awards and the annual events Spring Seminar and Monographic Education Week.

Santillana Education

Despite adverse economic conditions, Santillana in 2010 reported record results, thus consolidating the company as a leader in products for all levels of education. With operating income of 642.25 million euros (4.1% more than in 2009), the group reported EBITDA of EUR 166.35

million (+9.4%). This excellent result was in part thanks to the strong growth experienced in Latin America, which saw a 12% increase in revenue and 15.7% in EBITDA. Among those countries seeing significant growth were Brazil (+38.9%), Mexico (+20%), Chile (+17.3%) and Argentina (+7.1%). The quality of our publications and our attention to the needs of teachers, students and general readers have strengthened our national and international leadership.

Moderna, our educational publishing house in Brazil since 2001, posted outstanding results, with net sales of 181 million euros, 37% more than in 2009. EBITDA reached 47 million euros (+50.7%). Moderna strengthened its lead in the private market, with an increase in sales of 42% compared to 2009. It now has a market share of 18% of business aimed at the state school sector, selling 27 million titles.

For the language-teaching sector, it has been a good year, with revenues up by of 9.7% and EBIT up 17% compared to 2009. **Richmond** has improved its position in the market for English-language education, consolidating its international image. In the French-language sector in Spain, Santillana Français leads at all levels of education from primary (with a 37.8% market share), Secondary (38.1%), to Bachillerato, where it has more than a 50% share.

In 2010 Santillana has accelerated its transformation into a technology and educational services company with





José Saramago

the goal of developing new content adapted to varied technological formats. This year the group launched *libroweb*, a digital textbook that became operational last September at some levels of ESO education in Catalonia. The group is also currently migrating works of reference and professional manuals from different fields to digital media.

In the educational field, Santillana, after three years of work, made a great impact with an initiative for primary and secondary students: the project Light Backpack. The group, in collaboration with the Kovacs Foundation, launched a new range of books divided up by sections, to reduce the excessive weight of school bags, with a campaign to promote healthy habits, chiefly in the area back-care awareness.

PRISA Publishing

PRISA Publishing reported revenues of 147 million euros, and EBIT of 19 million euros (+34%).

The publishing year was marked by both sad and happy events. On June 18, Portuguese Nobel laureate Jose Saramago died in Lanzarote. Santillana, to celebrate its 50th anniversary, published a special edition, designed by Manuel Estrada, of *The Elephant's Journey*, by the late Nobel winner. A few months later, on October 7, the Swedish Academy announced that Mario Vargas Llosa had won the Nobel Prize for Literature. Much of the history of Alfaguara has been inextricably linked with the publication of the work of these two great authors. There was also a significant loss for the label Taurus, with the death of the acclaimed British essayist Tony Judt. Much of his work had been published by Taurus, including *Ill Fares the Land*, an impassioned call to revive collective values and political commitment.

It was a spectacular year for fiction, with significant growth. At **Alfaguara**, *The Siege* by Arturo Perez-Reverte was a bestseller at the Sant Jordi and Madrid book fairs. The announcement of the Nobel prize for Mario Vargas Llosa coincided with the publication of his new book, *The Dream of the Celt*, which as expected, was unanimously

acclaimed by the press and public. Also making the best-seller lists were the two novels by Daniel Glattauer, *Contra el viento del norte* and *Cada siete olas*. It was also a good year for **Suma de Letras**. Big hits included *Eat, Pray, Love* by Elizabeth Gilbert, the *True Blood* saga by Charlaine Harris, *Oscuro* by Guillermo del Toro and *Lo verdadero es un momento de lo falso* by Lucía Etxebarria.

Alfaguara Infantil y Juvenil, following on from the great success of the Twilight saga, published titles such as *Ghostgirl*, *Code Lyoko* and *Monster High*, all with significant growth potential. **Punto de Lectura**, the paperback label, added a number of blockbuster movie spin-offs to its catalog, such as *Eclipse*, *Sarah's Key* and *Eat, Pray, Love*, as well as TV series titles such as *True Blood*.

Nonfiction also fared well in 2010. Taurus illustrated the quality of its catalog with two works by Nobel Laureates in Economics, Amartya Sen (*The idea of Justice*) and Joseph Stiglitz (*Free Fall*). **Aguilar's** Alex Rovira titles, Elsa Punset and José Ramón de la Morena proved very popular with readers. And, while tourism is one of the sectors to be hardest hit by the crisis, **El Pais-Aguilar**, with its wide range of travel guides, maintained its lead in this important niche market.

Special mention should be made of awards won by our group. The Alfaguara Novel Prize, was won by Hernán Rivera Letelier for *El arte de la resurrección*, and the Isabel Polanco Essay Prize was awarded to Humberto López Morales for *La andadura del español por el mundo*, confirming the group's prestige and impact in the cultural field Spain and America.

2010 also saw the launch of Prisa Ediciones' digital offer via *Libranda*, the largest digital distribution platform of e-books in Spanish. The increasing catalog of available titles and the number of reading devices on the market mean that sales will grow significantly in the coming months.

Executive Team

- Santillana Chairman: Emiliano Martínez
- Santillana CEO: Miguel Ángel Cayuela
- Santillana Chief Operating Officer: Federico Blanco
- Santillana Education General Manager: Francisco Cuadrado
- Santillana General Publishing Global Manager: Fernando Esteves
- Santillana Digital Business General Manager: Miguel Barrero

PRISA News

El País closed 2010 with an unprecedented journalistic exclusive, in collaboration with four other major global titles - *The New York Times*, *The Guardian*, *Der Spiegel* and *Le Monde*- the WikiLeaks's papers, the greatest leak of classified documents in history. The impact on different countries that followed the revelations by *El País* and *elpais.com* resulted in significant circulation growth, especially among digital users, and sparked a passionate debate about journalism in the digital age.

In 2010 *El País* launched a new central news desk from which we publish the first digital news of the day. In addition, over the course of the year, we further developed the overall integration of the editorial process, which is expected to be finalized in 2011, with a single team of journalists developing all digital and analog products under the *El País* brand name in different media (print, web, mobile phones, tablets, etc.). 2010 also saw the launch of a new application, specifically designed for the iPad, the new Apple tablet. Within months of the launch, the application had clocked up over 100,000 downloads. There is huge potential here and the technology will be now be rolled out for tablets belonging to other brands and other technologies.

Another of the key strategies of the year was to take full advantage of the power that social networks have to project the *El País* image of quality. Throughout the year, the newspaper experienced strong growth on the social networks, giving our content a wider and broader reach. In 2010, the paper launched Eskup, which is simultaneously a network, a journalistic tool, a discussion forum and an open medium of communication.

2010 also witnessed the consolidation and expansion of the global edition of **El País**. The newspaper is printed and distributed in the Americas with our trademark standards and thus meets the demands of the most discerning readers on the continent. The newspaper expanded its distribution, with new deals in Chile joining joint venture agreements with newspapers in Mexico, Argentina and the Caribbean.



In 2010 **El País** maintained its lead among the general-interest press. Despite the crisis, the paper reported an average daily circulation of 370,080 copies, which increased the paper's lead over its closest competitor by more than 84,000 copies on average, according to data from the OJD pending audit. According to EGM data, *El País* once again had the top readership figure among the general-interest press, with 1,924 million readers per day between February and November, beating its nearest competitor by 624,000 readers. It was the only paper to report a net profit.

Elpais.com maintained and improved upon 2009's strong growth in 2010 and registered 6,596,000 unique users per month (according to Nielsen / Netview, which provides information on Spanish online audiences from home and work). The gap with its strongest competitor on the Internet has decreased to 144,000 unique users monthly.

El País marketing management organized and carried out in 2010 several branding campaigns within a framework of multimedia concepts and multi-format media plans.

To coincide with the first quarter audit by EGM, the paper launched a campaign for the weekly supplement *El País Semanal* with the slogan: "All you need in one place".

In the second quarter, we revived a very successful campaign of which we are especially proud: “*El País* is wherever you are,” with the Puerto Rican rap group Calle 13.

In the last quarter of the year, the newspaper made a huge impact with the release of the Wikileaks papers and we concentrated marketing activity on tactical actions: contests, prize draws and other activities aimed at fostering brand loyalty.

El País was also active in 2010 organizing a series of events under the brand *El País Encuentros*, among them one in May in Madrid with the then Brazilian President Luis Inacio Lula da Silva, another in June in Barcelona with the then president of the Catalan Regional Government, José Montilla, and the International Finance Meeting organized with Caja Madrid in November.

In 2010 we repeated the initiative “CEO for a day”, which gives 15 university students the opportunity to spend a day with the CEOs of top companies.

In addition, the newspaper collaborated with Endesa on the *El País* program for students, (*El País* de

los Estudiantes) with 45,000 students and nearly 7,000 teachers participating in this school newspaper project. And for another year running, the top prizes included trips to the Formula 1 Grand Prix in a contest organized with Banco Santander.

El País hit the newsstands at a number of sponsored events held in Mexico (International Book Fair of Guadalajara), Madrid (International Finance Meetings), Barcelona (the event titled *Catalonia’s response to the crisis*) and other cities. Our stand at the art fair ARCO in 2010 was designed by Alberto García-Alix.

In 2010, *El País* ran 68 promotions, including, in the field of education and training: the Microsoft Windows 7 course, the Student Encyclopedia and books for ESO level education; in cinema: science fiction, Premiere and Classic movie collections; in music, the release of the album *Cigala y Tango* by Diego El Cigala, the farewell album *Bye Bye Rios* by Miguel Ríos, and the complete discography of Camarón. And in other areas of culture and entertainment, the Pocoyo DVD, the *Adventures of Calliou* and Disney Classics.





Sports daily **As** closed the year with an average daily circulation of 211,553 copies, with its readership reaching 1.395 million, according to the third quarter EGM figures - representing an increase of 89,000 readers over the previous year. The newspaper tops the league among the national sports media in Madrid and nine Spanish cities including Barcelona. And in 2010, coinciding with the World Cup, *As* achieved record sales figures, making it the top-selling paper nationwide for the four days with 885,844 copies sold on July 12 and 608,495 on July 15.

For the fourth consecutive year, on November 31, *As* brought together the public and leading sports stars for the fourth edition of its annual awards. The ceremony was held at Madrid's Congress and Exhibition Palace and was broadcast by TV channel Cuatro. This year's winners included the Spanish football team, the tennis player Rafael Nadal and the Moto GP rider Jorge Lorenzo, as well as Marc Marquez, the race driver, for most promising new career. There was a touching tribute to veteran Real Madrid player, Francisco Gento, who won six European Cups playing for his club.

Cinco Días was the only business and finance newspaper to see circulation up from the previous year despite the adverse economic climate. The paper closed the year with 68,000 daily readers, according to the third quarter EGM figures. 2010 was a year of consolidation for the Cinco Días Forum, with the celebration of 30 meetings which were attended by six regional government presidents (Patxi López, Alberto Núñez Feijoo, Paulino Rivero, Miguel Sanz Ses-

ma, Marcelino Iglesias and José Antonio Griñán) and five senior government officials (José Blanco, Manuel Chaves, Elena Salgado, Carlos Ocaña and José Manuel Campa), as well as national and international leaders of political parties, organizations and institutions. These included Angel Gurría, OECD Secretary General, Miguel Canalejo of Redtel, Jordi Hereu, Mayor of Barcelona, and Guillermo Montoro, the Partido Popular's spokesman on economic affairs.

On November 4, the third edition of the Cinco Días Business Innovation Awards was held, an event that brings together PRISA and leading figures from the business and finance world. The awards recognise the commitment of companies to society, new technologies and universities. 2010's awards went to BBVA, Panda Security and Saft Baterias.

PRISA Magazines, the company that publishes PRISA's magazines in Spain and Portugal, strengthened the editorial content of *Rolling Stone* and *Cinemanía* in 2010 with the addition of their respective websites. Thus, *Cinemanía* offers daily movie listings in Spain while *Rolling Stone* lists the most important concerts. November saw the awards ceremony of the second annual Rolling Stone Awards, organized by the magazine at the famous Pachá nightclub in Madrid. The gala brought together more than 700 people, including the winners Joaquín Sabina, Enrique Bunbury, Miguel Rios, Ariel Rot, Luis Tosar, Love of Lesbian and Lori Meyers. Among the new projects launched by Progresia last year were the magazine *Paisajes*, published for national train company Renfe, and three corporate publications for the Post Office, Aena and Carrefour, as well as digital projects for La Caixa, Viajes Barceló and the City of Madrid .

Executive Team

- PRISA News Executive Chairman and CEO of EL PAÍS: José Luis Sáinz
- PRISA News General Manager: Jesús Ceberio
- Press Area General Manager and CEO of PRISA Magazines: José Ángel García Olea
- *El País* Editor in Chief: Javier Moreno
- *As* Editor in Chief: Alfredo Relaño
- *Cinco Días* Editor in Chief: Jorge Rivera

PRISA Radio

Global communication in spanish

PRISA Radio is the world's largest Spanish-language radio group with nearly 26 million listeners and 1,238 stations either directly owned or associates, spread out over Spain, the US, México, Colombia, Costa Rica, Panama, Argentina and Chile, and franchised in Guatemala and Ecuador.

During 2010, PRISA Radio has introduced a management model aimed at revitalizing radio formats, technological innovation and the production and distribution of its content across all digital platforms. This model has been developed at a production level and in the areas of management, creating synergies among all the businesses which will lead to the commercial development of new formats and content at a local, national and global level.

All this has made PRISA Radio a benchmark in the Spanish-speaking world. This model, with its stress on PRISA Radio's international reach without losing sight of its local roots, allows us to optimize and boost the generation of value.

In this year of profound transformation, PRISA Radio has worked to shape a common global news and information discourse based on the different realities that shape the production facilities the company has in Spain and America. It has promoted the creation of common radio broadcasting products such as *Hora*

25 global, which traveled to Haiti 100 days after the earthquake to see how the country was reconstructing and was present at the Mar del Plata Summit of Heads of State in Argentina; we've had special programming to tie in with major events such as our news coverage during the World Cup in South Africa in 2010, and radio coverage of the earthquake in Chile in February and mining accident in San José, offered to all stations on both sides of the Atlantic.

In a constantly changing digital environment, a special emphasis has been placed on creating dynamic content for all platforms and to encourage interaction with the audience by exploiting the potential of social networks. The year 2010 was characterized by growth in the digital activity of PRISA Radio products, whose global audience (Spain and Latin America) has seen a growth of 22.2% compared to 2009. The average number of unique visitors per month has reached 12,660,690 and over 800,000 users have registered with the online communities.

Social networking activity has led to a significant increase in our brand presence among almost a million fans on Facebook and approximately 50,000 on Tuenti in a very short space of time. Our products can also be followed on Twitter.

Organizationally, there has been a major redistribution of resources in line with the transformation process within the Group. Thus we have set up the Corporate



Digital Area and Multimedia Production Desks, integrating production and editorial processes both on and off-line. PRISA Radio, through 40 Principales, involved listeners with Copa 40 and the Evento 40 and helped raise awareness among more than 6,000,000 listeners with social campaigns such as Art 40, and the 40 Principales Awards 2010. In addition, PRISA Radio has operated through all its stations, individually or jointly, as a promoter of social dynamics and cohesion between countries with a common language.

Strategically, PRISA Radio has been following corporate digital guidelines as set out by PRISA's Digital Division, with whom we work closely in order to carry out initiatives related to the evolution of digital products and in the field of innovation. Examples include the development and launch of mobile applications for different platforms, with over 500,000 downloads to date, or the adaptation of products for emerging media such as Connected-TV devices or games consoles.

PRISA Radio closed 2010 with 25,857,908 listeners

In Spain, PRISA Radio closed 2010 with 12,063,000 listeners. Cadena SER enjoyed its seventeenth consecu-

tive year as market leader, with 4,247,000 listeners daily, Monday through Friday, according to data from the General Media Study (EGM). In addition, its programs were audience-share leaders in all time slots, and 24 hours a day, putting it way ahead of its competitors. 40 Principales, with 3,890,000 listeners, has been the No. 1 entertainment brand in Spain for more than four decades and, thanks to its expansion, also tops the charts among young people in those Latin American countries where it operates.

Radio Caracol, with nearly 9 million listeners and a share of 39.5%, remains the leading network in Colombia and one of the most prestigious in Latin America. It has thus become one of the pillars of PRISA Radio, both for its brilliant track record as well as its financial solvency. Caracol produces and distributes nine lines of programming in different formats of music and spoken-word radio, plus a further two radio formats distributed exclusively online.

In Chile, PRISA Radio is the undisputed radio market leader, with a 45.5% share of the audience. Of the eleven forms distributed, seven are among the top-ten ranking for audiences. Radio Corazon, yet again is the most popular radio station in the country with an audience that almost doubles that of its nearest competitor.



In the Mexican market, PRISA Radio operates through Radiópolis, owned 50% by Televisa, and to which PRISA Radio brings its extensive experience in the radio business. Radiópolis, through its 117 stations, and affiliates, distributes five lines of spoken-word and music programming.

In Argentina, PRISA Radio reached 1,225,510 listeners in October-November 2010, representing a 20.5% audience share. Radio Continental, which this year celebrated its 40th anniversary, continues to go from strength to strength on the Argentine radio scene. It received the Premio ETER award for best morning programming, and has seen its audience increase by 30%. Similarly, the 40 Principales music format, with 20% more listeners than a year ago, ranks as the second most popular radio station in its target audience. In addition, during 2010, the music radio portfolio in Argentina has grown with the addition of the radio format Imagina.

In the U.S., PRISA Radio operates two radio stations that broadcast in Spanish, one for the Los Angeles and southern California region, an area which encompasses more than 30% of the U.S. Hispanic population, and another broadcasting in Miami, where we are No. 1 in the Hispanic spoken-word radio sector. In addition, PRISA

Radio operates GLR Networks, a producer and distributor of programs and advertising space among 107 affiliated stations.

In Costa Rica, where PRISA Radio operates three radio formats through a company co-owned 50% by the group and *La Nación*, October saw the launch of ADN, a new spoken-word radio format that includes news, sports, music and magazine programs.

Music

In 2010 we continued to promote our music business, with the full integration of Gran Vía Musical (GVM) into PRISA Radio to ensure its presence throughout the entire music value chain, and the development of the 40 Principales brand worldwide, transforming it from being a mere radio brand into an international multimedia firm with a total commitment to the digital world.

The development and implementation of the 40 Principales brand internationally was completed in 2010 with the development of a single digital platform to bring together all the content of the No. 1 Internet portal for Spanish-language music: www.los40.com. Content is developed locally in each of the countries where the brand is present. Similarly, products such as “Inter-night” or “Game 40”, which bring together radio listeners and Internet radio have also been developed under the 40 Principales brand.

2010 was a successful year for performers represented by our management company RLM. Alejandro Sanz went on an extensive world tour, *Tour Paraíso*, which took him all over Latin America, Spain and the United States to sing before a total audience of 688,000 fans.

“Raphael 50 years later” reunited veteran Spanish singer and his fans. In Spain alone 44,000 people flocked to see Raphael on stage, and Madrid sold out 16 consecutive concerts.

Miguel Bosé and his *Cardio Tour* was another enormously successful tour, enjoyed by 253,000 fans throughout Latin America and Spain. His September 16 concert in Madrid was recorded for the live CD and DVD, released in March 2011.



Other successful tours included Marlango, Mala Rodríguez, David DeMaría, Melendi, Malú, The Cabriolets and Calle París.

The year 2010 was also a busy year for producer Planet Events, responsible for events and tours featuring performers such as Alejandro Fernández, Ana Carolina, Caetano Veloso, Calle 13, La Mala, Claudio Baglioni, David Bisbal, Diego Martín, Eros Ramazzotti, Franco De Vita, Millow, Paulina Rubio, The Australian, Pink Floyd, Tiziano Ferro and Tokio Hotel. Planet Events was also responsible for the success of the farewell tour of Miguel Ríos (*Bye Bye Ríos*), attended by around 100,000 fans.

Shakira's world tour touched down in Spain in November, with Planet Events -in partnership with Live Nation- producing her concerts in Madrid, Bilbao and Barcelona.

Planet Events was behind a number of other major events in 2010, including the 40 Principales Awards, the Cadena Dial Awards, the Premios Ondas Awards, the concert celebrating 100 years of the Madrid thoroughfare Gran Vía, the Moto GP championship concerts, the 40 Principales Primavera Pop Festival, the 40 stand at the the Rock in Rio Festival in Madrid, the Cultura Urbana Festival, the As Sports Awards, the Patito Feo concerts, the MoviStar concerts, and the M.I.A., Kesha, Dover, 84 and Pereza concerts. Among the events organized by the Universidad Europea de Madrid, Planet produced the ceremony marking the appointment of Nelson Mandela and the Prime Minister of Turkey (Recep Tayyip Erdogan) as Doctores Honoris Causa, as well as the American Business Council Summit (featuring Mariano Rajoy and media).

New Businesses

In 2010, PRISA Radio's New Business Division continued working on venturing into new sectors such as:

- **Video games**, exporting the Game 40 radio model to all those countries in which the 40 brand operates, and expanding it to television and magazine publishing.

- **Musical theater:** after a successful first season in Madrid, *40 The Musical* had another run in the capital and debuted in Barcelona (more than 500,000 people have now seen the musical).
- **The world of fashion:** new seasonal collections as part of the deal signed with fashion house Adolfo Domínguez for the marketing of "Music Collection by 40 Principales".

40 Principales brand has also made forays into other areas of business, such as the 40 Principales Card, Spain's leading affinity card with more than 600,000 clients, 40 Viajes (the new online travel portal), 40 mobile, etc. Finally, the brand will have a high-street presence with the opening of Café 40, a leisure and entertainment hub with restaurant right on Gran Vía in Madrid.

The New Business Division also organized the farewell tour of Miguel Ríos throughout Spain, bringing the singer to 100,000 fans. *Bye Bye Ríos* was also released as a special edition CD launched with the newspaper *El País* and out of stock in a matter of weeks.

Executive team

- PRISA Radio Chairman: Augusto Delkader.
- PRISA Radio CEO: Francisco Javier Pons.
- PRISA Radio General Manager: Javier Cortezón.
- PRISA Radio Communication Director: Josep M^º Girona.
- PRISA Music General Manager: Luis Merino.
- PRISA Radio Director Spoken-word radio: Daniel Anido.
- PRISA Radio Business Director: Antonio Buades.
- PRISA Radio Chief Financial Officer: Francisco Vélez.
- PRISA Radio Director of Digital Radio: Javier Viroomal.

Radio in Spain

- Cadena SER General Manager: Alejandro Nieto.
- News Editor: Antonio Hernández-Rodicio.
- Content Director: Luis Rodríguez Pi.

International radio

- General Manager for South America: Ricardo Alarcón.

PRISA TV

PRISA TV is Grupo PRISA's audiovisual holding and owner of Digital+. Once again, this year, it is the leading pay TV operator in Spain. With more than 1,800,000 subscribers, Digital+ has long been a pioneer in both digital high and definition television, 3D broadcasts and interactive services.

The platform features more than 150 channels with top-quality content produced both in-house and by other parties and Digital+ is committed to bringing all the latest technological advances to its content. The rapid changes affecting the sector have made Digital+ a global digital entertainment hub and its content is accessible today from any media device, allowing the viewer to shape their own programming according to their tastes.

In 2010 Digital+ signed agreements with other pay-TV operators (TeleCable, Orange TV and ONO) through whom it distributes its premium channel Canal+. In May 2010, an agreement was reached with Jazztel that offers subscribers a combined package of ADSL with phone calls and more than 30 Digital+ channels.

In 2010, PRISA TV had a turnover of 1372.40 billion euros, and EBITDA of 308.78 million euros.

PRISA's international expansion has made it market leader in the free-to-view sector in Portugal through the channel TVI, and has positioned it as one of the world's leading creators of content through its production company Plural Entertainment. Its international presence is boosted by VMe, the fourth largest network in the United States focused entirely on the Hispanic community.

2010 saw changes to the shareholding structure and composition of the company. It was decided to cease the production of CNN+ for reasons of profitability, the integration of Cuatro in Telecinco was completed in exchange for 17.3% of the new combined company, and the sale took place of two minority stakes in Digital+. Thus PRISA now holds 56% stake in Digital+, 22% is held by Telefónica Contenidos and another 22% by Gestevisión España.

DIGITAL+

In 2010 Digital+ continued its commitment to technology, ushering in the start of a new model of entertainment in which the viewer programs his own television schedule. There has been an increase in the quality and quantity of content and, therefore, our level of commitment to subscribers. This dedication has paid off, with a net increase in the number of subscribers every month since September 2010.

Digital+ in 2010 generated revenues of EUR 1,133.99 million and EBITDA of 269.37 million.

Digital+'s future mission can be seen in its commitment to broadcasting the very best in content. Starting with the 2013 season, the UEFA Champions League returns to Digital+. The best European football will be offered exclusively on the PRISA TV platform, which will deploy all the latest image and sound technologies to bring the viewer a unique television experience. Digital+ is, without doubt, the best showcase for all major series. Our commitment is also reflected in the success of the TV Series Festival organized by Digital+ over the past three years. The 2011 edition is set to expand, with an increased number of venues, a spring edition at the Mostra de Valencia ahead of the main festival which will be held in Madrid in autumn, with the participation of all the major Hollywood distributors.

A key to our growth strategy in 2010 has been the iPlus, the platform's exclusive decoder, which offers more functions than any of its competitors on the market. The iPlus has changed the way people watch television, turning the TV into a digital entertainment center. It allows the viewer total control over programs, letting them freeze, fast forward or rewind. It is also the gateway to High Definition and 3D TV and comes equipped with a 500 GB hard drive that can record more than 80 hours of content.

iPlus is currently available in approximately 400,000 households and users have highly rated their experience with it, with Digital+ clients stating that the decoder allows them to make better use of television.

81% said that iPlus has changed the way they watch TV and 88% saw Digital+ as being at the cutting edge of pay TV thanks to iPlus.

Connected to the Internet, the iPlus provides access to two new services. Digital+ On Demand allows the downloading of content from the platform, that can then be stored on the hard disk of the iPlus and played whenever the viewer wants. The service is available 24 hours a day at no extra cost over the contracted commercial package. Digital+ On Demand commenced operations with an offer of Canal+ content covering various genres, and will grow to provide a catalog with thousands of titles. With Digital+ On Demand, viewers can also retrieve Canal+ content that is no longer being broadcast. The Videoclub service, meanwhile, works like a huge video library from which users can rent movies from all genres to enjoy on their TV or computer.

Digital+ On Demand and Videoclub are but two examples of the technological transformation that is underway and that is changing the concept of television. Channels with linear programming schedules are being replaced by channels which allow viewers to choose what to watch and when watch it on all types of screens. Digital+ is available for smart phones, computers, iPhones and iPads.

CANAL+

Canal+ is the premium pay television brand in Spain, a family of 13 channels with the best content in sports, movies, series, documentaries and children's programs. All this, offered in the highest quality and via HD channels.

For yet another year, the channel has continued to offer its viewers the best in national and international sports: the Spanish soccer league in full, all the major leagues in the world, the World Cup, the NBA, the Australia Open, Wimbledon and U.S. Open, the NFL, the Super Bowl, Six Nations Rugby, all the major golf tournaments and the most important events of the bullfighting season. All with the Canal+ guarantee of quality, with broadcasts in HD and 3D that allow subscribers to enjoy quality that is unique in television in Spain.



In-house productions received a major boost in 2010. Under the new initiative Canal+ Originales, the channel premiered the series *¿Qué fue de Jorge Sanz?* (*Whatever happened to Jorge Sanz?*), starring the actor of the title and directed by David Trueba. In the first quarter of 2011, the channel broadcast *Crematorio*, a tale of corruption in Spain starring José Sancho and based on the novel by Rafael Chirles (National Critics Award 2008). Critics were quick to hail it as one of the best series in the history of television in Spain, and one that rivals the quality of a US production.

Other in-house productions have continued to gain in popularity on Canal+, such as *El Día Después* with Juanma Castaño and Santiago Canizares, *Fiebre Maldini* and *El Día del Fútbol*. The *Informe Robinson* dedicated to the Spanish team at the World Cup in South Africa, was awarded a Premios Ondas Award in 2010.

Canal+ Liga, with about one million subscribers, is the channel with the largest number of subscribers to the Digital+ platform. Canal+ Liga is dedicated exclusively to football, offering three premier league games every day,



one of which is always a Real Madrid or FC Barcelona match. It also broadcasts two second division matches daily, the Copa del Rey, the new UEFA Europa League and international football games.

Canal+ Golf celebrated its first birthday in 2010. Fans were invited to the American, European and Asian tournaments, the four Grand Slams, the Ryder Cup in Wales, the American and European Women's Tournaments, the Evian Masters, and soon.

The first quarter of the year saw the launch of Canal+ Toros, the only channel dedicated to the world of bullfighting. Subscribers can enjoy the biggest bullfighting *ferias* live, as well as the winter bullfighting seasons from the Americas. That's more than 130 live shows during the channel's first year on air, 365 days a year.

The Canal+ family has released all the big-screen hits, including blockbusters such as *Avatar* or *Alice in Wonderland*, the most successful Spanish productions for years such as *Celda 211* and *Agora*, and films that got people talking such as *Inglouri-*

ous Basterds and *A Prophet*. The quality of TV series goes from strength to strength. A deal with HBO to exclusively broadcast in Spain all of the U.S. production company's groundbreaking hit series and top films, such as Martin Scorsese's *Boardwalk Empire* or *Game of Thrones*. means they can only be enjoyed in Spain on Canal+.

Our commitment to avant-garde and new trends in audiovisual production have led to the creation of Canal+ Xtra in 2010, a channel that showcases indie and alternative productions and cult series from all genres. Our use of social networks, allows Canal+ Xtra to keep in constant dialogue with our viewers.

MEDIA CAPITAL

For the sixth year running, Media Capital, through TVI was once again audience-share leader in the free-to-view TV sector in Portugal, with audience figures that outperform its competitors in all time slots. It was also the top-ranking Portuguese channel in terms of advertising revenues.

In 2010, Media Capital had revenues of 249.01 million euros, and EBITDA of 48.04 million.

TVI Internacional, is TVI's general-interest international channel, created with the objective of building links between Portugal and other Portuguese-speaking countries worldwide. It began broadcasting in May 2010, with a wide range of programming based on news, TV series, major events and entertainment, and can be viewed in Angola and Mozambique through the ZAP platform.

TVI's programming strategy is focused on Portuguese-language content in all formats, from talk shows to news and drama. It also broadcasts international programs (series, movies and children's programs) and sports, with a special focus on football.

PLURAL

PRISA's TV production company was founded in 2001 and is currently one of the largest companies in the audiovisual sector in Spain and Portugal. Plural Entertainment has offices in Spain (Madrid, Zaragoza, Canary Islands and Asturias), USA (Miami), Portugal (Lisbon), Argentina (Buenos Aires), Brazil (São Paulo) and Angola (Luanda).

In 2010 Plural Entertainment produced programs for all audiovisual genres: entertainment, drama, documentaries and advertising. Clients include the major national and regional Spanish television networks. It is the chief producer of programming for TVI, Portugal's leading broadcaster, and, from its offices in Miami, it provides television content for the U.S. Hispanic and Latin American markets.

Plural Entertainment has produced the widely acclaimed drama series *Hay alguien ahí* (Cuatro) and *Ángel o Demonio* (Telecinco). It also has extensive experience in lifestyle coaching TV show formats. It has produced three successful seasons of *Big Brother* (Cuatro), as well as *El Campamento* (Cuatro), *Hijos de Papá* (Cuatro) and *Operación Momotombo* (Antena 3).

In Portugal, it produces more than 1,200 hours of drama. Its products are consistently audience-share leaders and are distributed in more than 30 countries. In 2010 it won its first International Emmy for its Portuguese soap opera *Meu Amor*.

V-me

V-me Media Inc. is the audiovisual production and distribution company behind the Spanish-language channel V-me, based in New York and in which PRISA has a 17% stake.

V-me is the fourth largest television channel aimed specifically at the U.S. Hispanic market. Its programming is based on entertainment, news, music, sport and film and the company is committed to education. V-me is the only channel in the country to broadcast a daily Spanish-language pre-school program, which it develops in association with public television.

The channel broadcasts in free-to-view, satellite and through American cable network operators DIRECTV,





DISH Network, Verizon FiOS and AT & T U-verse, allowing it to reach 80% of Hispanic households in the United States with televisions.

Executive team

- PRISA TV Chairman: Manuel Polanco
- PRISA TV CEO: Pedro García Guillén
- General Manager for Audiovisual Content and Rights: Álex Martínez Roig
- General Manager for Pay TV Content: Manuel Mirat
- PRISA TV Chief Operating Officer: Domingo Nieto
- PRISA TV Chief Digital Officer: Stephen Dove
- Media Capital CEO: Bernardo Bairrão
- General Manager for Plural Entertainment Spain: Modesto Rubio





Responsible management of human resources

- A great team of professionals
- Commitment to human capital. Working and hiring
- Improving the professional and personal performance of our staff
- Workplace environment and internal communication
- Health and safety in the marketplace

04

Responsible management of human resources

We would never reach our business objectives without the efforts and dedication of our professionals who together make up a diverse and multidisciplinary team who share common goals. Working at PRISA means joining a team of professionals in an environment that favors innovation, creativity and teamwork. Through integrated and effective management of people, we foster both the personal and professional development of our employees.

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

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

The chief goal of each of our companies is to be the best possible employer and to contribute to the responsible management of their teams in the markets where we have operations. We are therefore committed to strict compliance with the laws of each country and to providing the market with a structure that will encourage stable employment and professional development.

The current economic crisis particularly affects the media and advertising industries, obliging the Human Resources Department to combine cost containment with workforce adjustments. These processes are carried out with the utmost sensitivity and transparency, involving the consensus of all stakeholders.

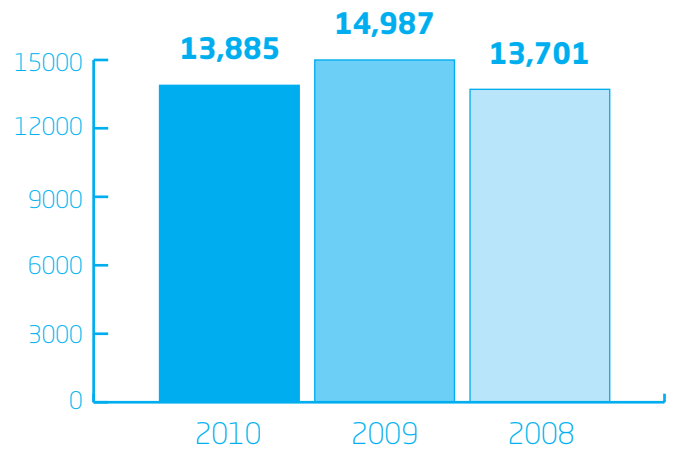
Given the geographic diversification and our multidisciplinary business nature, PRISA has created a Global Transformation Plan that encompasses all initiatives aimed at improving the Group's efficiency and productivity in order to meet the challenges of the current economic climate. Thanks to this program, adapting to the new labor situation has been gradual, and we have not had to resort to major layoffs. Dialogue with workers and other social actors involved in this process has been fundamental.

To increase the competitiveness of the Group, the HR management model will undergo a complete overhaul. A new global services center will be established that will unify all policies, methodologies and tools in order to facilitate the work of labor management across all PRISA companies. This reform, based on technology and communication, will be accompanied by profound internal changes that will provide new job and training opportunities for all employees.

A great team of professionals

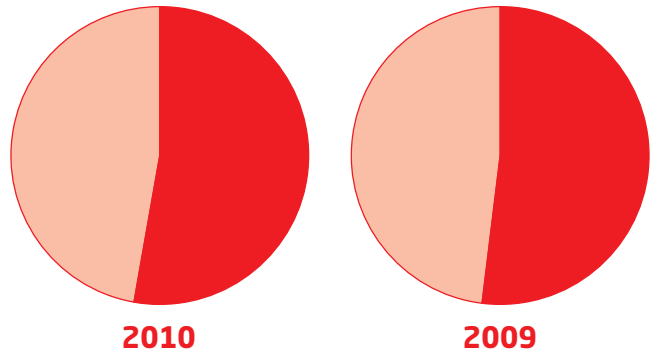
PRISA had 13,885 employees at the end of 2010. Staff numbers are down by 7.4% as compared to 2009 (14,987) due chiefly to the economic downturn - which has affected advertising revenues - as well as changes in technology, consumer habits and regulations. This situation has obliged the Group to make cutbacks across all the businesses in the sector, including at the Corporate Center. However, thanks to our geographic diversification and the diversification of our revenue sources, coupled with our broad portfolio of businesses, the impact of the crisis has been absorbed and has allowed us to adapt to the circumstances progressively and to avoid drastic staff cutbacks.

PRISA Employees



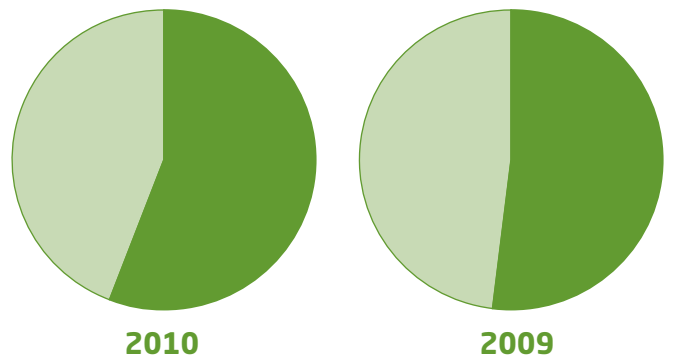
PRISA Employees by sex

	2010	2009
Men	7,335 (53%)	7,799 (52%)
Women	6,550 (47%)	7,188 (48%)



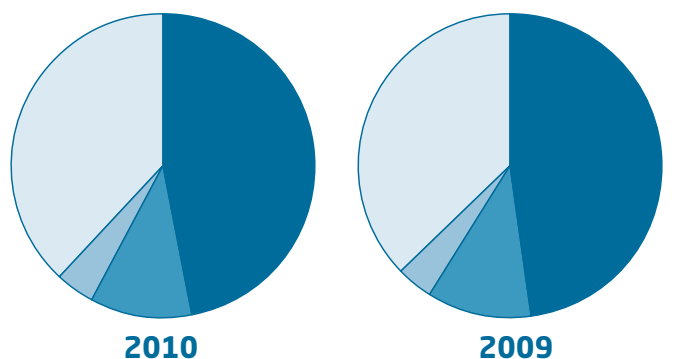
PRISA Employees by geography

	2010	2009
Spain	7,750 (56%)	8,044 (52%)
International	6,135 (44%)	6,943 (48%)



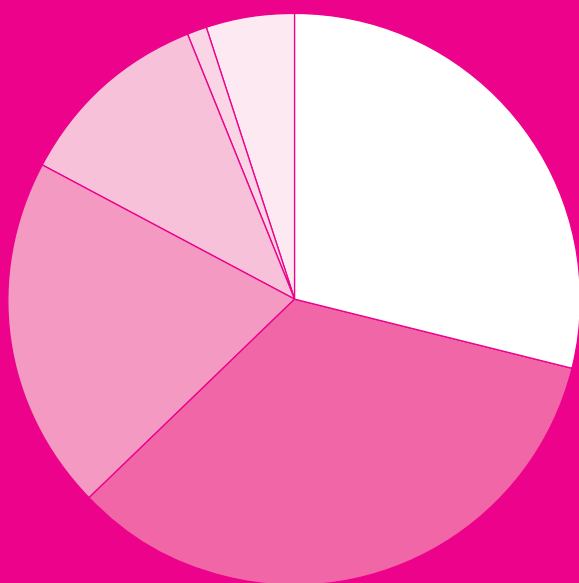
PRISA Employees by employment category

	2010	2009
Qualified technical personnel	47%	48%
Middle management	11%	11%
Management personnel	4%	4%
Other personnel	38%	37%

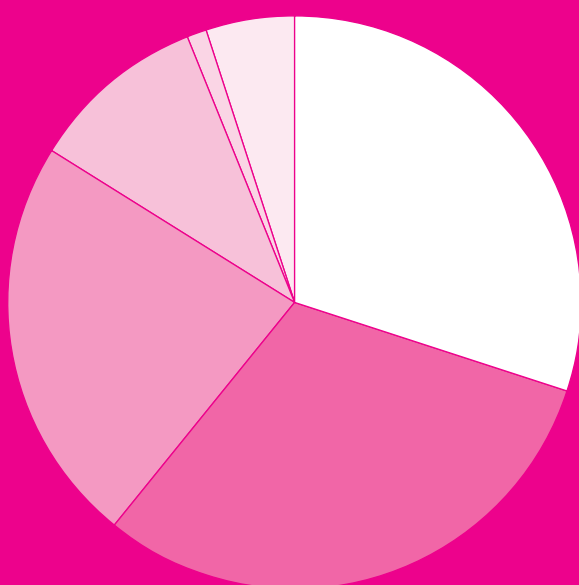


**PRISA Employees
by business area**

	2010	2009
Education - Publishing	30%	29%
Audiovisual	31%	34%
Radio	23%	20%
Press	10%	11%
Digital	1%	1%
Other	5%	5%



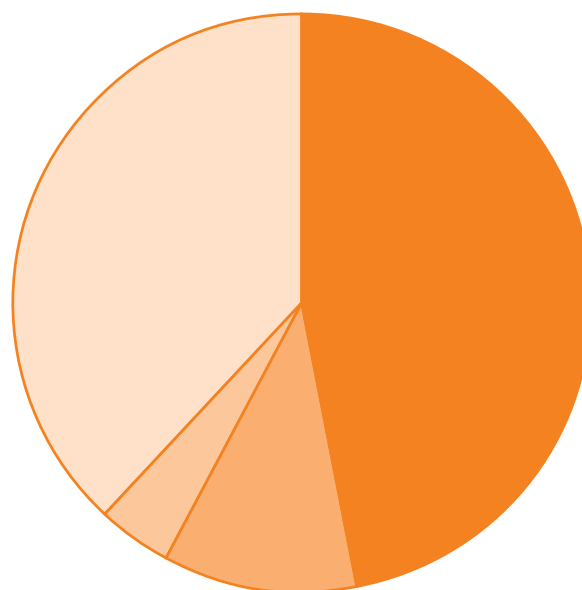
2010



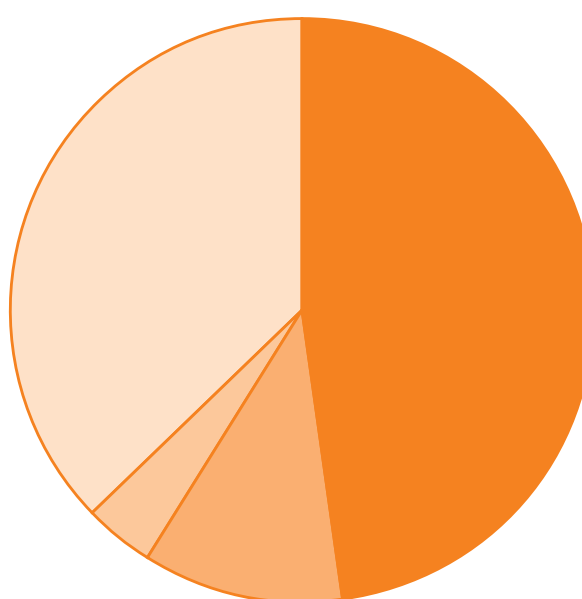
2009

**PRISA personnel
by business area:**

	2010	2009
Content	32%	33%
Sales and Marketing	35%	31%
Production and Logistics	18%	20%
Administration and Management	15%	16%



2010



2009

Commitment to human capital. Employment and hiring

PRISA's commitment to human capital is always based on rigorous professional criteria and is geared towards finding the best person for the job. This year, the economic crisis has obliged the Group to adjust its workforce. However, the Group strives permanently to ensure that there is the minimum impact on the workforce.

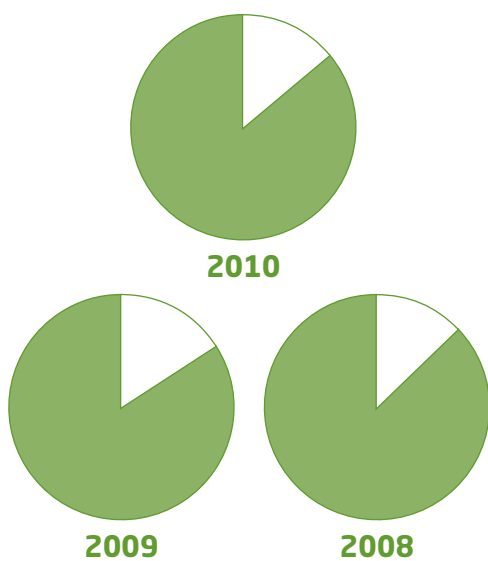
All the Group's companies believe in strict respect for the basic labor rights as recognized by the International Labor Organization, especially in issues related to equality and non-discrimination on the basis of sex, ideology or beliefs. Similarly, each company strictly adheres to the labor laws of the country in which it operates.

Apart from company directors, all our staff are subject to labor agreements in each of their companies. These agreements substantially improve working conditions and thus provide our professionals with a stimulating and competitive working environment. Staff enjoy total freedom to participate in trade unions and the Group fosters social dialogue.

PRISA's commitment to human capital has the following main goals:

- To promote and foster the defense and effective practice of the principle of equality between the sexes, ensuring the same rights to access to work and professional development at all levels.
- To increase women's chances of gaining posts of greater responsibility within the company, thus reducing inequalities.
- To prevent discrimination on grounds of sex by means of a special protocol for taking action where necessary.
- To establish measures that favor the balance between the personal lives and professional responsibilities of our employees.

PRISA Employees by contract type



	2010	2009	2008
Temporary contracts	14%	16%	13%
Permanent fixed contracts	86%	84%	87%

Equality

PRISA's staff structure shows an almost equal breakdown by sex. 28% of senior management posts are held by women, up from 24% in 2009, with this figure rising to 41% in the Digital unit, 36% in Press and 30% in Audiovisual. PRISA has a policy aimed at the promotion of women to these posts.

Social benefits

Each of the Group's businesses has its own policy on social benefits but all endeavor to remain competitive in the markets in which they operate. These benefits complement, and improve on existing social benefit schemes. In some cases, PRISA's Human Resources have adopted flexible salary structures, adapted to the needs of employees.

Flexibility

PRISA's companies have come to understand the real benefits of offering balanced work days that provide an optimum balance between the needs of staff and the goals of the companies. Many of our companies offer employees flexible work days, home working, and the possibility of working intensive schedules in summer.

Improving the professional and personal performance of our staff

At PRISA, our professionals are our greatest asset. That's why we are wholeheartedly committed to a policy of continuous training aimed at maintaining the highest standards of professionalism, quality and competitiveness.

Our companies are committed to offering many hours of training - 50,000 in 2010 - for our workers.

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

In 2010 the Group increased on-the-job training, investing 1.2 million euros - 1% more than last year. This budget is set to double in 2011.

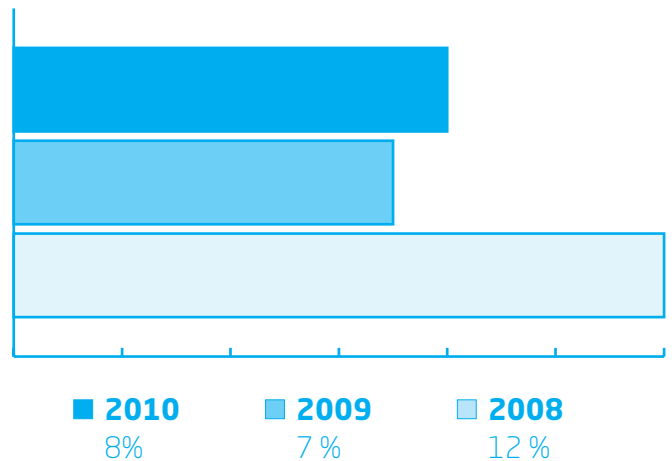
Despite cost containment policies, PRISA has increased on-the-job training, optimizing on costs by taking advantage of the many free and high-quality training schemes available on the market, such as e-learning and blended learning. The areas in which we have invested most are new technologies, languages and on specialized subjects.

PRISA's companies have also made great efforts to satisfy the professional needs of employees by adopting alternative measures such as leaves of absence, reductions in working day and study leaves. In many cases, the business unit continues to cover the employee's social security payments so they do not lose out.

In order to satisfy the needs of both the company and our employees, we provide the appropriate channels to ensure that company development will work to the benefit of our teams, the company and the wider society that reads us, listens to us, and watches us.

- We run excellent programs that identify talent from within the Group, a necessary measure to maintain the quality and unique nature of our products demanded by our clients and users.

Total average investment in training per employee



- We design development and career guidance programs for our professionals, based on performance evaluation processes, that are being extended throughout the companies in the Group.
- We are in favor of functional, geographical and business-sector mobility within the Group, thus fostering PRISA's global vision and outlook.

Workplace environment and internal communication

PRISA maintains open and fluid channels of communication with employees, based on transparency, via intranets, newsletters and regular communications. Additionally, and subject to established legal procedures, regular meetings are held with various workers' representatives to measure the degree of satisfaction of our employees. This evaluation of the work environment allows us to improve internal communication and to develop new communication channels aimed at improving the welfare of our employees.

The main channel for internal communication of the corporate center is the *SomosPRISA* intranet. In 2010 this channel's design was updated, and the number of published reports and topics offered was increased. It is an invaluable practical tool for communication, documentation and cooperation that facilitates the day-to-day tasks of our employees, takes advantage of synergies between departments and encourages proactivity and the participation of our employees.

Internal communication in our companies

Santillana / PRISA Ediciones

Santillana communicates directly with employees by means of intranet and internal communiques that explain changes or developments in the company's business approach. There are guidelines for all countries for the conduct and content of meetings for executives and middle managers in order to keep them updated on developments in business and ensure that they are the first to inform their teams. In Spain, there is also a systematic calendar of meetings with the workers' committees.

PRISA Noticias

El País' Professional Committee meets regularly with the managing editor to deal with all issues of concern to the editorial desk and thus resolve conflicts that may arise.

The most important internal communication tools are the intranet, management communiques, regular meetings

with the workers' committees and notice boards. There is also an open door policy whereby workers can talk to the HR Department on any labor-related issue that may concern them.

PRISA Radio

The main internal communication channel used by employees is the intranet SOMOS. This interactive channel promotes social responsibility and raises awareness of issues that concern not only our employees but also society as a whole.

In addition, there is fluid dialogue with employees based on direct communication with Human Resources. Verbal communication channels, through meetings and conversations, have always worked well in radio, allowing not only an immediate response, but also fostering an understanding firsthand of the interests and aspirations of employees.

PRISA TV

At PRISA TV, the main channel of communication is the intranet, accessible daily to all company employees. PRISA TV also provides a suggestion box where, as in internal meetings, employees may communicate their needs and requests to the company.

Media Capital

Media Capital employs the intranet and e-mail as permanent internal communication channels with employees. It also publishes a corporate magazine with staff collaboration, a weekly newsletter that informs all employees of current group news and, when necessary, the company sends out internal communiques on relevant issues.

PRISA Digital

PRISA Digital has a collaborative portal that enables two-way communication with all employees. This space goes beyond the intranet as it is the employees themselves who provide content for the portal. Additionally, the Human Resources department has a mailbox to collect all questions / suggestions from employees.

Health and safety in the workplace

In 2010, PRISA has continued to foster a workplace risk prevention culture across all our companies. The Group is wholeheartedly committed to upholding health and safety legislation and to integrate risk prevention into the general management systems operated by the companies.

The Group's Joint Workplace Risk Prevention Service is responsible for ensuring compliance with health and safety regulations. This year it focused on improving its presence on the corporate intranet *SomosPRISA*, the Group's chief channel for communication with employees. The Risk Prevention Service was especially involved in providing the necessary information and training to tackle risks posed by our employees' professional activity. A number of campaigns were carried out via intranet in the areas of health in general and employee physical well being.

Actualizado a las 14:47 h

BLOGS



ESTRATEGIA DIGITAL
La innovación de la publicidad en Internet



MIRA QUE TE LO TENGO DICHO
El sonido del subsuelo

Mujer es

MUJERES
Más pobres, pero también menos emprendedoras que los hombres

la de

LA NOVIA DE PAPA
Sexo con excusas



POP ETC
Agenda POPETC: del 25 al 31 de marzo

más blogs

★ Guardadas

Radio

PORTADA



El Líbano hoy un campo minado por Gaddafi, llena de contradicciones, verdad revelada y otros, un desvan



La revolución amenaza
El Ejército causa decenas de muertos para hoy una protesta masiva - El régimen apertura y sube el sueldo a los funcionarios



Japón amplía el radio de peligro por radiactividad a 30 km de Fukushima
El Ejército de EE UU proveerá de agua para reventar una fisión nuclear en China con radiación "seriamente ex



Alemania pone freno a la expansión de la familia desp

Verdes y socialistas con arrebatada clave

La CDU, en el poder, retrocede en los son

tas amenazan una región

aden-W

Dialogue and communication with stakeholders



- About our readers, listeners, viewers and users
- The role of the readers' editor
- Self-regulation and ethical codes

05

Dialogue and communication with stakeholders

As a media group, PRISA takes very seriously its commitments and social responsibilities to its employees, investors, customers, suppliers, the social milieu, environment and society at large. Each company within the Group possesses its own mechanisms for communicating with its stakeholders, both internal and external and direct and indirect, whereby we can remain informed of their concerns and opinions and thus respond appropriately.



The Board of Directors of AEDE, to which PRISA belongs, meets with Alfredo Pérez Rubalcaba.

About our readers, listeners, viewers and users

All of our employees have access to an internal channel for communication and collaboration (intranet) providing all the necessary information that might be required. Users may participate and interact with their colleagues or with employees from other companies across the Group. At the PRISA corporate center we provide all necessary tools and resources to those managing the different intranet systems to enable them to work in a coordinated fashion and to share relevant experiences. There exists, therefore, from the departments of Communication in collaboration with Human Resources, IT, Security, Purchases and Prevention, an internal participative network that we all keep alive every day.

The corporate website (www.prisa.com), available in Spanish, English and Portuguese, provides all relevant information about the Group and its companies. Here, investors and stakeholders are informed of all company news and events. Analysts and members of the press will each also find a specific area in order to keep them up-to-date on developments.

Following the example of a number of European countries, PRISA has, along with other Spanish companies, recently created the association Emisores Españoles, an issuers association aimed at seeking out solutions common to all issuing companies, both nationally and internationally, and which seeks to develop principles

of good corporate governance among public companies and which will foster the adoption of measure to streamline communication between companies and stakeholders.

At the Corporate Center we deal with four different categories of the public:

- **Shareholders:** through the Shareholder Relations Department, responsible for resolving all questions and concerns.
- **Investors:** through the Investor Relations Department.
- **Media, institutions and members of the public:** through the Corporate Communication department and its press office. They provide all relevant and up-to-date information and news on the Group and its companies, as well as answering questions and dealing with requests for information.
- **Employees:** In conjunction with the department of Human Resources, in 2009 we launched the intranet platform SomosPRISA that allows employees to access all the latest news from across the Group through a single, permanently open channel.

Our companies' initiatives

Santillana has a number of communication channels available across the value chain (clients, teachers, suppliers, etc.) broken down into areas such as commercial, production, administration etc. The publishing house has a permanent and fluid relationship with its clients and consumers, both in the areas of education and training as well as in the general-interest publishing sector via a commercial web 2.0 based tool. Workers and collaborators communicate through intranet, while relations with the press are maintained via constant press releases and press conferences. In Spain and Latin America, the company has a permanent and fluid relationship with the various ministries of education and culture, as well as regional authorities.

Santillana's website provides constantly updated news for teachers at all education levels. The Fundación San-

tillana organizes seminars on education for teaching personnel both in Spain and throughout Latin America, such as the renowned *Monographic Education Week*, which for 25 years has been covering the chief issues and concerns in the education sector. The Fundación also organizes, on an annual basis, the *Spring Seminar*, which brings together leading experts from the education sector to debate the most important issues at stake. There are also forums and conferences such as the *Latin American Education Forum*, the *International Literacy Seminar*, the *International Education Congress* and the *Santillana Education Fair*.

Customer relations departments operate at a cross-company level providing users with a telephone number and email channel for questions and suggestions.

Thanks to the encyclopedia portal, Kalipedia, students, teachers and families can access educational resources and join debate forums on the issues that affect them.

PRISA News

The different media belonging to PRISA Noticias are in close contact with their readers via internet. Using ESKUP or other tools, readers may post comments on the news or on any topic that concerns them. *El País* possesses a number of communication tools such as the readers' editor and a letters page. There are also opinion pages where readers may comment on the issues that affect them. The Letters to the Editor page is a direct way for keeping channels of communication open between readers and the paper, and fosters the development of reader identity and loyalty with the newspaper. Readers and subscribers may also contact the paper directly by phone (902 119 111).

Teachers and students participating in the *El País de los Estudiantes* project receive regular communication from El País over the course of the school year, informing them of the content of the program and coaching them through the whole process. They also regularly receive material, incentives, gifts, competitions, digital interviews and emails.

El País also conducts guided tours, chiefly from schools, to the newspaper. In 2010 we welcomed more than 8,000 people to the newspaper.

PRISA Radio

Listeners and users of all PRISA Radio brands actively use the broad range of channels available that allow them to participate and interact, including SMS text messages, forums and social networks such as Facebook and Tuenti. This fosters consumer and user identity with the company while virally spreading messages.

PRISA Radio has a direct line of communication with the press via the communication department, who issue press releases, dossiers, hold press conferences, events, receive calls and upload multimedia content to our web sites.

With the goal of creating a two-way communication system between the company and employees, PRISA Radio uses intranet through which staff can keep themselves informed of developments, and access work-related information, etc.

Audiovisual

Ensuring communication and quality service for hundreds of thousands of subscribers requires PRISA TV to deploy a range of instruments to manage all kinds of requests, doubts, and complaints. Our instruments include direct customer service by telephone through our Customer Service desk, the use of interactive TV screens, the Digital+ magazine and the new Digital+ and Canal+ websites, including those of new channels such as Viajar, 40TV and Caza y Pesca.

Throughout 2010 we have reinforced the main on-line tool for internal communication, the Intranet, used by employees of PRISA TV for the exchange of information and for putting forward proposals.

External communication plays an essential role in our relationship with our customers. PRISA TV has a Department of Communication and External Relations permanently open to various social actors and, specifically, to the media. The Press Department of Digital+ and Canal+ annually send out hundreds of press releases, dossiers and communiques to national and international media and responds to thousands of phone and online consultations. The Corporate Communications division of PRISA TV directly addresses any queries or requests from customers, subscribers, and, especially, from the



El País' new social network Eskup

media and public and private institutions. They also produce a daily press summary that is digitally accessible through the intranet for all departments, employees and partners of PRISA TV.

Media Capital's companies maintain regular contact with their stakeholders, from investors to end-consumers. This may be via the web page, email, phone or meetings.

Internet participation

In 2010, PRISA embarked upon its transformation into a consumer-oriented technology company. Increasing our knowledge of our customers and interacting with them forms the basis of the company's new business model, which sets the standard for innovation, competitiveness and growth across the industry.

PRISA is a pioneer, among the major media groups in Spain, in using social network tools and in venturing into Web 2.0. Over the past year we have opened new channels of communication and dialogue, aimed at providing our followers with a richer digital experience and establishing a real link with them. Knowing our audience allows us to provide increasingly relevant products and explore new business models.

Registration is essential for PRISA strategy in the digital environment. In 2010 the registered user base grew by 61%. Integration with social media, coupled with our international expansion, will multiply the PRISA database by a factor of 2.5 in 2011.

Social networks and blogs open a new space for participation and interaction with our users and customers. PRISA has more than 800,000 followers on Facebook, the same amount on Twitter and more than 60,000 fans on Tuenti. Each item shared / published receives an average of 4 comments "Likes" / "I like it."

Initiatives of our companies

PRISA News

During 2010, *El País* has embarked on a digital transformation aimed at bringing the newspaper closer to its readers. New chat channels have been launched on current affairs and topics of general interest, such as ESKUP, a social network site open to other platforms (Twitter, Facebook), which enables journalists and readers to interact. Journalists have also been trained in the use of social networks to find, discuss, and disseminate their work, thus promoting their professional and personal brand, as well as that of the newspaper.

Within this strategy of opening up the newspaper, we should highlight the appointment of the first social media manager, Ana Alfageme, who will foster the participation of journalists and the role increasingly played by readers in the product.

PRISA Radio

In the fiscal year 2010, our structures have been modified in order to integrate digital and traditional operations, in all countries, at all levels and in all areas (content, marketing, etc.). Audiences are up, mobile phone products have performed well and there has been exceptional growth in the number of registered users.

All editorial and production teams at PRISA Radio -journalists and presenters alike- are connected with social network users. Our brands have official pages and profiles on all major platforms via cross-posting from

blogs. Also, users can chat among themselves and with our program presenters via applications embedded in radio media players.

Thanks to these multiple initiatives and the establishment of global policies on our presence in and the use of social networking tools, PRISA Radio is guaranteed a direct line of communication with its listeners and users, thus generating customer loyalty and expansion of the brand's presence via viral messages.

Listeners and users, in turn, are offered multiple ways to participate and communicate, either via SMS, chats, forums, reviews associated with content and pages on Facebook and Tuenti. Every day thousands of users share their views, needs and opinions on the different products, helping us to develop products with greater appeal for different markets.

PRISA TV

Increasingly, traditional forms of interaction (customer service telephone lines) are being joined by new ways of interacting via digital media (web, social networks, etc.). If we are to improve our products, it is vital that we take the daily pulse of our users.

Through social networking sites, PRISA TV seeks to get closer to its users, both to let them share content, participate in contests, product launches and so on, as well as to consolidate our brand image among users and attract new followers.

Our channels and platform have accounts on all major social networks, including Twitter and Facebook, and we are in constant dialogue with users. Many Canal+ journalists and commentators have profiles on Twitter, where they have gained a significant following (Julio Maldonado 61,400, Carlos Martínez 34,000, Juanma Castaño 51,000). Our presence thus grows organically on the social networks.

Santillana

Digital transformation is generating a flood of content and media that takes us way beyond the traditional relationship between publisher and reader. Thanks to e-books authors can be present anywhere, on any device and in any format. Social networks offer a new way of communicating and selling

products. Interaction with readers opens up a real dialogue that provides us with invaluable information on the public we serve.

The interactivity offered by the digital environment takes place at three levels:

- **Authors:** thanks to the digitization, we have created blogs, profiles of books / authors, etc. New media facilitate communication when it comes to promoting authors and allows interaction with readers.
- **Readers:** Digital media allow us to reach our readers. Dialogue via the social networks is a forum for recommending books, answering questions and responding to concerns, and is an invaluable tool for gathering information about readers' tastes and reading habits.
- **Customers and journalists:** All relevant information is constantly updated online in a continuous process of communication that benefits everyone.

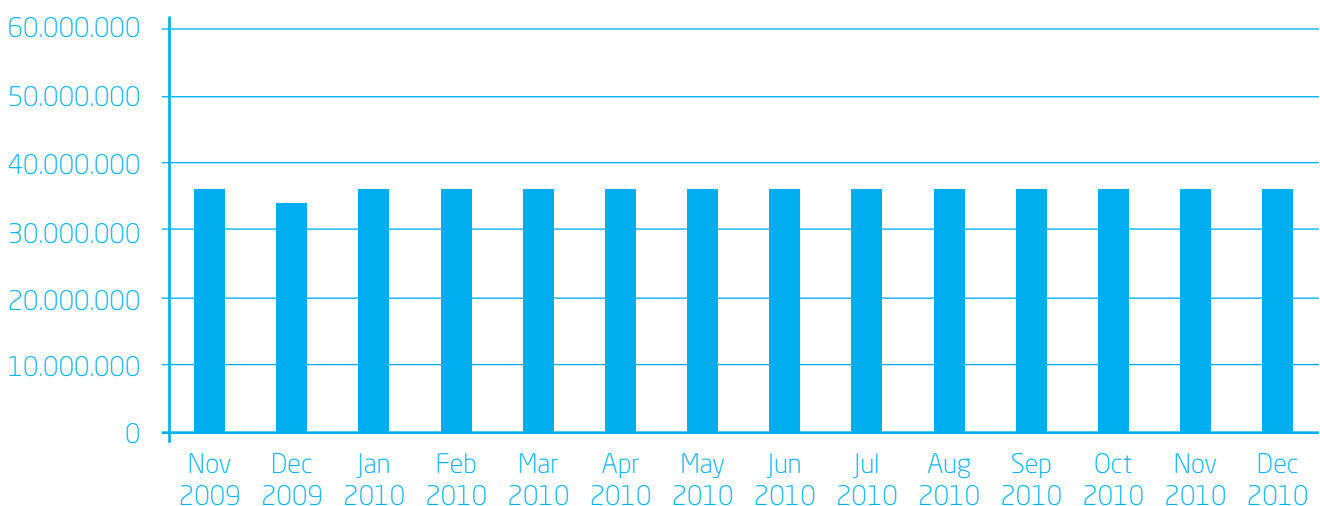
2010 saw us making significant headway in the field of social networks and Web 2.0. All our publishing labels set up profiles and web pages in each of the social network platforms. The year also saw the transformation and design of the new global websites for Santillana Ediciones Generales, designed to present a common, shared image and take advantage of synergies as a group.

All PRISA sites closed the year with significant growth over 2009. During 2010, our sites recorded an average of 42 million unique users each month, representing a +27% increase over the previous year.

These excellent results are chiefly due to:

- Record results for elpais.com in 2010. The digital edition of the daily newspaper was visited by an average of 17.8 million unique users per month (+14% compared to 2009). In December, the site reported 21 million unique users, on account of the Wikileaks story and the Christmas Lottery. News coverage on ESKUP reported more than 200 thousand users on the occasion of the metro strike, the World Cup, the Lottery, Wikileaks, etc.
- The significant inter-annual growth of as.com, with 36% more users than in December 2009. In 2010, an average of 15.4 million unique users per month visited PRISA's sports portal, 39% more than in the previous year.
- There was a notable drop in unique visitors over the last week of December due to the break in the Football League season and the holiday season.
- The significant inter-annual growth of cincodias.com, up 22% over December 2009's figures. In 2010 a monthly average of 1.4 million unique users visited cincodias.com, 24% more than in 2009. The average

Monthly users



* Product Report (Internal Source Omniture) at the close of December 2010.

Followers on Social Networks (FEB 2011) PRISA

Source	Facebook	Twitter	Tuenti
AS	154.299	75.489	25.379
El País	65.084	411.537	1.540
Cinco Días	5.385	6.501	
Rolling Stone	8.469	6.893	48
Cinemanía	8.556	4.678	6
Digital+	5.494	4.946	
Los 40 Principales	209.546		32.218
Cadena Ser	39.678	14.974	781
Inmobiliaria	200	474	86
Cursos	51		
Empleo	2.949	843	427
Motor	198	129	55
ParaSaber	1.297	1.028	168
El Viajero	5.883	1.796	98
Infometeo	2419	798	90
Kalipedia	416		
Santillana	296		
Los 40 - Mexico	51		
Los 40 - Colombia	9.338	58.322	
Los 40 - Argentina	108.943	26.878	
Los 40 - Ecuador	11.953	1.133	
Caracol Radio	273	91.264	
Bésame		96	
Continental Ar.			
ADN Chile	218.755	16.312	
W Radio		106.611	
PRISA	1.570	3.670	
Total	861.103	834.372	60.896
	Likes	Followers	Fans

time spent by each visitor on the site (22.65 minutes) was 22% higher than in December 2009.

- plus.es is the business unit to have recorded the highest inter-annual growth rate in the Group in December 2010, up 42.7% over December 2009. In 2010, the November 30 Real Madrid-Barcelona match and December 19 Real Madrid - Sevilla game (with 22,000 views) were days with most videos viewed, a figure of more than 65,000 videos / day.
- los40.com recorded 13% growth in unique users per month compared to December 2009. A monthly average of 3 million unique users visited the music portal, up 26% over 2009. On the occasion of the 40 Principales Gala, 226,000 unique users visited los40.com.
- parasaber.com, with a monthly average of 1 million unique users, is the business unit to have grown most over the course of 2010 (+66% as compared to 2009). In December, 28,000 unique users visited the site via a mobile phone device, four times higher than in the same period last year.

- kalipedia.com increased by 17%, and cadenaser.com y elviajero.com recorded growth of 13% compared to December 2009.



Canal+ Fan page in the Spanish Social network Tuenti

The role of the Readers' editor

The Readers' Editor's responsibility, as outlined in our statutes, is to respond to complaints or concerns regarding editorial content in the newspaper and to guarantee compliance with the paper's Style Book. The Readers' Editor may act on behalf of a reader or under their own initiative on issues that they consider might affect the credibility of the newspaper or might be of interest to our readers..

Only a few other papers are endowed with an internal ombudsman such as the Readers' Editor, among them the prestigious *The New York Times*, *Washington Post* and *The Guardian*. The media are the main vehicle through which citizens can exercise their constitutional right to receive truthful information. For that reason, establishing mechanisms for reader participation and, above all, instruments to channel their complaints and suggestions, helps to improve the quality of news and information and to ensure compliance with the ethical standards of journalism.

Participation

Facilitating reader participation is today more crucial than ever. The digitally networked society has created new habits and expectations of participation among the public, and those organizations that do not provide the appropriate tools and channels will lose an opportunity to legitimize and strengthen their ties with the public.

At *El País*, readers have such a channel to voice their complaints, suggestions and opinions regarding the contents of the newspaper, both print and online editions. The existence of e-mail has greatly facilitated communication, to the point that traditional written correspondence has virtually disappeared. The Readers' Editor is also available to answer the phone, or may be visited personally.

"The exercise of this intermediary role involves a very high degree of transparency. This is unusual in the business world, because all of the Readers' Editor's findings and opinions are published and, therefore, the issues addressed are subject to public scrutiny. Few organizations can accept this level of openness and transparency to their internal procedures for correction and quality control. But it is precisely this openness that gives the Readers' Editor effective preemptive powers in the prevention of the issues that concern us.

In my case, I'd like to add that I also see my mission as one of stimulating and facilitating collective reflection on the requirements of quality journalism and the ethical dilemmas that arise in professional practice".

Milagros Pérez Oliva, Readers' Editor

Self-regulation and ethical codes

In keeping with a commitment to a strong and professional media sector, PRISA's companies are members of different national and international professional associations and organizations, and they participate actively in different bodies within the sector in order to exchange information and ideas.

In Europe, PRISA is a member of the European Publishers Council, an important association of leading media organizations and which represents our common points of view to the EU. We are also affiliated to ASIMELEC (Asociación Multisectorial de Empresas de Tecnologías

de la Información, Comunicaciones y Electrónica), and IAB (Internet Advertising Bureau).

In the Americas, PRISA has been instrumental in the success of the Foro Iberoamérica, which every year brings together leading business people from the media world to discuss common problems throughout this geographical and cultural area. PRISA also collaborates with the press association, Sociedad Intramericana de Prensa (SIP).

- OPA: OnLine Publishers Association.

- AIMC: Asociación de Investigación de Medios de Comunicación.
- Medios On.

In the Spanish education arena, Santillana is an active member of the National Book Editors Association, ANELE, as well as other educational organizations with common values such as quality and responsibility in teaching.

In the field of radio, SER is a member of the Asociación Española de Radiodifusión Comercial (Association of the Spanish Commercial Radio Broadcasters).

In the audiovisual sector, PRISA TV represents the Group in UTECA (TV and Audiovisual Content Union). The Group's newspapers are members of AEDE (Spanish Newspaper Editors Association). All the Group's media in Spain are signed up to the Association for Self-regulation in Commercial Media (Autocontrol).

In Portugal, Grupo Media Capital is a member of the Portuguese Social Media Confederation, which brings together more than 600 companies from the press, radio and TV sectors.

PRISA and the Fundación Santillana run a number of renowned educational and cultural initiatives in Spain and in the Americas and have signed agreements with a number of cultural, educational and scientific organizations, including the Organization of Ibero-American States, the Spanish Royal Academy, the Cervantes Institute, Fundación Biblioteca Virtual Miguel de Cervantes, Fundación Teatro Real, Fundación Carolina, Fundación Cultural Hispano-Brasileña, Fundación Conocimiento y Desarrollo, Fundación Empresa y Crecimiento, Fundación Príncipe de Asturias and Fundación Bertelsmann. In the area of scientific research, development and innovation, the company collaborates with Fundación Pro CNIC and Fundación COTEC. PRISA maintains close ties to various universities in Spain and the Americas, including the Universidad Autónoma of Madrid, with whom we run the Journalism School and the Jesus de Polanco Chair for Ibero-American studies. PRISA also collaborates with the Menéndez Pelayo International University. The Fundación Santillana's offices in Latin America (Colombia, Brazil and Argentina) develop similar initiatives in the areas of education and culture.

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06

Commitment to society



- Fundación Santillana
- Education as the engine of social development
- Promotion of the arts and culture
- Fostering awareness of the issues facing society

06

Commitment to society

At PRISA we strive to maintain and improve our commitment to society through socially responsible and ethical behavior in all our operations. We have subscribed to a number of voluntary codes which respond to the needs and concerns of the world around us, particularly in the fields of education, information and entertainment.

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

These operating principles and criteria are patent in the support we offer to our own initiatives or third party initiatives that foster and promote values we consider vital for society in the areas of culture, the arts, sport and education.



Forum on Spanish-language Cultural Industries: the US and Spain, organized by the Fundación Santillana

Fundación Santillana

The Fundación Santillana was established in 1979 to promote educational and cultural projects, to foster the active exchange of knowledge between Spain and Latin American countries, to organize forums for the exchange of ideas and to sponsor initiatives related to the world of publishing, information and education.

The strong presence of PRISA's media and publishing companies in Spain, Portugal, Brazil and the United States, reinforces the presence of the Fundación Santillana over a wide linguistic, geographical and social area. Channeling initiatives that respond to criteria of excellence and quality, promoting debate on crucial issues, identifying the most qualified cultural agents and disseminating their contributions are just some of the goals adopted by the Foundation since its inception.

The Fundación Santillana is committed to active engagement with the civic values that enable the free and fruitful production of cultural goods that are accessible to all citizens. The free flow of ideas, and the related processes of research and development, promotes social and economic development, favors the development of responsible citizenship and fosters tolerance and peaceful coexistence.

The **International Don Quijote de la Mancha Award**, which celebrated its third year in 2010, has established itself as one of the most prestigious on the Spanish language and cultural scene. Spanish-language authors honored by the Award (Carlos Fuentes, Mario Vargas Llosa, Juan Goytisolo) and institutions that have contributed to the spread of the Spanish language (the Brazilian government, the Philippine government, the association of Spanish language academies) over the past



Philippine President Gloria Macapagal-Arroyo and the writer Mario Vargas Llosa win the International Don Quijote de la Mancha Award

three years have set the exacting standards of the prize, which is set to become a permanent fixture.

The launch of the **Seminar on Narrative and Journalism** at the International University Menéndez Pelayo and the publication of its content online has opened up new possibilities for the teaching of literary journalism in Latin America. Open to all Web users, the seminar contributes to the training of students and young journalists.

Learning in a digital world was developed by the Fundación Santillana in Brazil, and conducted in Portuguese for the Brazilian teaching community. The format was designed to introduce teachers to the digital environment. The program is structured to be accessible to users of any knowledge and skill level. The goal is to place the Brazilian teaching community at the cutting edge of education and provide teachers with effective supervision skills for student learning.

Activity of the Fundación Santillana:

SPAIN

In Madrid:

The **International Don Quijote de la Mancha Award**. On April 15, the winners of the second edi-

tion of this award, the writer Mario Vargas Llosa and Philippine President Gloria Macapagal-Arroyo, received the award at the Zarzuela palace from King Don Juan Carlos.

Signing of Agreement between the Fundación Santillana and the Fundación Global Democracia y Desarrollo (FUNGLODE)

Both organizations signed on May 20 in Madrid an agreement aimed at establishing a framework for cooperation in their respective fields of institutional activity, culture and education. Among the activities planned are forums for the discussion of major contemporary issues, particularly those relevant to Latin America and the media, and the development of social and cultural research projects in the Dominican Republic and Spain. FUNGLODE (the Global Foundation for Democracy and Development), chaired by the President of the Dominican Republic, Leonel Fernandez, was founded in 2000 and is a private nonprofit organization envisaged as a think tank promoting rigorous research and academic excellence, and at fostering better public policy, democracy, respect for human rights and sustainable development.

Masters in Governance and Human Rights: The Jesús de Polanco Memorial Chair for Ibero-American Studies, sponsored by the Fundación Santillana, and the Universidad Autónoma de Madrid (UAM), launched this new academic initiative on July 14. The Masters

course began in January 2011. It is a one-year (60 credits) university degree, which combines classroom training, an internship in institutions (with renowned experts in law, political science and philosophy) and a final research paper.

Monographic Education Week. *Education in 2020* was the theme of the twenty-fifth edition of Monographic Education Week. The sessions took place from November 22 to 26 in the Santillana auditorium. The conference is an initiative of the Fundación Santillana in Madrid and has been held continuously since 1986. It is sponsored by the Organization of Iberoamerican States (OEI).

Spanish-language cultural industries: USA and Spain. The Fundación Santillana and the Fundación Alternativas -in collaboration with the Center for Latin American Studies at the University of Miami and the Museo Nacional Centro de Arte Reina Sofía, sponsored by the Spanish Agency for International Development and Cooperation (AECI) and the Ministry of Culture- held a second annual forum, bringing together analysts and professionals from Spain and the United States to promote a better understanding of the trends that shape the market for audiovisual products in Spanish.



In Santillana del Mar:

Lessons and Masters: The third international seminar on Spanish-language literature was held on June 21, 22, 23 and was led by writers Rosa Montero, Manuel Vicent and Héctor Aguilar Camín.

Organized by the Universidad Internacional Menéndez Pelayo and the Fundación Santillana, the forum was held in the Torre de Don Borja, headquarters of the Foundation in Santillana del Mar, Cantabria, and forms part of the summer courses offered by the UIMP. Although not open to the public, the proceedings are available on the Internet. The closing session took place in Santander, in the auditorium of La Magdalena.

In Barcelona (in collaboration with the Casa America Catalunya):

Latin American Literary Banquet. To celebrate St George's Day, the Fundación Santillana offered a feast of Latin American literature, an initiative that served up great literature and food. The menu, included poetry from Chile, Colombia, Argentina and México, commemorating the bicentennial of their independence in 2010, read by a wide and varied group of writers.

History of the Mothers of the Plaza de Mayo. The Italian company Assamblea Teatro, invited by the Fundación Santillana, staged on April 30 a work denouncing one of the greatest crimes of the dictatorship in Argentina. Directed by Renzo Sicco, the monologue was based on *Le irregolari*, by Massimo Carlotto.

Chronicle of the bicentennial. The congress took place from May 11 to 14 with the participation of intellectuals and politicians from Argentina, Colombia, México, Venezuela and Chile, who this year celebrated the bicentennial of their independence.

Bolívar, fragments of a dream. The Teatre Grec hosted this theatrical production on June 28 and 29. The play was critical review of the politician and general Simón Bolívar, the father of Latin American independence. Directed by Omar Porras with texts by William Ospina, it won the Rómulo Gallegos Prize 2009.

Concert recital of “Del Amor” by Juan Gelman.

On September 28, at the Sala Oriol Martorell at the L’Auditori in Barcelona, Juan Gelman, the 2007 Cervantes Prize winner, recited his poems of love accompanied by Argentine bandoneon player Rodolfo Mederos and his musicians, against a backdrop created by Argentine stage director Cristina Banegas.

Capital Space, five views of five cities. In October, this conference looked at the urban fabric of Buenos Aires, Mexico City, Santiago de Chile, Bogotá and Caracas

Tribute to Carlos Monsiváis. A special tribute was paid on November 2 and 3 to the Mexican writer Carlos Monsiváis, who died in 2010, one of the most respected voices in Latin America.

In Mallorca:

The Formentor Literary Conversations Series.

The mask of the self. The third edition of the literary forum, organized by the Balearic Government and the Fundación Santillana, was held on September 10, 11 and 12. This year reflected on the masks of the self: memoirs, biographies, autobiographies, diaries and blogs, and brought together a distinguished group of editors, writers, literary agents and critics. In addition, the assembly paid tribute to the late writers José Saramago and Miguel Delibes.

In Santander:

Seminar on Narrative and Journalism. Held from July 26 to 28. These virtual lectures were among the

seminars held in Santander within the framework of the summer courses organized by the UIMP, in collaboration with the Instituto Tecnológico de Monterrey. In this first edition, lecturers included: Juan Luis Cebrián, writer, academic and journalist, David Hidalgo Vega, editor of the Peruvian magazine *Etiqueta Negra*, Francis Pisani, author of the blog Transnets.net, Pere Roca, director of TVE’s Canal Cultura, Victor Hugo Morales, director of the *La Mañana* on Radio Continental, Argentina, Leila Guerriero, journalist from Argentina, and Juan Villoro, Mexican writer. Each gave a lecture which was broadcast live over the Internet, all of which were available online at: www.seminario denarrativayperiodismo.com.

In Toledo:

The International Don Quijote de la Mancha Award 2010.

On October 26, the awards ceremony took place in Toledo for the III International Don Quijote de La Mancha Award. The ceremony was presided over by His Majesty King Juan Carlos. The prize was awarded in the category of best institutional work to the New Grammar of the Spanish language, published by the Royal Spanish Academy and the Association of Spanish Language Academies, for their contribution to the unity of the Spanish language and their comprehensive description of the existing forms of the different uses of language. In the category for lifetime career, the writer Juan Goytisolo was honored for all his works which seem as having revitalized the Spanish novel, critical thinking as well as having maintained an intellectual dialogue with Islamic culture. The award is organized annually by the Fundación Santillana and the regional government of Castilla la Mancha.

ARGENTINA

IV International Seminar on Literacy in the XXI century

This congress organized with the Universidad Nacional de San Martín followed the debates of previous years and was attended by academics, experts and policy makers in educational management from Argentina and Paraguay. Once again, the event had the backing of the Institute for Education Development and Innovation (IDIE) / Organization of Ibero-American States (OEI) Paraguay, and IDIE / OEI Argentina.



Grupo Santillana Argentina announces a series of publishing initiatives to celebrate the Bicentenary of the Revolution of May



Biel Mesquida, Patricio Pron, Juan Cruz, Ullcia Ramís and Agustín Fernández Mallo, guest speakers of the III Annual Literary Conversations Forum in Formentor

Vivalectura Award. On May 7, as part of the 36th International Book Fair of Buenos Aires, the Vivalectura prizes were awarded. There were 510 entries from all provinces, public and private schools, as well as universities, teacher training institutes, libraries and individuals. This award, sponsored by the Fundación Santillana in Argentina, is an initiative of the Ministry of Education of Argentina and the OEI.

Latin American Forum on Education. From May 31 to June 2, the sixth edition of this congress under the title *Education and New Technologies: pedagogical challenges in the digital world*, sponsored by the OEI.

Iberoamerican Forum on educational journalism. From September 12 to 15, within the framework of the Ibero-American Education Congress in Buenos Aires, the first Iberoamerican Educational Journalism Forum was held, organized by the Jesús de Polanco Memorial chair in Iberoamerican studies, the El País-UAM School of Journalism and the OEI, to help establish partnerships between the media and educators to set up a participatory debate in society.

BRAZIL

Seminar “Aprova Brazil”. The Fundação Santillana in Brazil, in collaboration with the Ministries of Education of eleven Brazilian states, held from April 20 to May 15, a series of meetings with around eight thousand public school teachers on teaching and the performance of students in Brazil within the framework of *Aprova Brasil* (the government’s main instrument for measuring the quality of teaching in basic education in the country).

Education in Digital Culture. Santillana and Telefonica’s foundations sponsored, on Friday 20 August, a discussion with experts on the theme *Education in digital culture*. The meeting, which had the support of OEI, was held in the auditorium of the Bienal del Libro, Sao Paulo, Brazil.

Vivaleitura Award. The jury announced the three winning projects of 2010 in a ceremony on Friday November 18 in Brasilia. The Vivaleitura, an award recognizing projects that promote and encourage reading in Brazil, received over 1,800 entries from all over Brazil in its fifth year.

COLOMBIA

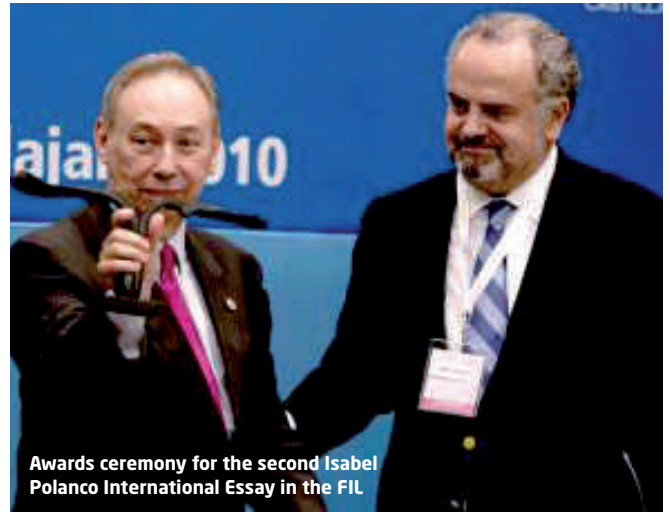
Lecture series: A new look at Independence.

To mark the bicentenary of Latin American independence, the Fundación Santillana held from March 11 to September 30 this lecture series, divided into eight modules.

Santillana Education Experiences Award. On December 1, 2010, Bogotá hosted the awards ceremony for the sixteenth annual Educational Experiences Award, presided over by the Minister of Education of Colombia, María Fernanda Campo and the President of the Fundación Santillana for Iberoamerica, Belisario Betancur. There were 113 papers received from around the country.

MEXICO

Isabel de Polanco Essay Prize. In this, its second year, the prize was awarded to Humberto López Morales for his work *La andadura del español en el mundo*



(published by Taurus, 2010). The awards ceremony took place in Guadalajara, México, coinciding with the Guadalajara International Book Fair (FIL) on November 2. The award was established by the book fair, in collaboration with the Fundación Santillana, in honor of the late CEO of Grupo Santillana, Isabel Polanco

Education as the engine of social development

PRISA is active in the defense and promotion of social and cultural values in the regions where it operates, especially in the fields of education and teaching.

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

Santillana

All the operations of Santillana are informed by these values, and the company's goal is to contribute

to education and culture as a means to developing and building freer and fairer societies. This goal is inseparable from the company's strategy in all its operations and day-to-day activities, and we work under strict criteria of professional quality and respect for our users, that allow us to maintain and increase our presence and lead in all those societies where we operate.

ARGENTINA

Stand at the Iberoamerican Congress of Education: Goals 2021. The slogan was *A conference for us to think about the education we want*, and the congress was held at the Parque Norte Convention Center on September 13-15, 2010. Guests were shown books from the Fundación and on the Bicentennial.

Participation of representatives of the Company:

- International Congress on Language and Literature for Children and Young People, Santiago de Chile, organized by Fundación SM.
- International Seminar for Publishers (International Book Fair, Buenos Aires).
- Publishing Professionals Conference (Children's Book Fair, Buenos Aires).
- Attendance at the SEG technical conference, e-books and e-publishing in Mexico City.
- Argentina as guest of honor at the International Book Fair, Frankfurt, with the participation of our authors.

PERÚ

V Santillana International Congress and International Seminars: "Towards Education 2.0" aimed at raising awareness among teachers about the importance of incorporating ICT in the teaching and learning process, and geared towards users of Santillana, Al-

faguara Richmond and Alfaguara Infantil y Juvenil textbooks, thus generating loyalty.

Annual school principals convention, aimed at the goal was to update them on issues of educational management as well as generating loyalty.

Richmond Coordinators Convention, for English-language coordinators, the goal was to update them on current issues as well as generating loyalty.

PUERTO RICO

Santillana Dialogues. The first congress on experiences in technology and education. On November 10, 2010, a congress was held on the use of technology in the classroom, which involved a total of one hundred education professionals from the public and private sectors.

PRISA Publishing

- Publication of the special edition of *La Balsa de Piedra* (*The Stone Raft*) by Jose Saramago in aid of earthquake victims in Haiti. Through the Spanish Red Cross.
- Donation of books to libraries and hospitals.



Espaço do Professor, Santillana Brazil Initiative for Teachers

ARGENTINA

- Donation of a total of 2,079 textbooks and children's literature and adult books to various institutions working in disadvantaged areas and rural regions. Donations went to more than 50 primary schools, over 30 secondary schools and school and neighborhood libraries, and other social and cultural organizations. Participating institutions included the Fundación Banco Provincia, the Social Inclusion Programme in vellaneda, Malimán Project (supporting border area schools), the Sisters of the Cross of Santiago del Estero and Missionaries of the Sacred Heart.
- Contribution to the Reading Marathon organized by the Fundación Leer (Reading Foundation). The initiative is promoted through a banner ad posted on the website and the through the donation of copies of the Leer es Genial (Reading is Fun) collection of books (Santillana) as well as other children's titles. The 2010 marathon also saw the initiative Lectores en Red (Readers Online). The Fundación Leer (Reading Foundation) carries out activities to promote reading in schools throughout the country.
- Agreement with INADI. We have worked closely with the National Institute against Discrimination, Xenophobia and Racism (INADI) to show Santillana's commitment to this issue.
- Collaboration with the Council for Catholic Education. Reissue of the book *Aportes para la implementación del Programa de Educación Sexual Integral*, developed by the Council for Catholic Education.
- On the occasion of the earthquake that hit Haiti in January 2010, we carried out a fundraising campaign among the company and our employees for UNICEF Argentina.
- Santillana participated in Meet the Publishers day. This was held at the Faculty of Arts at the University of Buenos Aires in November 2010. The goal was to develop an approach / relationship between students and graduates with publishing companies to facilitate their entry into the labor market.



The UAM/El País School of Journalism

The School of Journalism is the result of a cooperation agreement between PRISA and the Universidad Autónoma de Madrid and was founded in January 1987, as part of a strategic joint venture to provide journalism training to graduates from any field.

The school, as part of its commitment to society, has contributed to the training of almost 1,000 quality journalists, who can in turn contribute to strengthening civil society and democracy.

As part of this commitment, and, thanks to an agreement with the Fundación Carolina, three Latin American students receive a scholarship every year. The Group's companies offer a further seven scholarships to those students who have done exceptionally well in the entrance exam and who can demonstrate a real financial need. Out of an intake of 40 students annually, ten, therefore, have a scholarship.

2010 was a great year for the school, thanks to the integration of the teaching of print and digital journalism. Students now join a multimedia environment, with a particular focus on the digital and audiovisual worlds. They also gain experience in radio and weekly reports, as well as design, photography, and traditional media. A great deal of attention was also paid to journalistic ethics and media management. One of the objectives of the School is to instill the values that characterize the group, making them compatible with the best use of new technologies.



**Student winners of the X Annual
El País de los Estudiantes School program**

Students also participated in activities outside the school, including a journalism seminar on social awareness at the UAM, and a trip to Brussels, sponsored by the European Commission to learn more about EU institutions.

The school also held weekly lectures, conducted by way of press conferences, which not only addressed issues related to journalism, but also the world of politics, culture and sport.

The school has continued to work in collaboration with the Fundación BBVA to run Summer Schools. In 2010, the workshop on International Journalism took place at the UAM halls of residence in the Madrid mountains. The workshop on Business Journalism was held in collaboration with the Universidad del País Vasco (UPV) in San Sebastian; and the workshop on Science Journalism was held in collaboration with the Universidad Internacional Menéndez Pelayo (UIMP) in Santander.

El País de los Estudiantes

In 2011 El País commemorates the tenth anniversary of El País de los Estudiantes, a free online school newspaper program, organized in collaboration with Endesa. The program, which has won international awards, is aimed at promoting reading and teamwork among students aged 14 to 18 years all over Spain.

In the 2009-2010 school year, more than 44,000 students working in more than 10,000 teams from 2,651 schools participated in the creation of a school newspaper. Over the last ten years, more than 290,000 students have participated in the initiative and have rated the program highly.

The program facilitates the use of newspapers in schools, thus promoting reading habits, and provides guidance to teachers on the educational use of newspapers. Teachers and students make their own paper using a desktop publishing system via the Internet provided by the newspaper *El País* and compete for the top prizes with other schools

Another initiative, El País de la Universidad, fostered newspaper reading among more than 50,000 university students in 2010, with more than 2 million copies of the paper distributed. The paper also awarded over 30 scholarships.

El País is also active in running special promotions, especially of subjects related to culture and education. In 2010 the paper provided the following pro-

motions. In the field of education and training: a Windows course, the Student Encyclopedia, ESO school level textbooks and the Encyclopedia of Animals. In literature: the Pérez-Reverte collection, Great works of thought, Literary gems, Geronimo Stilton. In the field of cinema: Great classics, Weekend movies, David Attenborough documentaries, Science fiction films. In the field of music: Cigala Tango, Miguel Ríos, Camarón.

Promotion of the arts and culture

From the very outset, PRISA has worked actively to promote the arts, culture and journalism by honoring excellence with some of the world's most prestigious prizes and awards. In the field of journalism, PRISA holds the **Premios Ondas Awards** and the **Ortega y Gasset Awards for Journalism** that pay tribute to the best professionals and productions in radio, television, online, in music and advertising. In the publishing world, PRISA honors literary creativity in Spanish with the **Alfaguara Book Prize** and the **Isabel Polanco International Essay Prize**.

The Premios Ondas Awards

The 57th edition of the Premios Ondas Awards, awarded by Grupo PRISA through Radio Barcelona, honored a wide and varied group of professional from the worlds of radio and television, who in 2010 were considered to have striven to provide new formats, to have shown a firm commitment to the dissemination of information and to technological innovation. In the radio category, winners included the program *Hoy por Hoy*, led by Carles Francino, the Chilean station ADN, honored for its coverage of the earthquake in Chile and the rescue of the miners in San Jose, and Onda Cero journalist, Carlos Herrera.

In the TV category, winners included the TVE series *Águila Roja*, the Canal + broadcasts of the World Cup in 3D, comedian Jose Mota (TVE) and the TV chan-

nels La Sexta and TV3 for their coverage of Formula 1. The International Television award went to Cuatro's *21 days in the mine*. Susana Griso (Antena 3) won best presenter award, and Paco Leon (*Aida*) and Natalia Verbeke (*Doctor Mateo*) won for best acting. In music, the big winner was Alejandro Sanz; Shakira, was named best Latin performer, and Raphael received the lifetime achievement award.

Ortega y Gasset Awards for Journalism

At the twenty-seventh edition of the Ortega y Gasset Awards for Journalism, the newspaper *El País* recognized the unstinting courage of reporters who strive to tell the truth with independence and rigor. In the category for **Best Print Journalism Report**, the prize went to *El País'* own national newsdesk, headed by José Manuel Romero, and the paper's editorial team in Valencia for their investigative work on the Gürtel Case. In the category for **Digital Journalism**, the prize was awarded to Judith Torrea for her blog *Ciudad Juárez, en la sombra del narcotráfico* (Ciudad Juárez, under the shadow of drug trafficking).

The Ortega y Gasset Prize for **Photojournalism** was awarded to the report *Somalia en el fin del mundo* (Somalia at the end of the world), by the photographer José Cendón, published in *La Vanguardia's Magazine*.

The Ortega y Gasset Prize for most **Outstanding Career in Journalism** to the Algerian-born French journalist Jean Daniel. As journalist in the French Resistance, friend and colleague of Albert Camus, founder and editor of the magazine *Le Nouvel Observateur*, and the author of high-quality literary journalism, he has contributed to creating teams of professionals who are now among the most-highly esteemed in the history of European journalism.

The jury for this, the twenty-seventh outing for one of the most prestigious journalism prizes in the Spanish language, was chaired by the director of the Museo de El Prado, Miguel Zugaza. The other jury members were the film director Daniel Monzón, María Garaña, president of Microsof Iberica, writer and journalist Daniel Samper and the four *El País* directors who have held that post since the paper's founding: Juan Luis Cebrián, Joaquín Estefanía, Jesús Ceberio and Javier Moreno. Juan Cruz served as secretary.

Alfaguara Literary Prize

The Chilean author Hernán Rivera Letelier won the **Alfaguara Literary Prize 2010**, endowed with \$ 175,000 (130,000 euros) in prize money and a commemorative sculpture by Martín Chirino, for his novel *El arte de la resurrección* (*The Art of the Resurrection*). The author picked up the prize from the president of PRISA, Ignacio Polanco, who also presented the winner with a digital version of his work in an e-book. Alfaguara thus became the first literary prize in Spain to be published in this format.

The novel follows the story of Dominic Zarate Vega, the Christ of Elqui, who in the 1940s preached the end of the world throughout the Chilean desert. The jury, chaired by Manuel Vicent and which included Soledad Puértolas, Gerardo Herrero, Juan Miguel Salvador, Juan Gabriel Vásquez and Juan González, praised the novel that mixes social and historical



57th Annual Premios Ondas Awards Ceremony.

chronicle with elements of magic realism. Its strength lies in its characters, they said, above all, in this Christ who recalls those of Valle Inclán, García Márquez and Vargas Llosa.

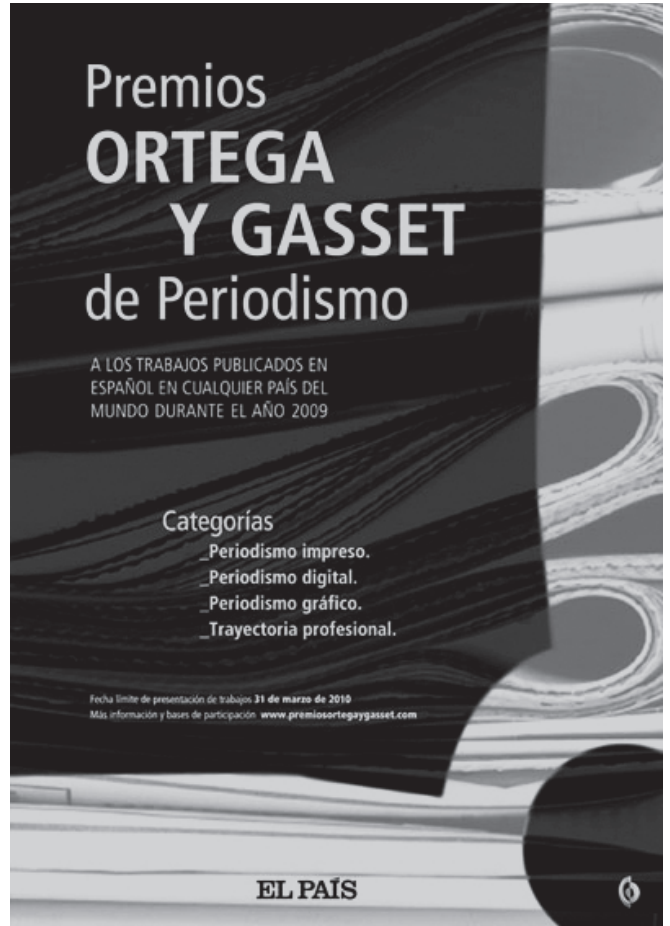
Isabel Polanco Essay Prize

The jury of the Isabel Polanco Essay Prize, established by the International Book Fair of Guadalajara (FIL) and the Fundación Santillana, awarded the prize in its second annual edition to the Cuban academic and linguist **Humberto Lopez Morales** for his work ***La andadura del español por el mundo (The global evolution of Spanish)***, an essay he submitted under the pseudonym Hernán Luna.

The jury was chaired by Ricardo Lagos, and included Concepción Company, José G. Moreno de Alba, Laura Restrepo, Daniel Samper and Gonzalo Celorio, who has acted as permanent secretary of the award since it was instituted in 2008.

The theme of this year's award was the **Spanish Language** - its unity and diversity, its past, present and future, its relationship to other languages and its literary, cultural and economic potential

Candidates this year came from eight countries: Argentina, Colombia, the US, Spain, Mexico, Puerto Rico, the



Dominican Republic and Venezuela. The prize, given out at the book fair, is worth 100,000 dollars and comes with a commemorative sculpture by the artist Martín Chirino. Taurus took the occasion to launch its print version of the winning work.

Fostering awareness of the issues facing society

PRISA's media have long championed campaigns in favor of human rights and development as promoted by NGOs such as Intermón Oxfam, Ayuda en Acción, the Red Cross, UNICEF, Medicos sin Fronteras, Save the Children and the UNHCR. Support is offered through habitual reporting and specific sponsorship or promotion deals.

Throughout 2010, PRISA has continued its tradition of fostering and promoting social solidarity, human rights and the environment in order to raise awareness

among readers, viewers, listeners and users as demonstrated by the range of sponsorship and collaboration agreements signed with NGOs such as WWF, Intermón Oxfam, Ayuda en Acción, UNICEF and the UNHCR.

Each of our companies collaborates at an individual level and on occasions we act in a coordinated fashion across a number of companies or as a Group as a whole.

PRISA against climate change

PRISA collaborates with the WWF, the international conservation organization, to promote the year's biggest mass participation event, **Earth Hour**, which has been held since 2008.

For the second consecutive year PRISA, as official media partner, launched a major operation to support the WWF awareness campaign *Earth Hour*, which mobilized all companies in all the countries where we operate on both sides of the Atlantic. The financial value of editorial coverage and advertising provided was estimated as being worth more than 11 million euros.

With the ultimate aim of committing governments to act against climate change, PRISA supported the symbolic worldwide "lights out" initiative, which took place across 103 countries in 2010. The lights were turned off at the same time on buildings and monuments such as the Brandenburg Gate in Berlin, the Eiffel Tower in Paris, the Peace Museum in Hiroshima, the Empire State Building in New York and the world's tallest building, the Burj Khalifa in Dubai.

PRISA also participated as a media partner in the second edition of the Global Sports Forum, held from March 8-

10 in Barcelona, a kind of Davos for the sports world, which brought together over 70 speakers from 50 countries.

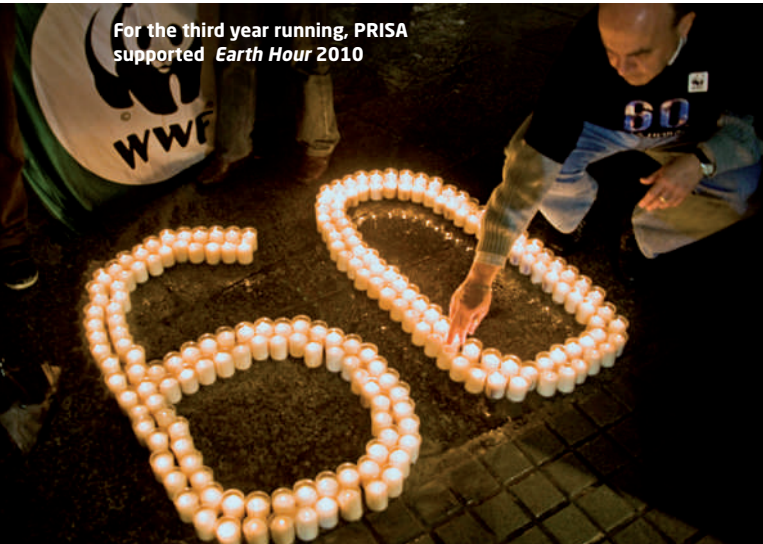
The debates revolved around four themes: sustainable development, the digital age of new media and social networks, the new world map which sees major sporting events being held in developing countries and the integration of young people. Speakers included former athletes and sportspeople such as El Guerruj, Jonah Lomu and Iñaki Urdangarín and leading figures from the world of sports such as Juan Antonio Samaranch, Jaime Lissavetzky, Albert Soler and Issa Hayatou, FIFA vice-president.

Another initiative was our participation as sponsors for the congress *Challenges Facing the Spanish Digital Content Industry* jointly organized by ASIMELEC (currently AEMETIC) and the Ministry of Culture, which aimed to create, encourage and promote valid mechanisms for the development and empowerment of the ICT sector within the national economy.

In addition, PRISA is a trustee of the Foundation ProCNIC, the most important corporate sponsorship' initiative in Spain in recent years in terms of financial aid provided to the National Cardiovascular Research Center and the large group of companies involved.



Canal+ Ad campaign starring by Blind People



Through its Board of Trustees, of which PRISA is a founding member, companies not only provide funds but also participate in decision-making.

PRISA Radio

The company strives to be perceived as one that is committed to Corporate Social Responsibility and this is reflected in its programming and its brands and through content that will foster social transformations among audiences. From our various radio formats, we support initiatives that promote these values.

PRISA Radio España stations have given advertising space for socio-cultural activities amounting to € 1,820,000. The 40 Principales Awards in aid of AMREF donated € 145,000 to the Fundación Anar, and Cadena Dial's Solidarity Marathon raised €20,000 for Haiti. Environmental initiatives such as *Plántate* and *Bosques 40 Principales* helped the Fundación Más Aroles with its reforestation projects around Spain. Other initiatives included the Red Cross Gold Stories project, backed by Cadena SER's weekly slot dedicated to volunteering, *La Ventana*.

In Latin America, Caracol Radio (Colombia) has made more than 100 broadcasts devoted to education and prevention, interacting with the audience to address their concerns in collaboration with the Colombian Family Welfare Institute, the Ministry of Education and the United Nations on programs such as *En Familia* (Caracol Radio), *Sex and Love* (40 Principales Colombia) and the *6am Hoy por Hoy*.

Other Caracol Radio initiatives include: the Solidarity Campaign, Nal Prize for Peace, a joint project with USAID for the disadvantaged, vaccination promotion campaigns, promotion of Afro-Colombian culture, and a campaign with FAC to collect Christmas gifts.

ADN Chile has broadcast more than 7,721 statements supporting these goals. Moreover the station remains part of the Consejo Consultivo de América Solidaria (Consultative Council for American Development).

PRISA News

The newspaper *El País* collaborates actively with around 14 NGOs and regularly provides newspaper space for social and humanitarian causes. Depending on the relationship with the NGO, these spaces may be free or take the form of advertising at sharply discounted rates. In absolute terms, this discount translated into 1,560,000 euros in 2010, a 27.8% increase on 2009.

To this figure must be added the contributions from *Cinco Días* to the Fundación Dehon (Education Foundation) and the advertising spaces *Cinco Días* provides for NGOs, such as the Red Cross, Manos Unidas, etc.

Progresía contributes to development and integration with the Red Cross through the donation of the obsolete mobile phones by staff, which are deposited in workplace containers, and collected to promote educational projects.

In 2010 the *El País Semanal* weekly supplement completed the series of reports *Witnesses to Horror*, in which major photographers and journalists traveled to places that have suffered and are suffering the world's worst disasters. This was followed in 2011 with an exhibition that will tour the various branches of the Instituto Cervantes in Europe.

In September, *El País* gave voice to a generation of young Spanish people, hit by the highest unemployment in Europe, and launched the project *Pre-parados*, a series of reports on a generation suffering the effects of unemployment and insecurity. Personal stories

and portraits were offered daily over several weeks in the pages of the newspaper and on the web. At www.elpais.com/especial/preparados more reports were joined by discussions with experts and videos of personal testimonies. Readers could share their views at soyunjovenencrisis@elpais.es and on Eskup, *El País'* social network, there was open forum for the exchange of ideas and opinions among readers, with the participation of the ten journalists, all under 35 years of age, who worked on the series.

PRISA TV

Among the greatest assets and core values of PRISA TV are the ability to communicate and our team of professionals. We believe that the best way to show our support and commitment to social causes is to provide resources and skills to raise awareness on the issues that concern society. As in previous years, this approach involves developing a policy to promote and raise awareness of social, environmental and cultural causes. There have been a number of initiatives undertaken by the employees themselves, who have the full support of the company in achieving the objectives of each project. Examples include the Project 0.25, the Solidarity Day or the provision of space on bulletin boards to supply information on various NGOs. This commitment can also be seen in the content of programs and broadcasts by our channels. PRISA TV's premium channel, Canal +, has tackled, from a number of different perspectives, environmental issues through programs and documentaries.

PRISA TV remains firmly committed to basic rights and freedoms. As a media company, we are particularly focused on respect for freedom of expression

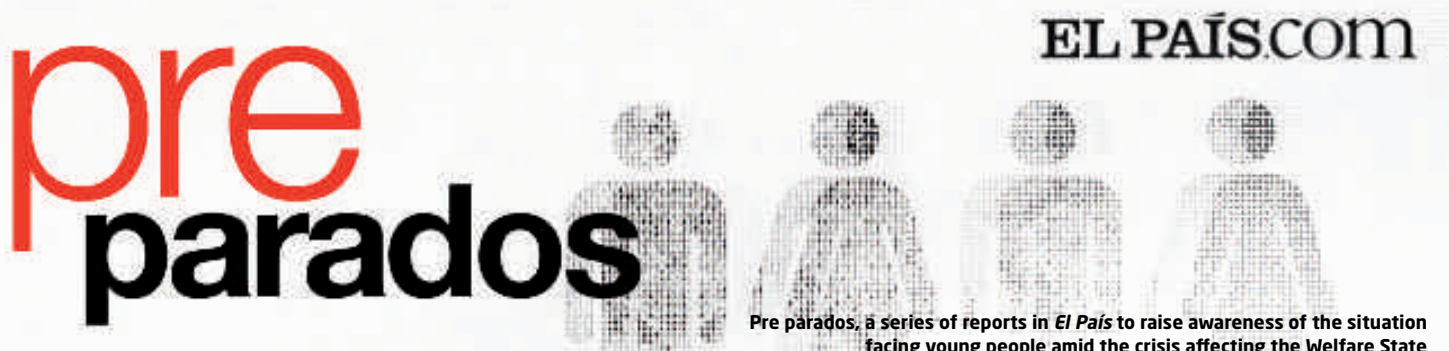
and on ensuring compliance with ethical codes to protect the rights of individuals, minorities and children in all our productions and broadcasts. This commitment can also be seen across the supply chain, where we constantly evaluate commitments and compliance. So far this policy has ensured that in recent years there have been no penalties for violations of laws or international standards on corruption, monopolistic practices, discrimination, unfair competition or exploitation.

Media Capital

TVI collaborates with a number of organizations. These include an ongoing partnership with Continente on *Missao Sorrisa*, a social project in the health sector that has been running for eight years. In 2010, more than 650,000 euros were raised and the money went towards medical, scientific and didactic equipment as well as entertainment material for children's units in hospitals throughout Portugal.

Following the devastating storm that struck the archipelago of Madeira in February 2010, TVI joined the campaign "PORTUGAL Solidario - AJUDA A MADEIRA", a joint initiative of Media Capital Radio and Media Capital Multimedia, which raised 364,570.50 euros in aid for displaced families.

Once again, Rádio Comercial, M80 and Cidade FM came together for *Causa Maior*, an initiative supported by the Portuguese Red Cross to support the elderly, and which included the involvement of all the channels' professional broadcasters. There were also several campaigns to collect donations for various institutions such as AMI, Fundação do Gil, APAV, APSI - Associação Promoção da Segurança Infantil, Cruz Vermelha Portuguesa, Fundação Infantil Ronald McDonald and Objectivo 2015.





Responsible purchases and our commitment to the environment

- Suppliers Policy
- Responsible use of paper
- Environmental impact management

Responsible purchases and our commitment to the environment

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

Presentation of the Mochila Ligera Campaign, a Santillana publishing initiative aimed at reducing the weight of schoolbags



We believe that our relationship with our suppliers is a key factor in acting as a socially responsibly company. That is why we are actively committed to managing our resources in a way that will minimize the impact of our operations on the environment. We expect the same commitment from all our suppliers and collaborators.

Our Guide to Relations with Suppliers outlines the relationship between PRISA and our partners. The Guide is informed by the principles of objectivity, transparency, non-exclusivity and equal opportunities, and evaluates not only economic factors and product and service quality, but also the suppliers' degree of compliance with their national legislation as well as their commitment to tax, labor, human rights and environmental obligations.

Suppliers policy

Our purchasing and suppliers policy is aimed at ensuring that PRISA remains a socially responsible company in the eyes of society and our stakeholders. To meet our CSR goals, the department of Corporate Purchases pays special attention to three areas in the management of its operations:

- Selection and management of suppliers – these are seen as crucial stakeholders in the company's day-to-day operations.
- Paper management. Paper is the most important raw material used by most of the business units and its sustainable use must be part of any environmental policy.
- To determine new areas where we can improve identification, measurement and management of the company's environmental impact.

Supplier Relations Guide

There are four criteria in the process of adjudicating and authorizing potential suppliers:

- Quality of the product/service offered.
- How the service matches our requirements.
- Cost and ability to deliver on issues related to CSR.
- Confirmation that CSR criteria have been met.

PRISA's relations with suppliers are governed by the following principals:

- The principles of objectivity, transparency, non-exclusivity and equal opportunities.
- All suppliers involved in any adjudication process will receive complete and detailed information about the goods and/or services to be supplied.
- The information supplied will be identical for all suppliers, ensuring that no single supplier enjoys any initial advantage, thus fostering legitimate competition.

- Potential suppliers will not be invited to participate in the adjudication process.
- All those who apply to become suppliers have a right to request an evaluation of their particular adjudication process.
- All applications will receive a reply accompanied by comments on their acceptance or rejection. A negative reply is in no way an obstacle to submitting future applications, once the reasons behind the rejection have been addressed.
- The results of the adjudication process, including a summary of the criteria employed, will be communicated to the supplier in writing.
- Initiatives for constant improvement are in place, which boost quality to the benefit of both parties. The supplier is welcome to make any suggestions as is felt necessary to improve relations between the Group and suppliers.

PRISA's Supplier Relations Guide also promotes compliance with national legislation within the countries where the suppliers operate and their compliance with obligations in fields such as tax, labor, human rights and the environment. Applicants must be in full compliance with Conventions 138 and 182 of the International Labor Organization (ILO) governing child labor. Non-compliance with these conventions will nullify any contracts between the parties.

Terms, conditions and obligations are clearly detailed in all documents in the process and are made clear at each and every stage of the negotiating process. Potential suppliers are also asked to fill in a questionnaire confirming their commitment. To partner with PRISA it is necessary to pass the adjudication process and form part of the authorized supplier list.

For the past four years, the department of Corporate Purchases has been managing and updating a data base of the Group's chief suppliers, evaluating them on key CSR criteria, including paper management, recycling and reuse of fungibles and CO2 emissions.

AUTHORIZED SUPPLIERS			
	Total	Spain	Foreigners
Previous years	2,347	2,294	53
2009 (new)	227	212	15
2010 (new)	245	228	17
TOTAL	2,819	2,734	85

There are currently 2,819 authorized suppliers, 245 more than in 2009. 2,734 are Spanish and 85 are from abroad.

PRISA favors suppliers who meet CSR criteria and who have SA 8000, ISO 9001 certification etc. Indeed, 76% of our suppliers have a quality certification.

Supplier Evaluation

In 2010, as in 2009, PRISA carried out a study of our wide number of suppliers. In 2010, the number surveyed was 146, as compared to 170 in 2009. This drop was due to a process of consolidation of suppliers, which reduces a number of them to one unique service.

The results were similar to those of 2009. There was a notable integration of CSR indicators into the management of supplies, up two percentage points (80.82%). Figures in other areas remained steady: environment (74.89%), an established formal channel for dealing with

customer concerns and complaints (80.14%), legislative framework (96.72%) and the establishment of standards and guidelines on good corporate governance (83.56%).

A key tool in this area is the Electronic Purchases Platform, which manages all aspects of the process, including potential supplier registration, application, the certification and authorization of all our suppliers worldwide as well as ongoing follow-up and periodic assessment according to those criteria previously outlined.

Activity

SUPPLIER EVALUATION		
	2010	2009
Management system is certified or is being implemented plus voluntary codes	58%	48.34%
Formal procedures to respond to customer concerns	83%	80.14%
Legislative Framework	96%	96.72%
Adequate environmental safeguards	78%	74.89%
Guidelines on corporate governance	86%	83.56%
Incorporation of Social Responsibility indicators in management code	78%	80.82%

Responsible use of paper

Grupo PRISA has always carefully managed all stages of the production and recycling process of paper. The Group works with paper manufacturers who guarantee their adherence to environmental standards and the recycling, either directly or indirectly, of waste and residuals. All business units using paper have committed themselves over the course of 2010 to reducing their use, whether by modifying formats or opting for lower weights of paper, while still guaranteeing the quality of the finished product.

PRISA's suppliers must comply with certain environmental requirements in the manufacture of paper. The paper industry's high level of environmental awareness provides a further guarantee that suppliers are generally not merely complying to environmental legislation but that they are wholeheartedly committed to issues in this area.

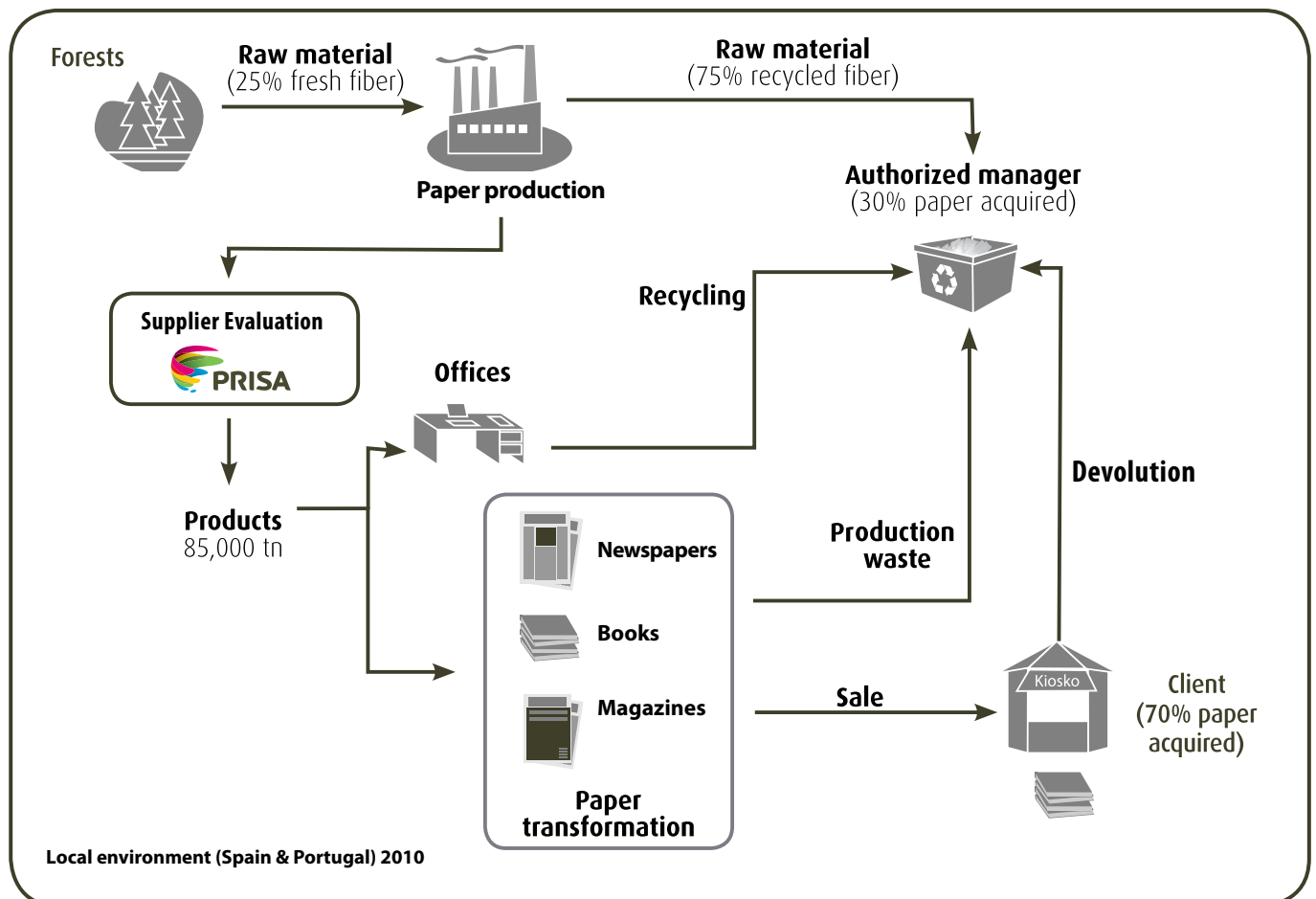
Almost all PRISA suppliers possess the capacity to produce PEFC and FSC accredited paper, thus guaranteeing that controls are being carried out at the various stages of the production process –from forest to printer– although this does involve higher costs.

Pressprint

Pressprint is the printers behind the Group's print media in Spain. Its operations require the use of paper, ink and aluminum plates. Pressprint uses technological innovation to constantly optimize and responsibly manage their use.

To reduce its environmental impact in 2010, Pressprint installed plates with less aggressive chemicals; has reduced the consumption of these chemicals by the cleaning of processors; and has undertaken a new

Paper life Cycle in The PRISA Group



project of digital printing for newspapers. Our printers have succeeded in printing high-quality daily papers on high-speed digital printers. With this method, Pressprint avoids the high costs and large waste typically generated in the print process. Newspapers can also be thus printed at different facilities, avoiding the high energy consumption and CO2 emissions caused by transportation of large volumes of material from one central point.

Other recycled waste includes plastic containers, oils, toners, and scrap iron, copper and other materials generated in the decommissioning of obsolete machinery. Obsolete computers and other IT devices that may pose a risk to the environment are regularly removed by certified and authorized waste-management companies.

Consumption

Ink 2010:
Pressprint Madrid: 313,373 kg
Pressprint Barcelona: 118,735 kg
Solvent 2010:
Pressprint Madrid: 45,371 kg
Pressprint Barcelona: 27,509 kg

Waste management

Pressprint has authorized managers who are responsible for removing contaminated residues from ink, such as solvents. Aluminum is gathered in containers which are then collected by an authorized agent. In 2010, 72,880 kg of aluminum thus produced were melted down for the development of new products.

Pressprint recycles residual paper as well as returned newspapers and magazine supplements. Waste and residue generated during the printing process are classified by potential use and are removed by recycling companies. Returned newspapers and magazine supplements are recycled by companies located nearby the distributors' collection depots. We ensure that recycling companies possess the appropriate certification in waste management and disposal.

Environmental impact management

PRISA's strategy illustrates its commitment to safeguarding the environment wherever its operations allow. In 2010, all the Group's companies carried out campaigns aimed at raising awareness regarding the rationalization of consumption (air conditioning, lighting, etc). We have continued to implement measures laid out by the Ministry of Industry for public buildings that establish the parameters for a comfortable room temperature. Other measures have included encouraging staff to turn off computers if they are away for more than 30 minutes. Color printing at our offices has been

cut sharply and printing on two sides has been encouraged.

Currently, there are a number of projects up and running to evaluate energy efficiency. This year, the department of corporate purchases has also begun surveying company suppliers regarding CO₂ emissions generated by travel and accommodation in Spain and Portugal. In 2010 there was a saving of 4,348,581 kg of CO₂, while in 2009 the saving was even greater: 5,286,722 kg of CO₂.

CO₂ emissions

From of transport	Unit of measure	Conversion factor kg CO ₂ / unit of measure	2010			Equivalent CO ₂ in kg	2009			Equivalent CO ₂ in kg
			Spain	Portugal	Total		Spain	Portugal	Total	
Hotel	RN	28	18,109	Pdte,	18,109	507,052	17,213	2,661	19,874	556,472
Air	Miles	0,18	16,886,051	2,099,680	18,985,731	3,417,432	14,486,697	967,990	15,454,687	4,481,859
Train	Km	0,1	2,949,729		2,949,729	294,973	5,303,554		5,303,554	185,624
Car rental	Km	0,141	915,779		915,779	129,125	466,214		466,214	65,736
Total			20,769,668	2,099,680	22,869,348	4,348,581	20,273,678	970,651	21,244,329	5,289,692

NOTES: Sources for conversion factors: <http://www.nef.org.uk/greencompany/co2calculator.htm> (air) http://www.responsabilidad.net/002_calcemision.html (train) and data from AVIS for car rental



Recycling

All office printers removed to a Madrid recycling plant, where they are recycled according to current norms and made available to suppliers for re-use. The company responsible for the operation is a Special Employment Center, meaning that PRISA thus fulfills a double objective: helping the environment and aiding workers with disabilities.

In 2010, at our Gran Vía 32 head office, we recycled 484 IT consumer goods (LASERCART), 105 tons of newspaper (CARPA), 390 kg of batteries (Madrid area's regional authority environment department) and 840 fluorescent lamps (AMBILAMP).

PRISA Noticias' consumption

PRISA NOTICIAS' CONSUMPTION. DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h	12,349,992	11,863,041
GAS kw/h	5,671,939	5,364,627
WATER m³	7,020	11,973
PAPER Tons	35,671	30,665

In 2010, PRISA Noticias has focused on optimizing on outdoor lighting, installing light sensors and leading to a 10% saving in electricity, and on controlling liquid effluent from sanitation systems.

PRISA RADIO'S CONSUMPTION. DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h	1,369	1,172
DIESEL kw/h	30	25
GAS kw/h	N/A	N/A
WATER m³	56965	569290
PAPER Tons	23	27

Regarding paper, *Cinco Días* and *El País* are reducing consumption among employees by encouraging the scanning of documents, file sharing on intranet and using projectors at presentations rather than printing dossiers.



Magazines published by Progresa print a banner saying *Please recycle this magazine* alongside the bar code.

As well as reducing consumption of energy, water and raw materials, and ensuring the correct management of waste, smoke and noise, PRISA Radio has substituted its air conditioning systems with RVR systems, has eliminated sound-proofing materials that may contain potentially polluting fibers and has recycled all IT and fungible machinery and components. It has replaced these with energy efficient machines and we now use low contamination batteries.

Santillana's consumption

SANTILLANA CONSUMPTION (SPAIN), DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h ⁽¹⁾	2,471,481	2,692,717
DIESEL kw/h	N/A	N/A
GAS kw/h	26600	22500
WATER m³	8770	6690
PAPER Tons ⁽²⁾	9200	1400

1. Estimated figure
2. This figure represents the volume of paper used in printing books. We do not use recycled paper. All paper used is chlorine free and is ISO or ESMAS certified. Almost all paper has PEFC certification and around 30% has FSC certification.

Santillana constantly strives to promote recycling and reduce energy consumption by means of awareness drives among employees. In 2010, by changing the Friday work

Recycling activity	2009	2010	Difference 2010-09
Disposal of IT consumer goods (units)	430 cartridges	484 cartridges	+12.5%
Disposal and recycling of paper	137Tn	105Tn	-23.4%
Disposal of batteries	360Kg	390Kg	+8.3%
Disposal of fluorescent lamps	260 units	840 units	+223.1%

Corporate Centre's consumption graphic

Consumption of raw materials	2009	2010	Savings (2010-2009)
Gran Via's consumption of water	10,486 m ³	9,268 m ³	-11.6%
Gran Via's consumption of energy	4,622,069 KW/h	4,136,179 KW/h	-10.5%
Gran Via's consumption of diesel	32,000L	24,000L	-25.0%

day and bringing forward close of business to 3pm we saved two hours more in energy use as compared to 2009.

PRISA TV's consumption

PRISA TV'S CONSUMPTION. DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h	15,969,041	15,629,069
DIESEL kw/h	2,000	1,500
GAS kw/h	6,740,463	6,121,023
WATER m3	43,749	43,622
PAPER Tons	360	320

PRISA TV's chief measures included reducing energy use, recycling waste, auditing print and copying machines, the optimization of paper use and the partial substitution of HCFC (R22) gas with the non-pollutant gases R422 and R417. These measures remain in place in 2011. As a savings measure, PRISA TV has also replaced 100w incandescent bulbs with low-energy lamps. This has led to savings of 150,000 kw/hour and 62.63 tons less of CO2.

PRISA TV has also launched the Corporate Digital Stationery Project to reduce color printing and has substituted analog machines with digital ones, leading to an energy saving of 60%.

PRISA Digital's consumption

Among PRISA Digital's environment-friendly measures are those aimed at ensuring that all lights, computers and heating/air conditioning systems remain turned off as much as possible, leading to energy savings of 19% compared to 2009. Paper recycling has led to 21% savings as compared to 2009.

PRISA Digital has also installed energy efficient computers and is currently evaluating the process of changing over to Cloud hosting and other online solutions such as home working as we embrace green computing.



PRISA actively covered the Climate Summit in Copenhagen

For the third year running, PRISA supported *Earth Hour*
2010 Campaign against Climate Change



Muchas gracias





08

Future commitments and challenges



Future commitments and challenges

A commitment to society and stakeholders, internal and external, is at the very core of all PRISA's operations. From the very beginning, the Group has made every effort to perfect and reconceive all those aspects that might improve its products and how its companies perform. Since the foundation of *El País* and Santillana, the first companies of the Group that was to later emerge, PRISA has shown clearly its commitment to quality, innovation, service and rigor across all its products. This compromise remains our priority and will continue to be so. It is our most valuable asset. The main challenge for the future is to continue working in this direction.



Testament to our commitment was the recognition PRISA received this year from the **United Nations Global Compact**. PRISA has been signed up to the compact since 2008 and in November 2010 presented its progress report, a document in which adherents demonstrate their commitment to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption, as outlined by Kofi Annan in 1999. PRISA's companies were congratulated for the quality of the information supplied, the initiatives undertaken by the Group and the high level of implementation of corporate social responsibility policies.

Meanwhile, since PRISA went public, the Group has adopted a permanent commitment to generate value for its shareholders, to grow as a company, to improve content, to maintain the optimum levels of quality and service in its products and to seek out and expand into new markets. PRISA has been recognized by investors as a company that upholds responsible business

practices, which is why the company has been included since 2008 on the international index for corporate social responsibility, the FTSE4Good.

FTSE4Good is a package of indices aimed at measuring the efforts of companies to meet globally recognized corporate responsibility standards. In June 2011, for the second year running, the Group received the index certification.

The strategy for 2011 is to continue working to control payroll expenses. Following the Global Transformation Plan, the Group's management has informed employee representatives, unions and employees, of the implementation of a workforce adjustment plan, together with other economic and organizational measures that will substantially improve the position of PRISA to address the current economic climate, and improve efficiency and productivity. To reach appropriate agreements, the Group considers it essential to maintain dialogue with workers and all other social agents involved.

To increase the competitiveness of the Group, the Human Resources management model is set to change dramatically. A global services center will be set up that will unify all necessary policies, methodologies and tools to facilitate and streamline the work of labor management of all PRISA companies. This reform, based on technology and communication, will be accompanied by profound internal changes that will provide new job and training opportunities for all employees.

In the digital domain, the main objectives for 2011 are to reach six million registered users, increase the Group's digital revenues by over 50% compared to 2010, and globalization, expansion and growth of the Group's digital operations, with a focus on Spanish and Portuguese-speaking countries.

Santillana

Innovation and new technologies will be the primary objectives of Santillana in 2011. The production and distribution of personalized content, printed on demand at low or zero logistic and storage costs, will also form part of the strategy of this business unit. This will require the adoption of the latest print-on-demand technological advances designed.

In education, our projects will be organized in two main areas: education and the domestic market.

In the area of general-interest publishing, Santillana will work on making available for users an attractive and complete product catalog, and on establishing the mechanisms for marketing and direct contact with customers. The key challenges are: the definition of new products that combine print and digital media, the establishment of pricing models, the consolidation of its digital catalog, and embracing new kinds of content, especially in children's and youth markets.

As for social action, we firmly believe that contributing to education is the most effective way to build societies that are free, fair and compassionate. Santillana is committed in 2011 to continue working with social initiatives in the world of education such as teacher training, scholarships, providing books for underprivileged children, sponsoring conferences and contests, and co-publishing materials, among others.

PRISA News

El País, *As* and *Cinco Dias* have made a clear and firm commitment to the digital world by investing heavily in human and technical capital. We have fostered a more effective integration between print and online newspapers to bring us closer to the reader, and his or her needs and concerns.

In financial terms, the healthy finances enjoyed by PRISA News compared to the difficulties facing competitors is one of the factors that safeguard the independence and ensure the future of our brands.

PRISA Radio

In 2011, PRISA Radio will continue to support institutions that seek to improve the quality of services offered to disadvantaged people. In addition, this business unit will promote the creation of new projects designed to foster corporate social responsibility in all those regions where we operate, taking full advantage of the power generated by our brands and products. Other socially responsible initiatives will be maintained and consolidated such as the Principales'10 Awards,





Bosque de Internight, Arte 40, or 40 Telethon, among others.

Continental Radio will sponsor the public square where its headquarters are located to collaborate with the City Government on safety awareness, an issue highly valued by the Argentine public.

PRISA TV

In its future strategy, Digital+ will continue to work to strengthen its lead. To this end, we will offer the market all the latest available technologies and contents (PVR, VOD, HD), provide quality content as well as promote Spanish productions.

In terms of social action, PRISA TV is committed to promoting and developing the Project O25 Association by diversifying its sources of income. This initiative runs parallel to the transformation of the association into an Association of Public Interest.

At the same time, PRISA TV plans to maintain its agreements with business schools and university departments to promote entrepreneurship among students and facilitate their future integration into the workplace. Another initiative will be launched in 2011 which will see us collaborate with Special Employment Centres.

Media Capital

Due to the economic and social crisis in Portugal, 2011, like 2010, will see us working to strengthen the basic Social Responsibility policies of the Group. Media Capital is constantly seeking new answers to the needs of the market, without losing sight of our strategic business objectives and our relationship with society.

Media Capital intends to continue promoting education and culture actively. Social issues will remain central to the news agenda and, whenever possible, justifiable and necessary, the media group will focus on actions that are considered relevant and necessary to help create a freer and fairer society.

APPENDIX I

Correlation of indicators with GRI-G3 Guidelines

APPENDIX I

Correlation of indicators with GRI-G3 Guidelines

In accordance with the methodological criteria as laid out in the GRI G3 Guidelines for the preparation of Sustainability Reports, we detail in the table below where the Guide's Performance Indicators correspond with the chapters of the Grupo PRISA's Corporate Responsibility Report. We are self-declaring a "B" Application Level.



GRI (G3)	AREA	PAGE
1. STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decision-maker of the organization on the relevance of sustainability to the organization and its strategy	16 - 17
1.2	Description of key impacts, risks and opportunities	23, 36; 40 - 43; 112 - 115
2. ORGANIZATIONAL PROFILE		
2.1	Name of the organization.	14 - 15; APPENDIX III
2.2	Primary brands, products, and/or services.	44 - 57
2.3	Operational structure of the organization	22 - 33; 60 - 65
2.4	Location of organization's headquarters.	APPENDIX III
2.5	Number of countries where the organization operates	15; 34
2.6	Nature of ownership and legal form	22 - 24
2.7	Markets served	15; 34
2.8	Scale of the reporting organization	41 - 43
2.9	Significant changes during the reporting period in the size, ownership and structure of the organization	7 - 11; 36
2.10	Awards and honors received during the reporting period	7 - 11; 19; 43 - 57; 92 - 94; 113 - 114
3. REPORT PARAMETERS		
3.1	Reporting period	34
3.2	Date of most recent previous report	34 - 37
3.3	Reporting cycle of most recent previous report	34 - 37
3.4	Contact point for questions regarding the report or its contents.	APPENDIX III
SCOPE AND BOUNDARY OF REPORT		
3.5	Process for defining report content	19; 34 - 37
3.6	Scope and boundary of the report	19; 34 - 37
3.7	Specific limitations on the scope or boundary of the report	19; 34 - 37
3.8	Information on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	34; 41 - 57
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	19; 34 - 37
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	19; 34 - 37
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	19; 34 - 37
GRI CONTENT INDEX		
3.12	Table identifying the location of the Standard Disclosures in the report.	3; APPENDIX I

ASSURANCE		
3.13	Policy and current practice with regard to seeking external assurance for the report.	19; 34, 113 - 114; APPENDIX I; APPENDIX III
4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT WITH STAKEHOLDERS		
4.1	Governance structure of the organization	22 - 33
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	22; 24; IGC 2010
4.3	Number of members of the highest governance body	22; IGC 2010
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	27 - 28; 66 - 67; IGC 2010
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	26 - 27; IGC 2010
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	28 - 31; IGC 2010
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	23 - 33; IGC 2010
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	16 - 21; 101 - 103; 113 - 114
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	21 - 24; 28 - 33; 101 - 108; IGC 2010
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	21 - 24; 101 - 108; IGC 2010
COMMITMENTS TO EXTERNAL INITIATIVES		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	16 - 33
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	20; 71 - 79; 28 - 97
4.13	Memberships in associations and/or national/international organizations the organization supports	71 - 72; 78 - 79
STAKEHOLDER ENGAGEMENT		
4.14	List of stakeholder groups engaged by the organization.	17 - 21; 71 - 79
4.15	Basis for identification and selection of stakeholders with whom to engage.	17 - 21; 71 - 72
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	17 - 21; 71 - 72; 70 - 79
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	17 - 21; 71 - 72; 70 - 79

MANAGEMENT APPROACH AND COMPLIANCE WITH PERFORMANCE INDICATORS		
ECONOMIC DIMENSION		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	2010 Individual and Consolidated Annual Accounts; 41
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	2010 Individual and Consolidated Annual Accounts; 20; 101 - 108
EC3	Coverage of the organization's defined benefit plan obligations.	20; 64; 82 - 97
EC4	Significant financial assistance received from government.	2010 Individual and Consolidated Annual Accounts
MARKET PRESENCE		
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	102 - 103
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	22 - 27; 41; 102 - 103
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	69 - 78; 39 - 53
ENVIRONMENTAL DIMESIÓN		
MATERIALS		
EN1	Materials used by weight or volume	101 - 108
EN2	Percentage of materials that are recycled input materials	104 - 108
ENERGY		
EN3	Direct energy consumption segmented by primary source	104 - 108
EN4	Indirect energy consumption by primary source 182-185	104 - 108
WATER		
EN8	Total water withdrawal by source	104 - 108
BIODIVERSITY		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	104 - 108
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	104 - 108
EMISSIONS, EFFLUENTS AND WASTE		
EN16	Total direct and indirect greenhouse gas emissions by weight.	104 - 106
EN17	Other relevant indirect greenhouse gas emissions by weight.	104 - 106
EN19	Emissions of ozone-depleting substances by weight.	106

EN20	NO, SO, and other significant air emissions by type and weight.	No material
EN21	Total water discharge by quality and destination.	104 - 108
EN22	Total weight of waste by type and disposal method.	104 - 108
EN23	Total number and volume of significant spills.	-
PRODUCTS AND SERVICES		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	104 - 108
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	104 - 108
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	-
SOCIAL DIMENSION		
LABOR PRACTICES & DECENT WORK		
EMPLOYMENT		
LA1	Total workforce by employment type, employment contract, and region.	62 - 65
LA2	Total number and rate of employee turnover by age group, gender, and region.	41; 62
LABOR/ MANAGEMENT RELATIONS		
LA4	Percentage of employees covered by collective bargaining agreements.	64
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	-
OCCUPATIONAL HEALTH AND SAFETY		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	-
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	65
TRAINING AND EDUCATION		
LA10	Average hours of training per year per employee, by employee category	65
DIVERSITY AND EQUAL OPPORTUNITIES		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	62 - 63
LA14	Ratio of basic salary of men to women by employee category.	62 - 64
HUMAN RIGHTS		
INVESTMENT AND PROCUREMENT PRACTICES		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	101 - 103
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	101 - 103
NON-DISCRIMINATION		
HR4	Total number of incidents of discrimination and actions taken.	-

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	19 - 20; 101 - 103; 113 - 115
ABOLITION OF CHILD LABOR		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	19 - 20; 101 - 103; 113 - 115
PREVENTION OF FORCED AND COMPULSORY LABOR		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	-
SOCIETY		
COMMUNITY		
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	94 - 97
CORRUPTION		
S02	Percentage and total number of business units analyzed for risks related to corruption.	-
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	-
S04	Actions taken in response to incidents of corruption	-
PUBLIC POLICY		
S05	Public policy positions and participation in public policy development and lobbying.	19 - 20; 113 - 114
COMPLIANCE		
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	-
PRODUCT RESPONSIBILITY		
CUSTOMER HEALTH AND SAFETY		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	16 - 20; 108 - 101
PRODUCT AND SERVICE LABELLING		
PR3	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-
MARKETING COMMUNICATIONS		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	19 - 20; 78 - 79; 113 - 114
COMPLIANCE		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-

Appendix II

Correlation with the principles of the United Nations Global Compact

Appendix II

Correlation with the principles of the United Nations Global Compact

PRINCIPLE	AREA	PAGE
1. Businesses should support and respect the protection of internationally proclaimed human rights	Evaluation	19 - 20
	Policies	70 - 79; 94 - 97; 101 - 103; 112 - 114
	Actions	21; 27; 71; 70 - 79
	Follow up and monitoring of impact	34 - 37; 102 - 104
2. Businesses should make sure that they are not complicit in human rights abuses	Evaluation	102 - 105
	Policies	102 - 105
	Actions	102 - 105
	Follow up and monitoring of impact	102 - 105
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Evaluation	60 - 61
	Policies	20 - 21; 66 - 67
	Actions	20 - 21; 66 - 67
	Follow up and monitoring of impact	20 - 21; 66 - 67
4. Businesses should support the elimination of all forms of forced and compulsory labour	Evaluation	60 - 61, 102 - 104
	Policies	60 - 67, 102 - 104
	Actions	60 - 67, 102 - 104
	Follow up and monitoring of impact	102 - 104
5. Businesses should support the effective abolition of child labour	Evaluation	102 - 104
	Policies	102 - 104
	Actions	102 - 104
	Follow up and monitoring of impact	102 - 104
6. Businesses should support the elimination of discrimination in respect of employment and occupation	Evaluation	62 - 65, 102 - 104
	Policies	62 - 65, 102 - 104
	Actions	62 - 65, 102 - 104
	Follow up and monitoring of impact	62 - 65, 102 - 104
7. Businesses are asked to support a precautionary approach to environmental challenges	Evaluation	20 - 21; 94 - 96; 99 - 108
	Policies	17 - 21; 94 - 96; 99 - 108
	Actions	20 - 21; 94 - 96; 99 - 108
	Follow up and monitoring of impact	20 - 21; 94 - 96; 99 - 108
8. Businesses should undertake initiatives to promote greater environmental responsibility	Evaluation	20 - 21; 94 - 96; 99 - 108
	Policies	17 - 21; 94 - 96; 99 - 108
	Actions	20 - 21; 94 - 96; 99 - 108
	Follow up and monitoring of impact	20 - 21; 94 - 96; 99 - 108
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	Evaluation	99 - 108; 112 - 115
	Policies	17 - 21; 99 - 108; 112 - 115
	Actions	99 - 108; 112 - 115
	Follow up and monitoring of impact	99 - 108; 112 - 115
10. Businesses should work against corruption in all its forms, including extortion and bribery	Evaluation	102 - 104
	Policies	17 - 33; 102 - 104
	Actions	102 - 104
	Follow up and monitoring of impact	102 - 104

APPENDIX III

Contacts and relations with stakeholders

APPENDIX III

Contacts and relations with stakeholders

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