

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

2004 Consolidated Financial Statements  
and Management Report

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SUBSIDIARIES**

2004 Consolidated Financial Statements

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2004 AND 2003  
(Thousands of Euros)

*Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 29). In the event of a discrepancy, the Spanish-language version prevails.*

ASSETS	12/31/04	12/31/03	SHAREHOLDERS' EQUITY AND LIABILITIES	
A) FIXED AND OTHER NONCURRENT ASSETS	691,493	722,092	A) SHAREHOLDERS' EQUITY (Note 12)	735,765
I. START-UP EXPENSES	10,240	11,874	I. CAPITAL STOCK	21,881
II. INTANGIBLE ASSETS (Note 4)	16,388	29,561	II. ADDITIONAL PAID-IN CAPITAL	108,369
1. Rights on leased assets	200,829	189,622	III. 1983 REVALUATION RESERVE	3,289
2. Other intangible assets	(123,483)	(104,926)	IV. REVALUATION RESERVE ROYAL DECREE-LAW 7/1996	10,650
3. Accumulated amortization and allowances	93,734	114,257	V. RESERVES	
III. TANGIBLE FIXED ASSETS (Note 5)	174,298	185,419	1. Legal reserve	4,376
1. Land and structures	309,176	287,062	2. Reserve for treasury stock	29,706
2. Plant and machinery	117,334	105,424	3. Bylaw reserves	10,941
3. Other tangible fixed assets	18,033	17,890	4. Reserve for retired capital	1,373
4. Advances and construction in progress	(323,378)	(303,666)	5. Other reserves	394,426
5. Accumulated depreciation and allowances	295,463	292,129	VI. CONSOLIDATION RESERVES	440,822
IV. LONG-TERM INVESTMENTS (Note 6)	96,782	116,704	VII. RESERVES AT COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD	128,585
1. Investments in companies accounted for by the equity method	9,146	12,548	VIII. TRANSLATION DIFFERENCES	(34,049)
2. Long-term investment securities	162,920	149,929	IX. INCOME ATTRIBUTED TO THE PARENT COMPANY	(47,034)
3. Other long-term investments	(6,498)	(4,714)	1. Consolidated income	103,252
4. Allowances	262,350	274,467	2. Income (loss) attributed to minority interests (Note 13)	104,948
V. PARENT COMPANY SHARES (Note 7)	29,706	29,365	B) MINORITY INTERESTS (Note 13)	16,747
B) CONSOLIDATION GOODWILL (Note 8)	428,158	316,338	C) DEFERRED REVENUES (Note 14)	7,288
1. Fully and proportionally consolidated companies	180,498	172,442	D) PROVISIONS FOR CONTINGENCIES AND EXPENSES (Note 15)	21,531
2. Companies accounted for by the equity method	247,660	143,896	E) LONG-TERM DEBT (Note 16)	458,893
C) DEFERRED CHARGES (Note 9)	5,857	6,852	F) CURRENT LIABILITIES	483,474
D) CURRENT ASSETS	598,190	581,354	I. TRADE ACCOUNTS PAYABLE	199,827
I. INVENTORIES (Note 10)	99,851	91,056	II. PAYABLE TO ASSOCIATED COMPANIES	37,138
II. ACCOUNTS RECEIVABLE	351,776	317,301	III. OTHER NONTRADE PAYABLES (Note 17)	193,633
1. Trade receivables for sales and services	48,784	42,481	IV. TAXES PAYABLE (Note 18)	42,325
2. Receivable from associated companies	41,418	37,279	V. OPERATING ALLOWANCES	3,989
3. Tax receivables (Note 18)	44,613	55,559	VI. ACCRUAL ACCOUNTS	6,562
4. Other accounts receivable (Note 11)	(25,720)	(22,793)	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,723,698
5. Allowances	460,871	429,827		1,626,636
III. SHORT-TERM INVESTMENTS (Note 6)	8,682	10,154		
1. Short-term investment securities	(40)	(15)		
2. Allowances	8,642	10,139		
IV. CASH	21,888	39,312		
V. ACCRUAL ACCOUNTS	6,938	11,020		
TOTAL ASSETS	1,723,698	1,626,636		

*The accompanying Notes 1 to 29 and Exhibits 1 to 4 are an integral part of the consolidated balance sheet as of December 31, 2004.*

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003  
(Thousands of Euros)

*Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 29). In the event of a discrepancy, the Spanish-language version prevails.*

DEBIT	12/31/04	12/31/03	CREDIT	12/31/04	12/31/03
<b>A) EXPENSES</b>			<b>B) REVENUES</b>		
1. Materials used	430,507	408,928	1. Net sales (Note 19-a)	1,375,203	1,250,780
2. Personnel expenses:	277,126	268,337	2. Other operating revenues	50,467	54,136
a) Wages, salaries and similar expenses	62,427	60,283			
b) Employee welfare expenses	72,529	77,497			
3. Depreciation and amortization expense (Notes 3-a, 4 and 5)	381,340	345,508			
4. Outside services and taxes other than income tax	11,584	8,295			
5. Variation in operating allowances	190,157	136,068			
<b>I. OPERATING INCOME</b>					
	22,261	21,321	3. Revenues from equity investments	1,046	1,045
6. Financial and similar expenses	37	15	4. Other financial revenues	9,782	7,964
7. Variation in short-term investment valuation allowances (Note 3-i)	6,713	13,008	5. Exchange gains	6,644	30,206
8. Exchange losses	-	4,871	<b>II. FINANCIAL LOSS</b>	<b>11,539</b>	-
<b>II. FINANCIAL INCOME</b>					
	34,860	39,095	6. Share in the income of companies accounted for by the equity method (Note 6-a)		
9. Share in losses of companies accounted for by the equity method (Note 6-a)	22,083	24,480	(Note 6-a)		
10. Amortization of consolidation goodwill (Notes 3-f and 8)	134,227	87,545			
<b>III. INCOME FROM ORDINARY ACTIVITIES</b>					
	3,253	4,500	7. Gains on fixed assets (Note 19-e)	26,694	25,634
11. Losses on fixed assets	2,646	5,644	8. Extraordinary revenues (Note 19-e)	7,589	32,508
12. Variation in fixed asset allowances (Notes 4 and 5)	45,034	49,992			
13. Extraordinary expenses (Notes 3-a and 19-e)	117,577	85,551	<b>IV. EXTRAORDINARY LOSS</b>	<b>16,650</b>	<b>1,994</b>
<b>V. CONSOLIDATED INCOME BEFORE TAXES</b>					
	12,629	23,451			
14. Corporate income tax (Note 18)	104,948	62,100			
<b>VI. CONSOLIDATED INCOME FOR THE YEAR</b>					
	1,696	1,503			
15. Income (loss) attributed to minority interests (Note 13)	103,252	60,597			
<b>VII. INCOME ATTRIBUTED TO THE PARENT COMPANY</b>					

*The accompanying Notes 1 to 29 and Exhibits 1 to 4 are an integral part of the consolidated statement of income for the year ended December 31, 2004.*

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

Notes to 2004 Consolidated Financial Statements

*Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 29). In the event of a discrepancy, the Spanish-language version prevails.*

## **PROMOTORA DE INFORMACIONES, S.A. (PRISA)**

### **AND SUBSIDIARIES**

#### **NOTES TO 2004 CONSOLIDATED FINANCIAL STATEMENTS**

##### **(1) SUBSIDIARIES, MULTIGROUP AND ASSOCIATED COMPANIES**

The subsidiaries and multigroup and associated companies included in consolidation pursuant to Royal Decree 1815/1991 approving the rules for the preparation of consolidated financial statements, and the information relating thereto, are shown in *Exhibits 1, 2 and 3* hereto.

The data relating to Sociedad Española de Radiodifusión, S.A., Sociedad de Servicios Radiofónicos Unión Radio, S.L., Grupo Santillana de Ediciones, S.L., Gerencia de Medios, S.A., Dédalo Grupo Gráfico, S.L., Promotora de Emisoras de Televisión, S.A., Gran Vía Musical de Ediciones, S.L., Plural Entertainment España, S.L., Participaciones de Radio Latinoamericana, S.L., Grupo Latino de Radiodifusión Chile, Ltda., Sistema Radiópolis, S.A. de C.V., Inversiones Grupo Multimedia de Comunicaciones, S.A., Antena 3 de Radio, S.A., Sogecable, S.A., Inversiones en Radiodifusión, S.A. and Inversiones Digitales, S.A. contained in these notes to consolidated financial statements were obtained from their respective consolidated financial statements which include the effect of the parent companies and their respective subsidiaries.

Promotora de Informaciones, S.A. and Subsidiaries ("the PRISA Group") do not consolidate the companies which have not yet commenced operations, regardless of the percentage of ownership, since the effect thereof is not material.

##### **Variations in the scope of consolidation**

The main variations in the scope of consolidation in 2004 were as follows:

###### *Subsidiaries-*

In January 2004, Grupo Santillana de Ediciones, S.L. acquired a 50% holding in Suma de Letras, S.L., a company engaging in pocket edition publishing which operates throughout Latin America, thereby increasing its ownership interest to 100%. The consolidation method used for this company changed from proportional consolidation to full consolidation in 2004.

Legal Affairs Consilium, S.L., a local television company acquired in full by Promotora de Emisoras de Televisión, S.A., and Collserolla Audiovisual, S.L., a 92%-owned investee of Legal Affairs Consilium, S.L., began to be fully consolidated in April 2004.

Málaga Altavisión, S.A. and its subsidiaries Axarquía Visión, S.A., Marbella Digital Televisión, S.A. and Telecomunicaciones Antequera, S.A., which were formerly accounted for by the equity method, began to be fully consolidated in July 2004. This change in consolidation method was due to the 18.06% increase in the ownership interest held by Promotora de Emisoras de Televisión, S.A. in Málaga Altavisión, S.A., which rose to 73.72%.

Agencia Informativa de Noticias Económicas, S.L., a wholly-owned investee of Grupo Empresarial de Medios Impresos, S.L. was dissolved in July 2004. This company was being fully consolidated through the date of its dissolution.

Sociedad Española de Radiodifusión, S.A. began to fully consolidate its wholly-owned investee Radio Gibralfaro, S.A. in December 2004.

Also in December 2004, Productora Audiovisual de Badajoz, S.A., a 51%-owned subsidiary of Promotora de Emisoras de Televisión, S.A., sold its holding in Producciones Audiovisuales Videoline, S.L, which was formerly fully consolidated.

#### *Multigroup companies-*

Altamira Press, S.A., a company owned by Dédalo Grupo Gráfico, S.L., ceased to be consolidated in January 2004, since it plans to discontinue its operations. This company was formerly proportionally consolidated. The effect of this deconsolidation is not material.

#### *Associated companies-*

In April 2004 Promotora de Emisoras de Televisión, S.A. and Grupo Empresarial de Medios Impresos, S.L. acquired through their subsidiaries Productora de Televisión de Almería, S.A. and Novotécnica, S.A., holdings of 51% and 16.1%, respectively, in Televisión Alpujarra, S.L., which then began to be accounted for by the equity method.

In June 2004 Redprensa, S.L. acquired a 30% holding in Marina Press Distribuciones, S.L., which then began to be accounted for by the equity method.

Prensa Serviodiel, S.L., a 70%-owned investee of Distrimedios, S.A., a 29%-owned subsidiary of Redprensa, S.L., also began to be accounted for by the equity method in June 2004.

In July 2004 Promociones Audiovisuales Sevillanas, S.A., a 55%-owned investee of Promotora de Emisoras de Televisión, S.A., sold its holding in Lepevisión, S.A., a company which was being accounted for by the equity method through that date.

When comparing the information for 2003 and 2004, these variations, the effect of which is presented separately in these notes to consolidated financial statements in the "*Variations in the Scope of Consolidation*" column, should be taken into account.

The other variations in the scope of consolidation are disclosed in *Exhibits 1, 2 and 3*.

**(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**a) True and fair view**

The consolidated financial statements, which were prepared from the individual financial statements of PRISA and of its subsidiaries, are presented in accordance with the Spanish National Chart of Accounts and with Royal Decree 1815/1991 approving the rules for the preparation of consolidated financial statements and, accordingly, they give a true and fair view of the net worth, financial position and results of operations of the PRISA Group.

The consolidated financial statements for 2004 will be submitted for approval by the Shareholders' Meeting, and it is considered that they will be approved without any changes. The 2003 consolidated financial statements were approved by the Shareholders' Meeting on April 15, 2004.

**b) Consolidation principles**

The consolidation methods applied were as follows:

*Full consolidation-*

This method was applied for the Group companies (*subsidiaries*), which are deemed to be those in which PRISA has a direct or indirect holding of 50% or more and over which it exercises control by virtue of a majority of the voting rights on the Board of Directors. The detail of these companies is disclosed in *Exhibit 1*.

*Proportional consolidation-*

This method was applied for the *multigroup companies*, which were deemed to be those at which PRISA and another shareholder are equally represented on the Board of Directors and jointly manage the investee. The detail of these companies is disclosed in *Exhibit 2*.

*Equity method-*

This method was used for the *associated companies*, which are deemed to be those in which PRISA has a direct or indirect holding of between 20% and 50% or those at which, even if the percentage of ownership is less than 20%, there is significant influence over their management. The detail of these companies is disclosed in *Exhibit 3*.

All material balances and transactions between the consolidated companies were eliminated.

The equity of third parties in the net worth and results of the Group companies is presented under the "*Minority Interests*" and "*Income (Loss) Attributed to Minority Interests*" captions, respectively, in the accompanying consolidated balance sheet and consolidated statement of income.

The balance-sheet and income-statement items of the consolidated foreign companies were translated to euros by the "*year-end exchange rate method*", i.e. all the assets, rights and obligations were translated at the exchange rate in force at year end, and the income-statement items were translated at the average exchange rates for the year. The difference between the value of equity translated at the historical exchange rates and the net worth



position resulting from the translation of the other items as indicated above is included under the "*Translation Differences*" caption in the accompanying consolidated balance sheet.

The balance-sheet items of foreign companies affected by high inflation rates are adjusted for the effects of price fluctuations, in accordance with local regulations, prior to translation to euros. The effect of inflation in the year on the monetary assets and liabilities of these companies is included under the "*Financial and Similar Expenses*" caption in the accompanying consolidated statement of income. The effect of the inflation adjustment on the net worth contributed by the companies at which this accounting practice is used was recorded under the "*Translation Differences*" caption in the accompanying consolidated balance sheet.

In keeping with standard practice, these consolidated financial statements do not include the tax effect of transferring to the accounts of PRISA the accumulated reserves and retained earnings of the other consolidated companies, since it was considered that these balances will be used as self-financing sources by those companies.

### (3) VALUATION STANDARDS

The main valuation methods applied by the PRISA Group in preparing its 2004 consolidated financial statements, in accordance with the Spanish National Chart of Accounts, were as follows:

#### a) Start-up expenses

Start-up expenses relate basically to capital increase expenses and the expenses incurred in launching new products and starting up new business activities at the various Group companies.

These expenses are amortized on a straight-line basis over a period of five years. €4,779 thousand of amortization of start-up expenses were charged to the 2004 consolidated statement of income. Of this amount, €4,599 thousand were recorded under the "*Depreciation and Amortization Expense*" caption and €180 thousand under the "*Extraordinary Expenses*" caption.

#### b) Intangible assets

The main items included under this caption and the valuation methods used are as follows:

##### *Rights on leased assets-*

These rights are recorded at the cost of the related assets, and the total debt for lease payments plus the amount of the purchase option is recorded as a liability. The difference between the two amounts, which represents the interest expenses on the transaction, is recorded as "*Deferred Charges*" and taken to period income by the interest method. The rights on leased assets are amortized using the same methods as those used to depreciate similar tangible fixed asset items.

*Computer software-*

This account includes the amounts paid to develop specific computer programs and the amounts incurred in acquiring from third parties the licenses to use computer programs. Computer software is amortized on a straight-line basis over a period ranging from three to five years from the date on which it is brought into service.

*Prototypes and master copies-*

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

This account also includes *audiovisual* productions which are recorded at the amounts incurred in producing them with a view to their subsequent marketing. Audiovisual productions are amortized on the basis of the revenues expected to be obtained therefrom, over a maximum period of seven years from the date on which production is completed.

Lastly, this account includes *music and audiovisual master copies*, which are recorded at the costs incurred in the recording and manufacture of discs and records. Master copies are amortized on a straight-line basis over three years from the date on which the disc or record is released.

*Advances on copyright-*

This account includes the advances paid to authors for the acquisition of book publishing rights. These advances are charged to income from the date of launch in the market, at the fixed percentage set in each contract, which is applied to the book cover price, and are recorded in the consolidated balance sheet at cost, net of the portion charged to income. This cost is reviewed each year and, where necessary, an allowance is recorded based on the projected sales of the related publication.

Advances paid to artists and music producers are also recorded in this account. These advances, paid on account of royalties to be generated from the date of launch of the record, are charged to income from that date, in accordance with the royalty set in each contract, until they have been recovered in full, which normally occurs in a period of more than one year.

*Other intangible assets-*

This account basically includes the amounts paid to acquire administrative concessions for the operation of radio frequencies. Subject to the temporary administrative regime, they are granted for ten-year renewable periods and are amortized on a straight-line basis over ten years.

**c) Tangible fixed assets**

Tangible fixed assets acquired prior to December 31, 1983, are carried at cost revalued pursuant to the applicable enabling legislation. Subsequent additions are stated at cost,

revalued pursuant to Royal Decree-Law 7/1996 in the case of Diario El País, S.L., Sociedad Española de Radiodifusión, S.A., Prisa División Inmobiliaria, S.L., Promotora de Informaciones, S.A., Ítaca, S.L., Mateu Cromo Artes Gráficas, S.A., Macrolibros, S.A., Polestar Hispánica, S.L. and Algarra, S.A.

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

Period upkeep and maintenance expenses are expensed currently.

Tangible fixed assets are depreciated by the straight-line method at annual rates based on the following years of estimated useful life:

	Years of Useful Life
Buildings and structures	50
Plant and machinery	5 - 10
Other tangible fixed assets	4 - 20

The amounts relating to the revaluation made pursuant to Royal Decree-Law 7/1996 are being depreciated over the years of residual useful life of the related revalued assets as of December 31, 1996.

In 2004 the Prisa Group companies reestimated the useful lives of certain tangible fixed assets. The effect of the changes was to reduce the "*Depreciation and Amortization Expense*" caption in the 2004 consolidated statement of income by €5,338 thousand.

**d) Long-term investments**

Holdings in consolidated associated companies are accounted for by the equity method, which consists of replacing the net book value at which the holdings are recorded in the financial statements of the respective Group companies by the amount corresponding to the percentage of the equity of each investee owned.

**e) Parent Company shares**

Treasury stock is valued at the lowest of the following values: cost, year-end market price, average market price in the last quarter or underlying book value. An allowance is recorded for the difference between the acquisition cost of the shares of treasury stock and the lowest of the aforementioned three values. This allowance is presented as a reduction of the acquisition cost under the "*Parent Company Shares*" caption in the accompanying consolidated balance sheet.

**f) Consolidation goodwill**

Consolidation goodwill arises as a result of the acquisition of holdings in the consolidated companies, and is determined as the difference between the cost of the holdings and their underlying book value at the acquisition date or at the date of first-time consolidation.

This consolidation goodwill is amortized on a straight-line basis over a period of 20 years, based on the time it is estimated that the companies acquired will contribute to the obtainment of income.

The Group prepares long-term business plans for its investments on the basis of its knowledge of the medium, the best available estimates of the conditions and future evolution of the market, the planned operational evolution for the business, fulfillment of legal conditions and the Group's future strategy. Regarding these business plans, the Group will obtain income at medium term to enable it to recover acquisition costs paid in excess of underlying book values.

**g) Inventories**

Raw materials, other supplies and commercial products or finished goods purchased from third parties are valued at the lower of average acquisition cost or market.

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

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

**h) Nontrade loans**

Short-term nontrade loans are recorded at the amount delivered, including the related accrued interest receivable at year-end.

**i) Short-term investments**

The time deposits maturing at short term are valued at cost, plus the accrued interest receivable as of the date of the accompanying consolidated financial statements.

**j) Provisions for contingencies and expenses**

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

*"Provision for Third-Party-Liability"* caption relates to the estimated amount required for possible claims arising from obligations assumed by the consolidated companies in the course of their commercial operations and to the estimated severance payments payable to employees who are expected to be terminated.

**k) Operating allowances**

The balance of this caption relates to the amounts estimated by Grupo Santillana de Ediciones, S.A. of the sales returns that will be received after year-end, taking into account the realizable value of the inventories returned.

**l) Classification of debt**

Debts are recorded at effective value; debts maturing in under 12 months from year-end are classified as current liabilities and those maturing at over 12 months as long-term debt.

**m) Corporate income tax**

The expense for corporate income tax of each year is calculated on the basis of book income before taxes, obtained from the respective financial statements of the Group companies, increased or decreased, as appropriate, by the permanent differences from taxable income, net of tax relief and tax credits. Also, the PRISA Group records as a revenue the tax credits taken in the corporate income tax return.

The corporate income tax expense was determined by aggregating the expense of the various tax consolidation groups and that of the other Group companies which do not form part of these groups.

Grupo Promotora de Informaciones, S.A. and Subsidiaries files consolidated tax returns pursuant to Law 43/1995, and Promotora de Informaciones, S.A. is the Parent Company of the tax group.

**n) Foreign currency transactions**

Foreign currency on hand and receivables and payables denominated in foreign currencies are translated to euros at the exchange rates ruling at the transaction date. Exchange differences arising from the translation are allocated to income for the year.

At year-end, foreign currency on hand and receivables and payables in foreign currencies are translated to euros at the year-end exchange rates, and any resulting exchange losses are taken to income. Exchange gains on the same balances, if they are not offset against current or prior years' exchange losses, are recorded under the *"Deferred Revenues"* caption in the consolidated balance sheet.

Exchange gains deferred in prior years and those arising in the current year are credited to income in the year in which the related accounts payable and receivable fall due, except when the result at maturity is guaranteed by means of hedging transactions, in which case they are taken to income in the current year (*see Note 3-p*).

The exchange gains recorded under the *"Exchange Gains"* caption in the consolidated statement of income relate mainly to Grupo Santillana de Ediciones, S.L. and Subsidiaries (€3,594 thousand).

**ñ) Recognition of revenues and expenses**

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

However, in accordance with the accounting principle of prudence, the consolidated companies only record realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

**o) Severance costs**

Under current labor legislation, the Prisa Group companies are required to pay severance to employees terminated under certain conditions. The companies record the required provisions when the resolution to terminate the related employment relationships is adopted.

**p) Hedging instruments**

The Group is continuously exposed to fluctuations in the exchange rates of the countries where it operates. In order to mitigate this risk, it arranges exchange rate hedging contracts on the basis of its projections and budgets.

Similarly, the Group is exposed to exchange rate risks as a result of the potential fluctuations in the various currencies in which its debt to financial institutions is denominated (*see Notes 16 and 17*) and, accordingly, every year it hedges this type of transaction on the basis of its projections and budgets.

The Group is also exposed to variations in the interest rate curve since all of its debt to financial institutions is at floating rates. Consequently, the Group arranges interest rate hedging contracts using basically contracts structured to guarantee interest rate ceilings.

At year-end the contracts in force were valued by comparing, for each contract on a case-by-case basis, the price agreed on with the market value of each currency and the reference interest rate, if any, at year-end.

The theoretical value of these transactions as of December 31, 2004, did not reflect any significant losses for the PRISA Group that should be recorded in its accounting records.

#### (4) INTANGIBLE ASSETS

The transactions recorded in 2004 in intangible asset accounts and the related accumulated amortization are summarized as follows:

	Thousands of Euros							
	Balance at 12/31/03	Monetary Adjustment	Translation Adjustment	Variation in the Scope of Consolidation	Additions	Retirements	Transfers	Balance at 12/31/04
<b>Cost:</b>								
Rights on leased assets	29,561	16	(17)	520	152	(11)	(13,833)	16,388
Computer software	43,358	189	103	(8)	4,670	(391)	3,464	51,385
Prototypes and master copies	103,451	(177)	(1,111)	629	28,395	(13,784)	(159)	117,244
Advances on copyright	20,751	-	(97)	291	5,592	(7,993)	(2,714)	15,830
Other intangible assets	22,062	197	50	(126)	1,892	(4,438)	(3,267)	16,370
<b>Total cost</b>	<b>219,183</b>	<b>225</b>	<b>(1,072)</b>	<b>1,306</b>	<b>40,701</b>	<b>(26,617)</b>	<b>(16,509)</b>	<b>217,217</b>
<b>Accumulated amortization:</b>								
Rights on leased assets	(4,893)	-	3	(155)	(1,930)	97	2,891	(3,987)
Computer software	(26,862)	(236)	(31)	2	(7,088)	242	11	(33,962)
Prototypes and master copies	(58,448)	183	547	(539)	(23,527)	10,630	23	(71,131)
Advances on copyright	(2,497)	-	(20)	(141)	(2,969)	862	2,873	(1,892)
Other intangible assets	(6,529)	(170)	(46)	(112)	(1,103)	1,730	(27)	(6,257)
<b>Total accumulated amortization</b>	<b>(99,229)</b>	<b>(223)</b>	<b>453</b>	<b>(945)</b>	<b>(36,617)</b>	<b>13,561</b>	<b>5,771</b>	<b>(117,229)</b>
<b>Allowance for decline in value</b>	<b>(5,697)</b>	<b>(1)</b>	<b>(74)</b>	<b>(32)</b>	<b>(1,449)</b>	<b>1,026</b>	<b>(27)</b>	<b>(6,254)</b>
<b>Intangible assets, net</b>	<b>114,257</b>	<b>1</b>	<b>(693)</b>	<b>329</b>	<b>2,635</b>	<b>(12,030)</b>	<b>(10,765)</b>	<b>93,734</b>

The most significant transactions in 2004 were as follows:

##### *Variations in the scope of consolidation-*

The variations in the scope of consolidation relate to the companies detailed in *Note 1*.

##### *Additions-*

The additions to *"Computer Software"* relate mainly to software acquired from and/or developed by third parties for Diario El País, S.L., and Grupo Santillana de Ediciones, S.L.

The additions to *"Prototypes and Master Copies"* mainly include additions of prototypes for the publication of books at Grupo Santillana de Ediciones, S.L. and audiovisual production costs incurred by Plural Entertainment España, S.L.

The *"Advances on Copyright"* include the additions of transactions performed at Grupo Santillana de Ediciones, S.L. and Gran Vía Musical de Ediciones, S.L.

##### *Retirements-*

The retirements from the *"Prototypes and Master Copies"* and *"Advances on Copyright"* accounts relate mainly to Gran Vía Musical de Ediciones, S.L., due to the agreement entered into by PRISA with Universal Music Spain, S.L. for the sale of its main artists' recording rights and the commercial exploitation of the musical catalogs of its subsidiaries Gran Vía Musical de Ediciones, S.L., Compañía Discográfica Muxxic Records, S.A., Ediciones Musicales Horus, S.A. and Eurotropical de Producciones Discográficas, S.L. The agreement includes a repurchase option on the recording assets at market prices after five years have elapsed. During this period PRISA has the right to participate in the commercial exploitation of the recording assets. The agreement also includes

commitments relating to the temporary transfer to Universal Music Spain, S.L. of the use of music labels for the commercial exploitation of recording products, and a commitment by Universal Music Spain, S.L. to make advertising investments in the Prisa Group's media.

The retirements from the "Prototypes and Master Copies" account also relate to prototypes of Grupo Santillana de Ediciones, S.L., whose commercial exploitation was deemed to have ended and which had been fully amortized.

*Transfers-*

The transfers recorded in the "Rights on Leased Assets" account are due mainly to the exercise of the purchase option on several leases. These assets are transferred to the related tangible fixed asset accounts according to their type. The most noteworthy purchase options exercised in 2004 were those exercised by Prisa División Inmobiliaria, S.L. on its buildings located in Pinto (Madrid), which were subsequently sold to third parties (see Note 5), and those exercised on "Plant and Machinery".

As of December 31, 2004, €27,852 thousand of the Prisa Group's intangible assets had been fully amortized.

The detail of the leased assets as of December 31, 2004, is as follows:

	Contract Term (Years)	Years Elapsed	Thousands of Euros				Value of Purchase Option
			Cost of Asset	Lease Payments Paid		Payments Outstanding	
				Prior Years	2004		
Structures	10	2 to 9	863	6	12	460	12
Plant and machinery	4 to 6	1 to 4	15,338	7,722	2,770	6,801	228
Other intangible assets	1 to 5	0 to 4	187	55	44	72	3
<b>Total</b>			<b>16,388</b>	<b>7,783</b>	<b>2,826</b>	<b>7,333</b>	<b>243</b>

**(5) TANGIBLE FIXED ASSETS**

The transactions recorded in 2004 in tangible fixed asset accounts and the related accumulated depreciation are summarized as follows:



	Thousands of Euros							Balance at 12/31/04
	Balance at 12/31/03	Monetary Adjustment	Translation Adjustment	Variation in the Scope of Consolidation	Additions	Retirements	Transfers	
<b>Cost:</b>								
Land and structures	185,419	1,215	(831)	45	6,177	(29,240)	11,513	174,298
Plant and machinery	287,062	1,133	423	(3,532)	16,907	(9,847)	17,030	309,176
Other tangible fixed assets	105,424	725	(148)	1,721	11,583	(3,366)	1,395	117,334
Advances and construction in progress	17,890	(1)	(28)	(63)	19,688	(3,051)	(16,402)	18,033
<b>Total cost</b>	<b>595,795</b>	<b>3,072</b>	<b>(584)</b>	<b>(1,829)</b>	<b>54,355</b>	<b>(45,504)</b>	<b>13,536</b>	<b>618,841</b>
<b>Accumulated depreciation:</b>								
Structures	(51,090)	(584)	123	(11)	(3,148)	5,179	(1,222)	(50,753)
Plant and machinery	(179,042)	(769)	(757)	2,905	(17,638)	6,504	(2,350)	(191,147)
Other tangible fixed assets	(72,475)	(602)	195	(979)	(10,527)	2,631	801	(80,956)
<b>Total accumulated depreciation</b>	<b>(302,607)</b>	<b>(1,955)</b>	<b>(439)</b>	<b>1,915</b>	<b>(31,313)</b>	<b>14,314</b>	<b>(2,771)</b>	<b>(322,856)</b>
<b>Allowances</b>	<b>(1,059)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,021)</b>	<b>1,558</b>	<b>-</b>	<b>(522)</b>
<b>Tangible fixed assets, net</b>	<b>292,129</b>	<b>1,117</b>	<b>(1,023)</b>	<b>86</b>	<b>22,021</b>	<b>(29,632)</b>	<b>10,765</b>	<b>295,463</b>

The most significant transactions in 2004 were as follows:

*Variations in the scope of consolidation-*

The variations in the scope of consolidation relate to the companies detailed in *Note 1*.

*Additions-*

The additions to the "*Land and Structures*" account relate basically to improvements and refurbishments made in 2004 to various Group company buildings.

The additions to the "*Plant and Machinery*" account include mainly the acquisition and entry into service of a new rotary press by Diario El País, S.L. for its printing plant in Madrid.

The additions to the "*Other Tangible Fixed Assets*" account include, inter alia, investments of €7,501 thousand in computer and communications equipment related to the projects being developed by the Group as part of its Technological Plan.

The "*Advances and Construction in Progress*" account includes the general and technical renovation work being carried out at the floors occupied by Sociedad Española de Radiodifusión, S.A. at Gran Vía, 32, Madrid and the advance delivered by Diario El País, S.L. for the purchase of a new rotary press for its printing plant in Barcelona, which will come into service in 2005.

*Retirements-*

The retirements from the "*Land and Structures*" caption include, inter alia, the sale of various buildings and land located in Pinto (Madrid) by Dédalo Grupo Gráfico, S.L. and Prisa División Inmobiliaria, S.L., the sale by Prisa División Inmobiliaria, S.L. of various premises and the sale by El Correo de Andalucía, S.L. of an industrial building in Seville (see *Note 19-e*).

The retirements from the "*Plant and Machinery*" account also include the sale of closing equipment by Diario El País, S.L.

### *Transfers-*

The transfers from the "Advances and Construction in Progress" account relate mainly to machinery owned by Diario El País, S.L. whose expansion, adaptation and assembly has been completed and which has been recorded in the "Plant and Machinery" account.

Assets acquired under finance lease agreements are included as transfers since the related purchase options were exercised in 2004 (see Note 4).

As of December 31, 2004, Diario El País, S.L. had acquired firm tangible fixed asset purchase commitments amounting to €4,650 thousand to improve production processes at its printing plant in Barcelona.

As of December 31, 2004, €129,624 thousand of the Prisa Group's tangible fixed assets had been fully depreciated.

In 1996, pursuant to the applicable asset revaluation legislation, the balances of the various tangible fixed asset captions were increased. The consolidated detail of the revaluation as of December 31, 2004, is as follows:

	Thousands of Euros
	Increase Due to Revaluation
Land and structures	10,915
Plant and machinery	6,600
Other tangible fixed assets	730
<b>Total</b>	<b>18,245</b>

The 2004 depreciation charge relating to the tangible fixed assets revalued pursuant to Royal Decree-Law 7/1996 amounted to €184 thousand.

The Group companies take out insurance policies to cover the possible risks to which their tangible fixed assets are subject. As of December 31, 2004, the insurance policies taken out sufficiently covered the Group's tangible fixed assets.

(6) LONG- AND SHORT-TERM INVESTMENTS

a) Investments in companies accounted for by the equity method

The variations in this caption in 2004 were as follows:

	Thousands of Euros				
	Balance at 12/31/03	Additions	Retirements	Share in Income (Loss)	Balance at 12/31/04
Antena 3 de Radio, S.A.	7,426	-	(8,871)	7,972	6,527
Beralán, S.A.	422	-	(142)	271	551
Field Mateu, S.L.	3,066	-	-	(575)	2,491
Iberbanda, S.A.	24,679	-	-	(6,398)	18,281
Inversiones Godó, S.A.	561	-	(48)	76	589
Novotécnica, S.A.	2,198	-	(163)	1,245	3,280
Onda Musical, S.A.	1,860	-	(181)	408	2,087
Participaciones de Radio Latinoamericana, S.L. (investee subsidiaries)	(1,115)	105	-	(224)	(1,234)
Promotora de Emisoras de Televisión, S.A. (investee subsidiaries)	2,748	1,744	(1,165)	(2,352)	975
Sogecable, S.A.	72,645	12,618	-	(24,984)	60,279
S.S.R. Unión Radio, S.L. (investee subsidiaries)	971	128	-	296	1,395
Other	1,243	228	(1,777)	1,957	1,651
<b>Total</b>	<b>116,704</b>	<b>14,823</b>	<b>(12,347)</b>	<b>(22,308)</b>	<b>96,872</b>
Capital payments payable to Productora Audiovisual de Jaén, S.A.	-	(90)	-	-	(90)
<b>Total investments in companies accounted for by the equity method</b>	<b>116,704</b>	<b>14,733</b>	<b>(12,347)</b>	<b>(22,308)</b>	<b>96,782</b>

The addition relating to Sogecable, S.A. arose as a result of the acquisition of an additional 3.29% holding in the company (*see Note 8*), which increased the value of the holding by €125,886 thousand and took the total ownership interest to 23.00% (*see also Note 27*).

The other additions relate basically to acquisitions of shareholdings and the formation of companies, the most significant of which was Promotora de Emisoras de Televisión, S.A., a local television business unit holding company, which continued its expansion phase in 2004.

The retirements relate to dividends paid by the companies and to changes in the consolidation method (*see Note 1*), including most notably that of the Group's television companies in Málaga, which had previously been accounted for by the equity method and were fully consolidated in 2004, which are recorded as a retirement from the "Investments in Companies Accounted for by the Equity Method" account relating to Promotora de Emisoras de Televisión, S.A.

b) Long-term investment securities

This caption relates to the holdings in the capital stock of the nonconsolidated companies as of December 31, 2004, the detail being as follows:

	Thousands of Euros							Percentage of Ownership 12/31/04
	Balance at 12/31/03	Monetary Adjustment	Translation Adjustment	Variation in the scope of Consolidation	Additions	Retirements and Transfers	Balance at 12/31/04	
Altamira Press, S.A.	-	-	-	2,154	-	-	2,154	40.00%
Caracol, S.A. (investee subsidiaries)	4,007	36	204	(1,028)	-	(2,981)	238	
Central Aragonesa de Producción de Medios, S.A.	1,127	-	-	-	-	-	1,127	11.25%
Distribuidora de Aragón, S.A.	918	-	-	-	-	-	918	17.00%
Legal Affairs Consilium, S.L.	721	-	-	(721)	-	-	-	
Le Monde Europe, S.A.	1,006	-	-	-	-	-	1,006	27.50%
Readleaf, Inc. (USA)	2,244	-	-	-	-	-	2,244	0.90%
Other investments	1,495	-	(10)	-	158	(184)	1,459	
Advances and commitments	1,030	-	-	(1,030)	-	-	-	
<b>Total</b>	<b>12,548</b>	<b>36</b>	<b>194</b>	<b>(625)</b>	<b>158</b>	<b>(3,165)</b>	<b>9,146</b>	

Altamira Press, S.A. was excluded from consolidation in 2004 because its activity was expected to be discontinued.

The variations at Caracol, S.A. arose as a result of the company restructuring performed at this group in 2004, which gave rise to the inclusion, by the full consolidated method, of certain investee subsidiaries in the scope of consolidation and to the dissolution of others.

The holding in Legal Affairs Consilium, S.L. was excluded from the long-term securities portfolio in 2004 since this investment is now included in consolidation by the full consolidation method.

The variations in the "Advances and Commitments" account relate to the inclusion in the scope of consolidation of Radio Gibralfaro, S.A. by the full consolidation method.

#### c) Other long-term investments

The breakdown of the balance of this caption in the accompanying balance sheet as of December 31, 2004, is as follows:

	Thousands of Euros
	Balance at 12/31/04
Other receivables	
Participating loan to Sogecable, S.A.	52,272
Investment tax credits (Note 18)	48,300
Tax assets (Note 18)	16,467
Prepaid tax (Note 18)	2,398
Account receivable from local television associates	11,692
Deposits and guarantees	3,198
Other	28,593
<b>Total</b>	<b>162,920</b>

The participating loan of €50,000 thousand maturing in 2013 was granted to Sogecable, S.A. in 2003 by virtue of the agreement entered into on July 9, 2003. This loan is part of the agreement whereby Vivendi Universal, S.A., Telefónica de Contenidos, S.A.U. and PRISA undertook to grant Sogecable, S.A. a ten-year commercial participating loan amounting to

€150,000 thousand to meet its operating needs following the integration of Vía Digital. The interest earned on this loan in 2003 (€2,272 thousand) was capitalized in 2004. The interest earned in 2004 is recorded under the "Accounts Receivable - Receivable from Associated Companies" caption on the asset side of the consolidated balance sheet.

The investment tax credits include the tax receivables relating to unused investment tax credits earned by the PRISA Group in 2004 and in previous years (see Note 18).

The balance of the account receivable from local television associates relates to an account receivable by Promotora de Emisoras de TV, S.A. from its associates, amounting to €11.692 thousand relating to losses incurred by Red Localia in 2004 and in previous years. Of this amount, €1,786 thousand relate to collection rights arising in 2004, the balancing entry for which is recorded under the "Other Operating Revenues" caption.

The "Other" account includes mainly a loan of €7,116 thousand to Investissements Presse Regional, S.A. and an account receivable of €4,001 thousand from Universal Music Spain, S.L., by virtue of the agreement entered into by the Prisa Group and that company (see Note 4).

**d) Short-term investments**

As of December 31, 2004, this caption related to the Group's cash and cash equivalents invested in short-term deposits and in various fixed-income securities with resale agreement.

**(7) PARENT COMPANY SHARES**

As of December 31, 2004, PRISA held a total of 10,940,625 shares of treasury stock. The total cost of these shares was €29,706 thousand, with a cost per share of €2.72.

The PRISA Group plans to cover the exchangeable bond issue launched in 2003 using the total amount of the shares of treasury stock held by it. In the context of the above-mentioned issue, the Company had loaned 5,539,473 shares as of December 31, 2004 (see Note 16).

**(8) CONSOLIDATION GOODWILL**

The detail, by company, of the balance of the "Consolidation Goodwill" caption and of the variations therein in 2004 is as follows:

	Thousands of Euros						Balance at 12/31/04
	Balance at 12/31/03	Translation Adjustment	Additions	Provisions	Retire- ments	Transfers	
<b>Consolidation goodwill relating to fully or proportionally consolidated companies:</b>							
Canal 4 Navarra, S.L.	-	-	2,640	(132)	-	-	2,508
Dédalo Grupo Gráfico, S.L.	13,445	-	1,536	(749)	-	-	14,232
Ediciones Musicales Horus, S.A.	1,146	-	-	(14)	(1,132)	-	-
Editora Moderna, Ltda.	60,565	-	-	(3,564)	-	-	57,001
Espacio Editorial Andaluza Holding, S.L.	14,994	-	-	(897)	-	-	14,097
Gerencia de Medios, S.A.	33,944	-	-	(2,121)	-	-	31,823
Grupo Latino de Radio, S.L.	-	-	9,109	(455)	-	-	8,654
Inversiones Grupo Multimedia de Comunicaciones, S.A.	3,070	4	-	(451)	-	-	2,623
Lyrics and Music, S.L.	685	-	3,524	(216)	-	-	3,993
Sistema Radiópolis, S.A. de C.V.	31,338	-	-	(1,757)	-	-	29,581
Other	13,255	34	3,434	(1,153)	-	416	15,986
<b>Total consolidation goodwill relating to fully or proportionally consolidated companies</b>	<b>172,442</b>	<b>38</b>	<b>20,243</b>	<b>(11,509)</b>	<b>(1,132)</b>	<b>416</b>	<b>180,498</b>
<b>Consolidation goodwill relating to companies accounted for by the equity method:</b>							
Sogecable, S.A.	138,059	-	114,082	(10,155)	-	-	241,986
Other	5,837	-	672	(419)	-	(416)	5,674
<b>Total consolidation goodwill relating to companies accounted for by the equity method</b>	<b>143,896</b>	<b>-</b>	<b>114,754</b>	<b>(10,574)</b>	<b>-</b>	<b>(416)</b>	<b>247,660</b>
<b>Total consolidation goodwill</b>	<b>316,338</b>	<b>38</b>	<b>134,997</b>	<b>(22,083)</b>	<b>(1,132)</b>	<b>-</b>	<b>428,158</b>

### Consolidation goodwill relating to fully or proportionally consolidated companies

The addition to the goodwill of Canal 4 Navarra, S.L. is due to the acquisition by Promotora de Emisoras de Televisión, S.A. of the remaining 49% of this company.

The increase in the goodwill of Dédalo Grupo Gráfico, S.L. is due the adjustments arising from the merger of the Prisa Group's printing businesses in Spain and the UK printing group Polestar in December 2003.

The retirement from the goodwill of Ediciones Musicales Horus, S.A. is due to the retirement of assets from the recording business by virtue of the agreement entered into by the Prisa Group and Universal Music Spain, S.L. (see Notes 4 and 6-c).

On May 7, 2004, PRISA acquired the 13.24% holding in the capital of Grupo Latino de Radio, S.L. for €16,513 thousand from Invernac & Cia S.C.A. and Compañía del Litoral, S.A., which belong to Grupo Valores Bavaria, S.A. The Prisa Group owns the remaining 86.76% of the capital of this company through Prisa División Internacional, S.L. The purchase took place after the collection of this amount from Valores Bavaria, S.A. in connection with the unpaid debt relating to the reimbursement of the contributions of holdings in Radio Latinoamericana, S.A. and in the Caracol Group companies (see Note 11). Consequently, there was also an indirect increase in the Prisa Group's holdings, though its subsidiary Grupo Latino de Radio, S.L., in Participaciones de Radio Latinoamericana, S.L., Sistema Radiópolis, S.A de C.V. and Caracol, S.A. All these events are reflected in the addition to the goodwill of Grupo Latino de Radio, S.L.

The addition to the goodwill of Lyrics and Music, S.L. arose as a result of the Prisa Group increasing its holding in the company from 60% to 100% in March 2004.

The "Other" account includes the addition to the goodwill generated by the increase in the holding in Málaga Altavisión, S.A. and its subsidiaries Axarquía Visión, S.A., Marbella Digital Televisión, S.A. and Telecomunicaciones Antequera, S.A., previously accounted for by the equity method and now fully consolidated. As a result of the change in the consolidation method, the related transfers took place in the goodwill arising from the holdings in these companies. This account includes the additions to the goodwill of Legal Affairs Consilium, S.L. and Collserola Audiovisual, S.L. arising from the acquisition by Promotora de Emisoras de Televisión, S.A. of all the shares of Legal Affairs Consilium, S.L. (see Notes 1 and 6-b). This account also includes an addition to the goodwill of Televisión, Medios y Publicidad, S.L. as a result of the acquisition in September 2004 of an additional 16.20% of the company, and at Radio Gibralfaro, S.A. as a result of its inclusion in the scope of consolidation.

#### **Consolidation goodwill relating to companies accounted for by the equity method**

The addition to the goodwill of Sogecable, S.A. was generated by the Prisa Group's successive acquisitions of holdings in the company in 2004 (see Note 6-a).

Lastly, the additions included in the "Other" account relate mainly to the goodwill generated by the acquisition of 10.66% of Radio Jaén, S.L., to the increase in the holding in Unión de Televisión Gallegas, S.A. and to the purchase of 30% of Marina Press, S.L.

#### **(9) DEFERRED CHARGES**

The "Deferred Charges" caption includes €2,983 thousand of expenses incurred as a result of the exchangeable bonds issue launched in December 2003 (see Notes 7 and 16). The Prisa Group will allocate these expenses to income over the next five years by the straight-line method based on the maturity of the exchangeable bonds. The charge in this connection of €746 thousand was recorded under the "Financial and Similar Expenses" caption in the accompanying consolidated statement of income.

This caption also includes the payments made to acquire antenna services to be used by the companies owned by Promotora de Emisoras de Televisión, S.A. at long term. These payments will be allocated to expenses over five years by the straight-line method.

Lastly, this caption also includes the interest expenses on lease transactions (see Note 3-b).

## (10) INVENTORIES

The detail of the balance of the "Inventories" caption in the accompanying consolidated balance sheet as of December 31, 2004, is as follows:

	Thousands of Euros
	Balance at 12/31/04
Merchandise	16,309
Finished goods	64,650
Raw materials and other supplies	30,945
Work-in-process	4,306
Supplementary materials	24
	116,234
Allowance for decline in value of inventories	(16,383)
<b>Total</b>	<b>99,851</b>

The Group companies take out insurance policies which sufficiently cover the value of their inventories.

## (11) ACCOUNTS RECEIVABLE

### Other accounts receivable

The balance of this caption as of December 31, 2003, included an account receivable from Valores Bavaria for €17,152 thousand, which arose in 2003 in relation to the reimbursement of the contributions of Participaciones de Radio Latinoamericana, S.A. and the Caracol Group companies. All the balances receivable were collected in 2004 (*see Note 8*).

As a result of the sale in 2003 of a building lot in Madrid by deferred payment, in 2004 the Company collected €4,745 thousand, and has a balance receivable of €5,273 thousand, which is recorded under this caption in the balance sheet as of December 31, 2004.

This caption also includes the price paid by the Prisa Group, through its subsidiary Sociedad Española de Radiodifusión, S.A., to contract of undertaking to purchase and sell and to subscribe to the capital increase at Radio Ambiente Musical, S.A. and Ona Catala, S.A. for €5,408 thousand. In any case, the transaction is subject to the obtainment of the appropriate authorizations from the radio broadcasting and anti-trust authorities.

## (12) SHAREHOLDERS' EQUITY

The variations in equity accounts in the consolidated balance sheet in 2004 are summarized in *Exhibit 4*.



**a) Capital stock**

As of December 31, 2004, the capital stock of Promotora de Informaciones, S.A. consisted of 218,812,500 shares of €0.1 par value each.

As of December 31, 2004, the only shareholders of the Parent Company with direct ownership interests of 10% or more in its capital stock were Promotora de Publicaciones, S.L., with a holding of 44.535%, and Timón, S.A., with a holding of 18.421%.

**b) Additional paid-in capital**

The revised Corporations Law expressly permits the use of the additional paid-in capital balance to increase capital with a charge to reserves and establishes no specific restrictions as to its use.

**c) Reserves**

*1983 revaluation reserve-*

Pursuant to the legislation on the revaluation of tangible fixed assets and intangible assets published in 1983, the cost and accumulated depreciation and amortization of the assets were increased by a net amount of €3,289 thousand, and this amount is recorded under the "1983 Revaluation Reserve" caption.

*Revaluation reserve Royal Decree-Law 7/1996-*

Under Royal Decree 2607/1996 approving the regulations for asset revaluations pursuant to Royal Decree-Law 7/1996, the surpluses arising from the revaluations must be charged to the "Revaluation Reserve Royal Decree-Law 7/1996" caption.

The balance of this caption, which amounted to €10,650 thousand as of December 31, 2004, is restricted for ten years.

The tax authorities reviewed the balance of this account in 1999, increasing it by €92 thousand. PRISA will, if appropriate, record the accounting entry for the difference once final decisions have been handed down on the objections raised against the changes made by the tax inspection authorities.

*Legal reserve-*

Under the revised Corporations Law, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock. The Company had already reached this threshold as of December 31, 2004.

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

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

#### *Reserve for treasury stock-*

Under Article 79 of the revised Corporations Law, when a company has acquired treasury stock, it must record on the liability side of the balance sheet a restricted reserve equal to the cost of the treasury stock recorded in assets. This reserve must be maintained until the shares are sold or retired.

#### *Bylaw reserves-*

Under Article 32 of the Parent Company's bylaws, a reserve must be recorded each year to which at least 10% of income after taxes is transferred until the balance of this reserve reaches at least 20% and does not exceed 50% of the paid-in capital stock. The Company had already reached this threshold as of December 31, 2004.

#### *Consolidation reserves-*

The detail, by company, of this caption as of December 31, 2004, is as follows:

	Thousands of Euros
Agencia Informativa de Noticias Económicas, S.L.	(1,075)
Dédalo Grupo Gráfico, S.L.	17,715
Diario As, S.L.	3,395
Diario El País, S.L.	54,246
Diario El País Argentina, S.A.	(1,905)
Diario El País México, S.A. de C.V.	(1,042)
Ediciones La Mirada, S.A.	(1,114)
El Correo de Andalucía, S.L.	(4,629)
Espacio Editorial Andaluza Holding, S.L.	(2,669)
Estructura, Grupo de Estudios Económicos, S.A.	(6,673)
Gerencia de Medios, S.A.	4,101
Gran Vía Musical de Ediciones, S.L.	(31,392)
Grupo Caracol Colombia, S.A.	(26,065)
Grupo Empresarial de Medios Impresos, S.L.	11,042
Grupo Latino de Radio, S.L.	3,304
Grupo Latino de Radiodifusión Chile Ltda.	(1,636)
Grupo Santillana de Ediciones, S.L.	90,009
Inversiones Grupo Multimedia de Comunicaciones, S.A.	(4,569)
Odiel Press, S.L.	(3,068)
Participaciones de Radio Latinoamericana, S.L.	6,830
Prisacom, S.A.	(21,814)
Prisa División Inmobiliaria, S.A.	1,263
Prisa División Internacional, S.L.	(6,134)
Prisa Inc.	(1,648)
Promotora de Emisoras, S.L.	4,275
Promotora de Emisoras de Televisión, S.A.	(13,442)
Promotora de Informaciones, S.A.	29,197
Redprensa, S.L.	3,218
Sistema Radiópolis, S.A. de C.V.	(8,983)
Sociedad Española de Radiodifusión, S.A.	34,172
S.S.R. Unión Radio, S.L.	1,686
Other	1,990
<b>Total consolidation reserves</b>	<b>128,585</b>

The amounts allocated to amortization of consolidation goodwill are assigned to the company that acquired the related holding.

The detail, by company, of the effect on the consolidation reserves as of December 31, 2004, of the asset revaluation made pursuant to Royal Decree-Law 7/1996 is as follows:

	Thousands of Euros
Diario El País, S.L.	5,184
Sociedad Española de Radiodifusión, S.A.	2,533
<b>Total</b>	<b>7,717</b>

*Reserves at companies accounted for by the equity method-*

The detail, by company, of this caption as of December 31, 2004, is as follows:

	Thousands of Euros
Antena 3 de Radio, S.A.	(3,773)
Iberbanda, S.A.	(6,290)
Inversiones en Radiodifusión, S.A.	(1,491)
Inversiones Godó, S.A.	(1,591)
Novotécnica, S.A.	952
Sogecable, S.A.	(21,690)
Other	(166)
<b>Total reserves at companies accounted for by the equity method</b>	<b>(34,049)</b>

*Translation differences-*

The detail, by company, of this caption as of December 31, 2004, is as follows:

	Thousands of Euros
Grupo Santillana de Ediciones, S.A.	(42,589)
Diario El País Argentina, S.A.	(1,377)
Participaciones de Radio Latinoamericana, S.L.	(1,369)
Gran Vía Musical de Ediciones, S.L.	(1,058)
Other	(641)
<b>Total translation differences</b>	<b>(47,034)</b>

The translation differences at Grupo Santillana de Ediciones, S.L. relate mainly to the companies located in Brazil, Argentina, Mexico and the Dominican Republic, as a result of the existing exchange rate instability.

d) **Proposed distribution of income**

The directors propose that the Parent Company's income for 2004 be distributed as follows:

	Thousands of Euros
<b>Distribution basis:</b>	
- Income for the year	62,434
<b>Distribution to:</b>	
- Dividends	€0.12 per share
- Directors' compensation	1,382
- Voluntary reserves	Remaining balance

The dividend per share, disregarding the treasury stock of Promotora de Informaciones, S.A. but including the shares delivered as a loan (*see Note 16*), will be €0.12 per share, and no interim dividend out of 2004 income was approved.

(13) **MINORITY INTERESTS**

The variations in 2004 in this caption in the accompanying consolidated balance sheet were as follows:

	Thousands of Euros
<b>Balance at December 31, 2003</b>	<b>28,024</b>
Arising from increase in the percentage of ownership in Group companies	(8,240)
Dividends paid during the year	(3,702)
Share of minority interests in income for the year ( <i>Note 19-c</i> )	1,696
Arising from variations in the scope of consolidation	(281)
Other	(750)
<b>Balance at December 31, 2004</b>	<b>16,747</b>

The detail, by company, of the "Minority Interests" caption in the consolidated balance sheet as of December 31, 2004, is as follows:

	Thousands of Euros
Antena 3 de Radio, S.A.	2,036
Caracol, S.A.	3,195
Diario As, S.L.	2,861
Diario Jaén, S.A.	337
Gran Vía Musical de Ediciones, S.L.	146
Grupo Santillana de Ediciones, S.A.	759
Paltrieva, S.A.	1,242
Participaciones de Radio Latinoamericana, S.L.	239
Promotora de Emisoras de Televisión, S.A.	1,853
Sociedad Española de Radiodifusión, S.A.	1,884
S.S.R. Unión Radio, S.L.	1,378
Other	817
<b>Total</b>	<b>16,747</b>

#### (14) DEFERRED REVENUES

As of December 31, 2004, the deferred revenues relate mainly to the unrealized exchange gains disclosed by the translation to euros at year-end exchange rates of the accounts payable. These exchange gains include most notably those of Grupo Santillana de Ediciones, S.L., amounting to €3,268 thousand, basically for the translation to euros of the long-term loan for the purchase of Editora Moderna Ltda., and those of Promotora de Informaciones, S.A., amounting to €1,332 thousand (see Note 3-n).

This caption also includes €2,369 thousand of unearned revenues relating to the agreements entered into by Tesela Producciones Cinematográficas, S.L. with various television companies (mainly pay television companies and state television companies).

#### (15) PROVISIONS FOR CONTINGENCIES AND EXPENSES

The detail of the variations in the "Provisions for Contingencies and Expenses" accounts in 2004 is as follows:

	Thousands of Euros					
	Balance at 12/31/03	Translation Adjustments	Variation in the Scope of Consolidation	Provisions	Amounts Used	Balance at 12/31/04
Provision for taxes	17,236	9	-	96	(71)	17,270
Provision for third-party liability	1,279	59	1,171	311	(434)	2,386
Provision for bonuses, etc.	1,324	(13)	1	1,034	(471)	1,875
<b>Total</b>	<b>19,839</b>	<b>55</b>	<b>1,172</b>	<b>1,441</b>	<b>(976)</b>	<b>21,531</b>

The provision for taxes relates to the estimated amount of the tax debts arising from the tax inspections at various Group companies (see Notes 3-j and 18).

#### (16) LONG-TERM DEBT

The detail, by maturity, of the "Long-Term Debt" caption in the accompanying consolidated balance sheet as of December 31, 2004, is as follows:

	Maturity	Thousands of Euros
		Balance at 12/31/04
Long-term lease payments payable	2006	2,530
	2007	1,403
	2008	653
<b>Total</b>		<b>4,586</b>
Payable to credit institutions	2006	118,836
	2007	83,196
	2008	47,541
	2009	6,245
	At over 5 years	14
<b>Total</b>		<b>255,832</b>
Exchangeable bonds		162,300
Taxes payable ( <i>Note 18</i> )		28,499
Other long-term payables		7,676
<b>Total long-term debt</b>		<b>458,893</b>

#### Payable to credit institutions

The payables to credit institutions as of December 31, 2004, relate to credit facilities with a limit of €159,741 thousand, against which €35,597 thousand had been drawn down, and to loans for €220,235 thousand. Of the amounts drawn down, €36,457 thousand related to U.S. dollar credit facilities and loans, €4,909 thousand to local currency credit facilities and loans and the remainder to euro credit facilities and loans, all of which bear interest tied to Euribor or Libor plus a spread ranging from 0.25% to 0.75%.

#### Exchangeable bonds

On December 11, 2003, Prisa Finance (Netherlands) B.V., a wholly-owned subsidiary of Promotora de Informaciones, S.A., resolved to launch an issue of bonds exchangeable for common shares of Promotora de Informaciones, S.A. The nominal amount of this issue was €162,300 thousand, and the face value of each bond was €10,000. Following the placement of this issue, the annual coupon was set at 1.75% of the bond principal and the exchange premium of each bond was set at 34% of the benchmark price per share established at €11.0755. The maturity date of the bonds was established at five years from the issue date.

The Prisa Group plans to cover the exchangeable bond issue through all the shares of treasury stock held by it (*see Note 7*).

In the context of this issue, PRISA made available to the entities managing the transaction, as a securities loan, up to a maximum of 9,846,562 shares of its treasury stock in order to provide financial coverage for the investors that required it. As of December 31, 2004, the number of shares thus loaned was 5,539,473 (*see Note 7*). The loan will earn interest of five basis points, payable monthly, calculated on the basis of the market value of the loaned shares. Also, PRISA will be entitled to receive from the entities managing the transaction the full amount of any dividend granted to the loaned shares during the term of the loan.

(17) OTHER SHORT-TERM NONTRADE PAYABLES

The detail of the "Other Nontrade Payables" caption in the accompanying consolidated balance sheet as of December 31, 2004, is as follows:

	Thousands of Euros
Payable to credit institutions-	
Loans	85,106
Credit facilities	51,180
Discounted drafts	5,315
Lease payments payable	2,990
	144,591
Other short-term payables	49,042
<b>Total</b>	<b>193,633</b>

The total available limit of the credit facilities as of December 31, 2004, was €258,563 thousand; the credit facilities bear interest, as do the loans, tied generally to Euribor or Libor plus a spread ranging from 0.25% to 0.75%. Of the total credit facilities and loans drawn down, approximately €57,270 thousand were denominated in U.S. dollars, €6,063 thousand in local currencies and the remainder in euros.

As of December 31, 2004, the balance of the "Other Short-Term Payables" account includes basically compensation payable and accounts payable to fixed-asset suppliers at short term.

(18) TAX MATTERS

a) Tax receivables and taxes payable

The detail of the balances of "Tax Receivables" and "Taxes Payable" as of December 31, 2004, is as follows:

	Thousands of Euros			
	Receivable		Payable	
	Short Term	Long Term	Short Term	Long Term
Tax assets for unused tax credits	-	48,300	-	-
Tax assets for tax loss carryforwards	5,376	16,467	-	-
Deferred tax asset	7,311	2,398	-	-
Deferred tax liability	-	-	(5,877)	(28,499)
Corporate income tax, VAT, personal income tax withholdings, accrued social security taxes and other	28,731	-	(36,448)	-
<b>Total</b>	<b>41,418</b>	<b>67,165</b>	<b>(42,325)</b>	<b>(28,499)</b>

**b) Reconciliation of income per books to taxable income**

In Spain, Promotora de Informaciones, S.A., as the Parent Company, and its subsidiaries file consolidated tax returns as tax group 2/91, pursuant to Legislative Royal Decree 4/2004 approving the revised Corporate Income Tax Law.

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

In 2004 and in prior years, certain Group companies performed or participated in corporate restructuring transactions under the tax neutrality regime regulated in Chapter VIII, Title VIII, of Legislative Royal Decree 4/2004 approving the revised Corporate Income Tax Law. The information required by this regulation is included in the related Group companies' notes to financial statements for the year in which these transactions were carried out.

The following table shows the aggregation of the reconciliations of the 2004 income per books to the taxable income for corporate income tax purposes of the consolidated tax group in Spain and of the other companies which, although not forming part of the tax group, are included in the group for accounting purposes:

	Thousands of Euros
<b>Income attributed to the Parent Company</b>	<b>103,252</b>
Permanent differences:	
Income attributed to minority interests	1,696
Corporate income tax	12,629
Consolidation process:	
- Results at companies accounted for by the equity method	22,308
- Provisions - companies accounted for by the equity method	(60,937)
- Fixed asset adjustments	(2,887)
- Amortization of consolidation goodwill	22,083
Permanent adjustments: consolidated tax group	1,804
Permanent adjustments: other companies included in consolidated group for accounting purposes	(1,800)
<b>Gross taxable income excluding offsets</b>	<b>98,148</b>
Offset of tax losses capitalized in the year	(5,329)
<b>Gross taxable income excluding timing differences</b>	<b>92,819</b>
Timing differences	11,749
<b>Taxable income</b>	<b>104,568</b>

In calculating their respective corporate income tax expense or revenue, the consolidated companies belonging to the PRISA Group availed themselves of the tax benefits envisaged in Articles 37, 38 and 40 of Legislative Royal Decree 4/2004 approving the revised Corporate Income Tax Law for €9,071 thousand, of which €18 thousand relate to tax credits arising in prior years. Additionally, in 2004 the Group availed itself of the tax benefit envisaged in Article 94 of Law 20/1991 for €9 thousand.

Also, the consolidated Group companies took an internal dividend double taxation tax credit for €345 thousand for dividends not eliminated in the consolidation process, and an international double taxation tax credit for €770 thousand.



In addition, the consolidated Group, under the agreement between the PRISA Group and Forum Universal de las Culturas Barcelona 2004, S.A., resolved to incur publicity and advertising expenses, for the purposes of the tax benefits envisaged in Additional Provision Five of Law 14/2000 on Tax, Administrative, Labor and Social Security Measures, giving rise to entitlement to a tax credit in the 2004 corporate income tax of €3,838 thousand.

Similarly, the consolidated Group companies took the tax credit envisaged in Article 20 of Law 49/2002 on the Tax Regime of Not-For-Profit Entities and Patronage Tax Incentives, amounting to €886 thousand.

In 2004 certain subsidiaries belonging to the consolidated Group availed themselves of the tax credit envisaged in Article 42 of the Corporate Income Tax Law for reinvestment of extraordinary income, amounting to €3,411 thousand. The amount of income qualifying for this tax credit was €17,055 thousand and the reinvestment obligation had been complied with by the tax Group as of December 31, 2004.

In 2002 certain subsidiaries belonging to the consolidated Group availed themselves of the above-mentioned tax credit for the reinvestment of extraordinary income. The amount of income qualifying for this tax credit was €1,100 thousand and the tax Group had complied with the reinvestment obligation as of December 31, 2002.

In 2001 the tax Group availed itself of the tax credit for reinvestment of extraordinary income under Article 21 of the repealed Corporate Income Tax Law for gains totaling €28,960 thousand.

In 2001 €3,158 thousand of these gains qualified for the transitional regime established for the reinvestment tax credit, since the related reinvestment obligation had been complied with. Also, €18,065 thousand qualified for the tax benefit for the reinvestment of extraordinary income under Article 21 of the repealed Corporate Income Tax Law and the related transitional regime. Of the remaining €7,737 thousand of the aforementioned gains, €1,416 thousand qualified for the transitional regime envisaged under section four of Transitional Provision Three of the current Corporate Income Tax Law and the related reinvestment tax credit was taken. With respect to the remaining €6,321 thousand, the Group intends to avail itself of the transitional regime envisaged for the reinvestment tax credit in its corporate income tax return. As of December 31, 2004, the Group had complied with the reinvestment obligation in relation to the aforementioned gains by acquiring tangible fixed assets and long-term investments.

The selling price which proportionally relates to the gain in 2001 qualifying for the tax benefit for reinvestment of extraordinary income provided for in Article 21 of the repealed Corporate Income Tax Law, amounting to €21,653 thousand, has been reinvested through the acquisition of a building. The Group opted to include the deferred income by the same method as that used to depreciate this building, i.e. over a period of 33 years. In 2004, €547 thousand were included in taxable income for corporate income tax purposes and a balance of €17,112 thousand remained to be included in the future.

In 2001 Promotora de Informaciones, S.A. and Gerencia de Medios, S.A. also availed themselves of the transitional regime envisaged for the reinvestment tax credit, with respect to the deferred gains qualifying for reinvestment of extraordinary income that were obtained by Promotora de Informaciones, S.A. in 1996, 1997, 1998 and 1999 (amounting to €76,119 thousand) and by Gerencia de Medios, S.A. in 1997 and 1999 (amounting to €700 thousand), which as of December 31, 2001, had not yet been included in taxable income. As of December 31, 2001, the related reinvestment obligation had been complied with.

Also, Espacio Editorial Andaluza Holding, S.L. is applying the reinvestment of extraordinary income provided for in Article 21 of the Corporate Income Tax Law to a gain obtained in 1996 on the sale of fixed assets. In 2004 this company included €4 thousand in its taxable income and €7 thousand remain to be included in the coming three years. Also, as of December 31, 1999, the company had complied with the reinvestment obligation.

With respect to the companies in Spain, the main tax loss carryforwards amount to €56,574 thousand. These tax losses relate to companies not included in the consolidated tax group and to the tax losses incurred by consolidated tax Group companies prior to their inclusion in the group. The directors consider that these tax losses will be offset before the last year for offset established by the tax authorities.

In 2004, €1,739 thousand of tax losses incurred by companies belonging to the consolidated tax Group prior to their inclusion in such group, €535 thousand of tax losses incurred by Spanish companies not included in the tax group and €3,055 thousand of tax losses generated by foreign companies, were offset.

**c) Deferred tax assets and liabilities**

The short- and long-term balance of the deferred tax asset arose mainly as a result of the different timing methods used for the recording of the expense of certain provisions for tax and accounting purposes and amounted to €9,709 thousand at year-end.

The balance of the long- and short-term deferred tax liabilities arose mainly as a result of the reinvestment of extraordinary income, lease contracts and accelerated depreciation for tax purposes. The 2004 year-end balance amounted to €34,376 thousand.

**d) Years open for tax audit**

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

As a result of the tax audit performed by the tax authorities in 1988 and 1989, various tax assessments were issued to the consolidated tax Group, of which Promotora de Informaciones, S.A. is the parent company, for a total amount of €8,769 thousand. In 2002 the Supreme Court dismissed the cassation appeal filed and the outstanding tax debt arising from the assessments, amounting to €4,120 thousand, was paid. The judgment was appealed to the Constitutional Court and in 2003 the appeal for protection of constitutional rights was rejected. Nevertheless, in 2003 an order was received from the National Appellate Court upholding an ancillary execution proceeding in relation to the settlement arising from the above-mentioned Supreme Court judgment, on account of the incorrect calculation of late-payment interest, entitling the Company to collect €1,332 thousand. When it enforced the judgment in 2004, the Government disallowed the tax refund and ordered the Group to pay an additional amount of €122 thousand, which was paid in and appealed against by the Group. In 2004, the National Appellate Court handed down a further order rendering such settlement null and void and confirming the right to the original tax refund and the refund of the additional amount paid in, giving rise to an overall collection claim of €1,454 thousand.

Also, the tax authorities audited the years open for review of several tax group and consolidated Group companies consolidated for accounting purposes, as a result of which various tax assessments were issued for personal income tax withholdings and prepayments, VAT, the single tax on revaluations and corporate income tax, the detail, by company and by year, being as follows:

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

Since the Group does not concur with the criteria applied by the tax inspection authorities, it has filed appeals in the appropriate jurisdictions against substantially all the tax assessments issued; however, in accordance with the accounting principle of prudence in valuation, the Group has recorded a provision of €17,270 thousand (*see Note 15*) to cover any payments that it might have to make in this connection in the future.

Also, in 2004 the tax authorities notified the Group of the commencement of an audit of the tax group for consolidated corporate income tax for 1999 through 2002. As part of the tax audit, VAT, personal income tax withholdings and prepayments (employees and professionals), the tax on property income, the tax on income from movable capital and nonresident income tax are subject to review, the detail, by company and by year, being as follows:

Company	Years
<b>Parent Company-</b> Promotora de Informaciones, S.A.	June 2000 to May 2004
<b>Subsidiaries-</b>	
Diario El País, S.L.	June 2000 to May 2004
Sociedad Española de Radiodifusión, S.A.	June 2000 to May 2004
Promotora de Emisoras de Televisión, S.A.	January 2001 to December 2003
Gerencia de Medios, S.A.	January 2001 to December 2003
Grupo Santillana de Ediciones, S.L.	January 2001 to December 2003
Santillana Educación, S.L.	January 2001 to December 2003
Santillana Ediciones Generales, S.L.	January 2001 to December 2003

The directors do not expect any material liabilities to arise for the Group as a result of the tax audit which would have a significant effect on the accompanying consolidated financial statements.

## (19) REVENUES AND EXPENSES

### a) Breakdown of net sales by activity

	Thousands of Euros
Net advertising sales	533,098
Sales of books and rights	343,643
Sales of copies	235,468
Services rendered and other sales	262,994
<b>Total</b>	<b>1,375,203</b>

The management report includes detailed information on the Group's activities, broken down by geographical market.

The Group companies basically carry on their activities in the local currency of the country in which they operate. Apart from the U.S. dollar loans described in *Notes 16* and *17* and the sales detailed in the foregoing table, there were no other material foreign currency transactions.

### b) Transactions with associated companies

The transactions with associated and related companies in 2004 were as follows:

	Thousands of Euros
<b>Revenues:</b>	
Sales of merchandise	84,213
Services rendered and other	84,880
Financial revenues	6,804
<b>Total</b>	<b>175,897</b>
<b>Expenses:</b>	
Purchases of merchandise	48,485
Services received and other	23,026
Financial expenses	97
<b>Total</b>	<b>71,608</b>

The accounts receivable from and payable to associated companies that are recorded in the accompanying consolidated balance sheet arose mainly from the Group's normal business activities.

**c) Contribution of each consolidated company to consolidated income**

The contribution to 2004 income made by the consolidated companies was as follows:

	Thousands of Euros		
	Consolidated Income	Income / (Loss) Attributed to Minority Interests	Income Attributed to the Parent Company
<b>Parent Company and subsidiaries-</b>			
Promotora de Informaciones, S.A.	62,434	-	62,434
Caracol, S.A.	4,991	81	4,910
Grupo Latino de Radiodifusión Chile Ltda.	(1,482)	-	(1,482)
Diario As, S.L.	3,378	845	2,533
Diario El País, S.L.	83,974	3	83,971
El Correo de Andalucía, S.L.	1,831	-	1,831
Espacio Editorial Andaluza Holding, S.L.	2,018	-	2,018
Estructura, Grupo de Estudios Económicos, S.A.	(2,072)	-	(2,072)
Gerencia de Medios, S.A.	5,174	135	5,039
Gestión de Logística Editorial, S.L.	1,409	705	704
Gran Vía Musical de Ediciones, S.L.	(3,812)	36	(3,848)
Grupo Empresarial de Medios Impresos, S.L.	1,166	-	1,166
Grupo Latino de Radio, S.L.	(1,617)	-	(1,617)
Grupo Santillana de Ediciones, S.L.	17,740	(633)	18,373
Paltrivia, S.A.	4,826	125	4,701
Participaciones de Radio Latinoamericana, S.L.	(1,751)	(9)	(1,742)
Plural Entertainment España, S.L.	(490)	300	(790)
Prisacom, S.A.	(4,748)	-	(4,748)
Prisa División Inmobiliaria, S.L.	10,430	-	10,430
Prisa División Internacional, S.L.	(4,994)	-	(4,994)
Prisaprint, S.L.	3,747	-	3,747
Promotora de Emisoras, S.L.	(5,819)	-	(5,819)
Promotora de Emisoras de Televisión, S.A.	(10,413)	(3,714)	(6,699)
Redprensa, S.L.	2,057	-	2,057
Sociedad Española de Radiodifusión, S.A.	19,501	236	19,265
S. S. R. Unión Radio, S.L.	1,843	774	1,069
Other	(725)	726	(1,451)
<b>Multigroup companies-</b>			
Dédalo Grupo Gráfico, S.L.	(1,164)		(1,164)
Eje de Editores Media, S.L.	1,157		1,157
Sistema Radiópolis, S.A. de C.V.	415		415
<b>Associated companies-</b>			
Antena 3 de Radio, S.A.		2,086	7,972
Distrimedios, S.A.			774
Iberbanda, S.A.			(6,398)
Novotécnica, S.A.			1,245
Promotora de Emisoras de Televisión, S.A. (investee subsidiaries)			(2,352)
Sogecable, S.A.			(24,984)
Other			1,436
<b>Consolidation adjustments</b>			(63,835)
<b>Income at December 31, 2004</b>		<b>1,696</b>	<b>103,252</b>

d) Fees received by the audit firm

The fees for financial audit services provided to the various companies composing the Prisa Group and Subsidiaries by the principal auditor and by other entities related to the auditor during 2004 amounted to €1,144 thousand. Also, the audit fees charged by other

auditors participating in the audit of the various Group companies totaled €184 thousand.

Additionally, the fees for other professional services provided to the various Group companies by the principal auditor and by other entities related to the auditor during 2004 amounted to €437 thousand, whereas the fees charged for such services by other auditors participating in the audit of the various Group companies totaled €26 thousand.

**e) Extraordinary revenues and expenses**

As of December 31, 2004, the amount recorded under the "*Gains on Fixed Assets*" caption includes the gain arising on the disposal of land and structures in Pinto (Madrid) owned by Prisa División Inmobiliaria, S.L. and Dédalo Grupo Gráfico, S.L. for €18,500 thousand, the gain generated on the sale of premises by Prisa División Inmobiliaria, S.L. for €3,076 thousand and the gain generated on the sale of an industrial building in Seville by El Correo de Andalucía, S.L. for €2,552 thousand (*see Note 5*).

The "*Extraordinary Revenues*" caption includes the tax losses of €1,067 thousand arising in prior years taken to income by Ediciones Musicales Horus, S.A., a wholly-owned subsidiary of Gran Vía Musical de Ediciones, S.L., and prior years' atypical income not recorded in the accounting records until collection in accordance with the accounting principle of prudence in valuation.

In 2004 the "*Extraordinary Expenses*" caption related mainly to severance costs of €14,967 thousand due to extraordinary business reorganization processes, recorded mainly by Grupo Santillana de Ediciones, S.L., Estructura, Grupo de Estudios Económicos, S.A., Diario El País, S.L., Sociedad Española de Radiodifusión, S.A. and S.S.R. Unión Radio, S.L. This caption also includes donations to foundations and other entities amounting to €3,569 thousand, and sundry atypical expenses arising in the year and in other years.

**(20) EMPLOYEES**

The average number of employees at the consolidated companies in 2004, by category, was as follows:

	Number of Employees
Executives	425
Middle management	1,223
Qualified line personnel	3,387
Other employees	4,079
<b>Total</b>	<b>9,114</b>

(21) DIRECTORS' COMPENSATION AND OTHER BENEFITS

In 2004 the consolidated companies paid the following amounts of compensation to the members of the Board of Directors of PRISA, which were recorded mainly under the "Personnel Expenses" caption:

	Thousands of Euros
Wages and salaries	4,782
Directors' fees	1,382
Attendance fees	1,096
<b>Total</b>	<b>7,261</b>

In 2004 the Group did not grant any credits, advances or loans to its directors, nor did it have any pension commitments to them.

The members of the Board of Directors acquired 115,000 Plan 2000 options and 185,000 Plan 2004 options under the Plans described in Note 22 to these consolidated financial statements.

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

Owner	Investee	% of Ownership	Functions
Jesús de Polanco Gutiérrez	Sogecable, S.A.	23.004 (*)	-
Juan Luis Cebrián Echarri	Cable Antena, S.A	-	Deputy Chairman
	Canal Satélite Digital, S.L.	-	"
	Centro de Asistencia Telefónica, S.A.	-	"
	DTS Distribuidora de Televisión Digital, S.A.	-	"
	Gestión de Derechos Audiovisuales y Deportivos, S.A.	-	"
	Plataforma Logística de Usuarios de Sogecable, S.L.	-	"
	Servicios Técnicos de Sogecable, S.L.	-	"
	Sociedad General de Cine, S.A.	-	"
	Sogecable, S.A.	0.002	"
	Sogepaq, S.A.	-	"
	Compañía Independiente de Televisión, S.L.	-	"
	Compañía Independiente de Noticias de Televisión, S.L	-	Representative of the Director Sogecable, S.A.
	Sistema Radiópolis, S.A. de C.V.	-	Director
	Cadena Radiodifusora Mexicana, S.A. de C.V.	-	"
	Radio Comerciales, S.A. de C.V.	-	Director
Radio Melodía, S.A. de C.V.	-	"	
Radio Televisora de Mexicali, S.A. de C.V.	-	"	



Owner	Investee	% of Ownership	Functions
	Radio Tapatia, S.A. de C.V.	-	"
	Xezz, S.A de C.V	-	"
	Le Monde Europe, S.A.	-	Representative of the Management Committee member, Promotora de Informaciones, S.A.
Francisco Javier Diez de Polanco	Canal Club de Distribución de Ocio y Cultura, S.A.	-	Director
	Cable Antena, S.A.	-	Managing Director
	Canal Satélite Digital, S.L.	-	"
	Centro de Asistencia Telefónica, S.A.	-	"
	Compañía Independiente de Televisión, S.L	-	"
	DTS Distribuidora de Televisión Digital, S.A	-	"
	Gestión de Derechos Audiovisuales y Deportivos, S.A.	-	"
	Plataforma Logística de Usuarios de Sogecable, S.L.	-	"
	Servicios Técnicos de Sogecable, S.L.	-	"
	Sociedad General de Cine, S.A.	-	"
	Sogecable, S.A.	0.026%	"
	Sogepaq, S.A.	-	"
	Sogecable Fútbol, S.L.	-	Director acting severally
	Audiovisual Sport, S.L.	-	Chairman (representing Sogecable, S.A.)
	Cinemanía, S.L.	-	"
Compañía Independiente de Noticias de Televisión, S.L.	-	Director (representing Compañía Independiente de Televisión, S.L.)	
Warner Lusomundo Sogecable Cines de España, S.A.	-	Director (representing Sogecable, S.A.)	
Ignacio Polanco Moreno	Sogecable, S.A.	0.020	-
	Cadena Radiodifusora Mexicana, S.A. de C.V.	-	Director
	Radio Comerciales, S.A. de C.V.	-	"
	Radio Melodía, S.A. de C.V.	-	"
	Radio Televisora de Mexicali, S.A. de C.V.	-	"
	Radio Tapatia, S.A. de C.V.	-	"
	Sistema Radiópolis, S.A. de C.V.	-	"
Xezz, S.A. de C.V.	-	"	
Isabel Polanco Moreno	Sogecable, S.A.	0.000	-
Manuel Polanco Moreno	Productora de Televisión de Almería, S.A.	-	Deputy Chairman
	Novotécnica, S.A.	-	Director
	Promotora Audiovisual de Jaén, S.A.	-	"
	Antena 3 de Radio, S.A.	-	"
	Eje de Editores Media, S.L.	-	"
Diego Hidalgo Schnur	Sogecable, S.A.	0.000	Director
Francisco Pérez González	Sogecable, S.A.	-	Director
Adolfo Valero Cascante	Sogecable, S.A	0.015	-
Emiliano Martínez Rodríguez	Sogecable, S.A.	0.011	-
Juan Salvat Dalmau	Sogecable, S.A.	0.009	-
Borja Jesús Pérez de Arauna	Sogecable, S.A.	0.007	-

Owner	Investee	% of Ownership	Functions
Jesús de la Serna y Gutiérrez- Répide	Sogecable, S.A.	0.000	-
Gregorio Marañón y Bertrán de Lis	Sogecable, S.A.	0.000	Director

(\*) The holding declared by Jesús de Polanco Gutiérrez in Sogecable, S.A. relates to the ownership interest held by Promotora de Informaciones, S.A.

This list does not include Prisa Group companies.

Also, in accordance with the above-mentioned Law, it is hereby stated that there is no record that any of the members of the Board have performed in 2004, or are currently performing, for their own account or for the account of others, any activities that are identical, similar or complementary to the activity that constitutes the corporate purpose of PRISA.

## (22) STOCK OPTION PLAN

On May 18, 2000 and April 15, 2004, the Shareholders' Meeting of PRISA approved the conditions of the stock option plans for the acquisition of PRISA shares to facilitate the ownership of equity interests in the Company by the Company's executives, by those of its corporate group and by particularly significant professionals related to the Group who perform activities for the Group companies on an ongoing basis; it also authorized the Board of Directors to develop and implement these Plans.

The total number of options will enable a maximum of 1% of the capital stock of PRISA to be acquired (2,188,125 shares). Each option carries the entitlement to acquire one share. This system will be applied in various tranches, pursuant to the general criteria approved by the Board of Directors. The options and rights under this plan are nontransferable.

### Plan 2000

The exercise period was initially stipulated as three years from the date on which each of the tranches is awarded. On March 21, 2002, the Board of Directors decided to extend by one year the exercise period of the stock options. Accordingly, the options acquired may be exercised from July 1, 2003 through January 31, 2005.

The acquisition price of the options (premium) was 5% of the exercise price (the price per share to be paid if the option is exercised). The exercise price is the retail tranche price in the public offering, namely €20.8 per share. As of December 31, 2003, the amount paid for this premium was recorded under the "Deferred Revenues" caption in the accompanying consolidated balance sheet. At 2004 year-end this amount was retired with a charge to "Extraordinary Revenues" since none of the participants had exercised their options.

#### Plan 2004

On July 15, 2004, the Board of Directors approved a Compensation Plan consisting of the delivery of options on the Company's shares in accordance with the authorization granted by the Shareholders' Meeting on April 15, 2004.

The options acquired may be exercised from July 31, 2007 through January 31, 2008.

Each option may be acquired free of charge and the exercise price is €13.40 per share (which is the simple arithmetic mean of the closing price of the Company's shares on the continuous market during the 90 trading days prior to the Shareholders' Meeting on April 15, 2004).

As of December 31, 2004, 1,606,000 options had been granted to 285 beneficiaries.

#### (23) LEGAL MATTERS

In connection with the enforcement process of the Spanish Supreme Court's decision of June 9, 2000, which held that the Council of Ministers' Resolution dated May 20, 1994, authorizing the economic concentration of Sociedad Española de Radiodifusión, S.A., Antena 3 de Radio, S.A. and Sociedad de Servicios Radiofónicos Unión Radio, S.L. was unlawful, the Directorate-General of Fair Trading, by means of a Resolution dated July 30, resolved to consider that the measures taken by the companies involved in the concentration process "guarantee the effective separation of the operating and economic management of Antena 3 de Radio, S.A. from Sociedad Española de Radiodifusión, S.A." and that "neither PRISA or its group companies control Antena 3 de Radio, S.A.". Accordingly, the aforementioned body responsible for enforcing the decision referred to above considered its function to have been completed and remitted its Resolution to the Supreme Court.

PRISA has an ownership interest through Promotora de Emisoras de Televisión, S.A. (Pretesa) in the capital stock of various local television companies. Law 62/2003 on Tax, Administrative, Labor and Social Security Measures introduced further amendments to the television legal system, whereby it is deemed compatible to simultaneously hold material ownership interests (of more than 5%) in national, autonomous community and local television license-holder companies. However, the Law also establishes certain restrictions regarding population coverage. Within this framework, Promotora de Emisoras de Televisión, S.A. may implement its plan to establish itself in the local and autonomous community television industry by submitting bids in tenders called for the awarding of licenses. Accordingly, as a result of the approval of the Local Digital Television Technical Plan by Royal Decree 439/2004 amended by Royal Decree 2268/2004, autonomous community governments are beginning to call for tenders for the indirect management of local digital television services and the situation in the industry is in the process of being regularized. Once the tender award process, which will take place throughout 2005, has been completed, the situation in the industry and Pretesa's final position therein, will be clarified.

**(24) GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES**

In order for the LMDS broadcasting license to be awarded to the investee Iberbanda, S.A., PRISA provided a guarantee for the amount of the investment commitment made by this company, in proportion to its percentage of ownership and based on the terms and conditions in the tender specifications. As of December 31, 2004, the guarantees provided totaled €1,179 thousand. Also, PRISA is acting as guarantor of bank loans and credits granted to Iberbanda, S.A. up to a maximum amount of €16,465 thousand.

In 2003 Sogecable, S.A. entered into a €1,350,000 thousand loan and syndicated credit facility agreement. Under this agreement, PRISA assumed a commitment to the syndicate of banks and credit institutions through June 30, 2005, to contribute funds to make good the cash deficit, up to a maximum of €38,259 thousand, should Sogecable, S.A. be unable to meet or does not meet the payment of the amounts owed under the senior bank debt. Also, PRISA undertook to contribute funds to restore the senior debt/EBITDA ratio, limited to the difference between the above-mentioned maximum amount and the cumulative amount previously contributed by PRISA to make good the cash deficit, provided that in the quarterly consolidated financial statements as of June 30, 2006, the ratio is higher than 4:1. As of December 31, 2004, the Group did not need to record any provision in connection with these guarantees.

As of December 31, 2004, PRISA had provided bank guarantees amounting to €12,042 thousand, mainly in relation to the tax assessments issued by the tax authorities that were signed under protest (*see Note 18*). Company management considers that the guarantees provided to cover the litigation will under no circumstances have a material effect on the accompanying consolidated statement of income.

Also, as of December 31, 2004, Sociedad Española de Radiodifusión, S.A. had provided guarantees totaling €13,051 thousand, relating mainly to the award of administrative concessions and to tax assessments signed by the tax authorities under protest. Company management considers that the guarantees provided to cover the litigation will under no circumstances have a material effect on the accompanying consolidated statement of income.

Lastly, on December 23, 2003, Dédalo Grupo Gráfico, S.L. and a group of banks entered into an agreement for a loan and syndicated credit facility for a maximum of €125 million, of which approximately €21 million were repaid in 2004. The purpose of this facility, which is tied to Euribor, is in part to refinance investees' debts. Also party to this loan and syndicated credit agreement, as guarantors, were the following companies: Mateu Cromo Artes Gráficas, S.A., Dédalo Altamira, S.A., Mateu Liber, S.L., Macrolibros, S.A., Distribuciones Aliadas, S.A., Norprensa, S.A., Bidasoa Press, S.L., Polestar Hispánica, S.A., Polestar Heliocolor, S.A. and Gráficas Integradas, S.A., which are subsidiaries of Dédalo Grupo Gráfico, S.L. The security provided for this loan also included the pledge of the creditors' rights arising from the significant contracts of these companies and the pledge of first mortgage on certain assets. As of December 31, 2004, this transaction did not give rise to an additional liability for the Group.

**(25) ENVIRONMENTAL INFORMATION**

In view of the printing activities carried on by certain consolidated Group companies, basically Diario El País, S.L. and Dédalo Grupo Gráfico, S.L., and in accordance with current legislation, these companies control the degree of pollution caused by waste and emissions, and have an adequate waste disposal policy. The expenses incurred in this connection, which are scantily material, are expensed currently. The evaluation carried out indicates that in any case the Group does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its net worth, financial position or results.

**(26) TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and the Council of July 19, 2002, all companies governed by the Law of a European Union member state and whose securities are listed in a regulated market in any such member state must present their consolidated financial statements for the years commencing January 1, 2005, in accordance with the International Financial Reporting Standards (IFRSs) that have been recognized by the European Union. In accordance with this Regulation, the Prisa Group will be obliged to present its 2005 consolidated financial statements in accordance with the IFRSs ratified by the European Union. In Spain, the obligation to present consolidated financial statements per the IFRSs approved in Europe has been regulated in Final Provision 11 of Law 62/2003 on Tax, Administrative, Labor and Social Security Measures (Spanish Official State Gazette of December 31).

Pursuant to IFRS 1, First-Time Adoption of International Financial Reporting Standards, approved by Commission Regulation (EC) No. 707/2004 of April 6 (OJEU of April 17), although the first consolidated financial statements prepared in accordance with the IFRS will be, in the Prisa Group's case, those for the year ended December 31, 2005, it will be necessary to include, for comparative purposes, the figures relating to the previous year (2004), prepared in accordance with the same bases used to determine the 2005 figures. This will require the preparation of an initial or opening balance sheet as of the date of transition to IFRS, January 1, 2004, in the Group's case, also prepared in accordance with the IFRSs in force as of December 31, 2005.

To meet the obligation imposed by Regulation (EC) No. 1606/2002 and the provisions of Law 62/2003, the Prisa Group has established an IFRS transition plan which includes, inter alia, the following:

- Analysis of the differences between the Spanish National Chart of Accounts methods currently in force and those of the IFRS, and the possible impact of these differences on the determination of the estimates required for the preparation of the financial statements.
- Selection of methods to be applied in cases or matters for which the IFRS allows alternative treatment.
- Evaluation and determination of the appropriate modifications or adaptations of the operating procedures and systems used to compile and supply the information required to prepare the financial statements.
- Evaluation and determination of the changes required in the planning and organization of the process of compiling information, conversion, and consolidation of the information of Group and associated companies.

- Preparation of the opening consolidated financial statements in accordance with IFRS as of the transition date.

The plan is currently being executed and will finally be concluded during 2005, although at present it is not possible to estimate on a full and accurate basis, using all the relevant information, the potential impacts of the transition, since:

- Due to the requirements of IFRS 1, the final determination of these possible impacts will be based on the International Financial Reporting Standards (IFRSs) and interpretations (IFRIC) thereof, which will finally be in force on the closing date of the first consolidated financial statements prepared in accordance with the aforementioned standards, December 31, 2005, in the Group's case.
- Lastly, the Prisa Group has yet to take a final decision regarding the methods to be applied in situations in which the IFRS allows alternative treatments.

## **(27) SUBSEQUENT EVENTS**

In January 2005, the Group company Promotora de Emisoras de Televisión, S.A. arranged bank loans amounting to €30,000 thousand, of which Promotora de Informaciones, S.A. guaranteed 75%, in proportion to the percentage of indirect ownership held by it in the company.

Also in January 2005, Prisa acquired an additional 0.64% holding in Sogecable, S.A. for €22,785 thousand, taking its total ownership interest to 23.64%.

## **(28) CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION**

Following are the consolidated statements of changes in financial position for 2004 and 2003:

Consolidated statements of changes in financial position for 2004 and 2003

APPLICATION OF FUNDS		2004	2003	SOURCE OF FUNDS		2004	2003
1. FIXED ASSET ADDITIONS				1. FUNDS OBTAINED FROM OPERATIONS			
Start-up expenses	2,291	2,133	Income for the year	208,983	163,772		
Intangible assets	40,701	55,652	Income distributed to minority interests	103,252	60,597		
Tangible fixed assets	54,355	37,561	Income of companies accounted for by the equity method	1,696	1,503		
Long-term investments	165,125	200,579	Depreciation and amortization expense	22,308	28,914		
			Extraordinary depreciation and amortization	72,529	77,497		
			Amortization of consolidation goodwill	180	5,293		
2. TREASURY STOCK			Period provision for contingencies and expenses	22,083	24,480		
Acquisition of treasury stock	420	636	Deferred charges taken to income	1,441	1,123		
			Gains on fixed asset disposals	746	-		
			Losses on fixed asset disposals	(26,694)	(25,634)		
3. DEFERRED CHARGES			Losses on fixed asset disposals	3,253	4,500		
	1,353	2,792	Variation in fixed asset allowances	2,646	5,644		
			Variation in operating allowances	1,345	-		
			Write-off of copyright	7,993	7,101		
4. DIVIDENDS	21,263	18,709	Long-term taxes receivable (payable)	(2,685)	(27,246)		
			Deferred revenues taken to income	(1,110)	-		
5. DIRECTORS' COMPENSATION	1,382	1,387					
			2. TREASURY STOCK				
			Delivery of treasury stock	79	150		
6. DEFERRED REVENUES	1,861	11,410	3. INCREASE IN LONG-TERM DEBT	18,475	168,735		
7. PROVISIONS USED	976	2,360	4. FIXED ASSET DISPOSALS	65,866	48,785		
8. REPAYMENT OF LONG-TERM DEBT	41,368	30,437	5. DEFERRED CHARGES	1,602	-		
9. TRANSFER TO FIXED ASSETS OF CURRENT ASSETS	2,273	-	6. DEFERRED REVENUES	1,113	-		
			7. TRANSFER TO SHORT TERM OF FIXED ASSETS	-	20,562		
			8. DECREASE IN WORKING CAPITAL				
			Due to exchange rate adjustments and fluctuations	(450)	(6,576)		
			Due to acquisition of shareholdings	5,393	(8,963)		
			Due to disposal of shareholdings	(7,156)	46,562		
<b>TOTAL FUNDS APPLIED</b>	<b>333,368</b>	<b>363,656</b>	<b>TOTAL FUNDS OBTAINED</b>	<b>293,905</b>	<b>433,027</b>		
<b>VARIATION IN WORKING CAPITAL (Increase)</b>	<b>-</b>	<b>69,371</b>	<b>VARIATION IN WORKING CAPITAL (Decrease)</b>	<b>(39,463)</b>	<b>-</b>		

Variation in 2004 and 2003 working capital

	INCREASE		DECREASE	
	2004	2003	2004	2003
<i>Inventories</i>	8,795	-	-	3,325
<i>Accounts receivable</i>	31,044	29,070	-	-
<i>Accounts payable</i>	-	37,832	54,635	-
<i>Short-term investments</i>	-	-	1,497	16,956
<i>Cash</i>	-	23,498	17,424	-
<i>Accrual accounts</i>	-	-	5,746	748
<b>VARIATION IN WORKING CAPITAL (Increase)</b>	-	<b>69,371</b>	<b>(39,463)</b>	-
<b>VARIATION IN WORKING CAPITAL (Decrease)</b>				



**(29) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH**

These consolidated financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

## CONSOLIDATED SUBSIDIARIES: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Aguilar A.T.A., S.A. de C.V.	Avda. Universidad 767 - Mexico City, Mexico	Publishing	Editorial Santillana, S.A. de C.V.	65	0.18%
Aguilar A.T.A., S.A. de Ediciones	Bosch 3860 - Buenos Aires, Argentina	Publishing	Santillana Ediciones Generales, S.L.	1,472	99.82%
Aguilar Chilena de Ediciones, S.A.	Dr. Anibal Arzuffa 1444, Providencia - Santiago de Chile, Chile	Publishing	Jureca S.L.	698	0.03%
Algarra, S.A.	García Lovera, 3 - Córdoba	Operation of radio broadcasting business	Santillana Ediciones Generales, S.L.	11,515	99.97%
Avante Radio, S.A.	Gran Via, 32 - Madrid	Operation of radio broadcasting business	S. S. R. Unión Radio, S.L.	6	100.00%
Avarquia Visión, S.A.	Paseo de Rodiing, 7 - Málaga	Provision of local television services	Radio Marica, S.A.	6	3.33%
Box News Comunicación, S.L.	Pza. Nueva, 8 - Sevilla	Publication of "40 Magazine" and others	Sociedad Española de Radiodifusión, S.A.	180	93.34%
Canal 4 Navarra, S.L.	Avda. Sancho el Fuerte, 18 - Pamplona	Production and broadcast of videos and television programs	Grupo Empresarial de Medios Impresos, S.L.	1,435	0.01%
Canal 4 Navarra Digital, S.A.	Poliño Industrial Cordavilla - Navarra	Provision of local television services	Promotora General de Revistas, S.A.	3,429	99.99%
Canal de Ediciones, S.A.	Juan Bravo, 38 - Madrid	Retail sales	Canal 4 Navarra, S.L.	2,000	100.00%
Caracol, S.A.	Carrera, 39-A 1581 - Bogotá, Colombia	Commercial radio broadcasting services	Grupo Santillana de Ediciones, S.L.	11,774	99.14%
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida (USA)	Operation of radio broadcasting business	Grupo Latino de Radio, S.L.	36,998	77.05%
Caracol Estéreo, S.A.	Carrera, 39-A 1581 - Bogotá, Colombia	Commercial radio broadcasting services	Grupo Latino de Radiodifusión L.L.C.	5	100.00%
CFR, Cadena Hispanoamericana de Radio, S.A.	Carrera, 39-A 1581 - Bogotá, Colombia	Commercial radio broadcasting services	Grupo Latino de Radio, S.L.	409	77.04%
Collserola Audiovisual, S.L.	Plaza Narcís Oller 6, 1517 - 08006 Barcelona	Provision of local television services	Caracol, S.A.	1,073	48.15%
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21 - Zaragoza	Operation of local television services	Caracol Estéreo, S.A.	869	46.79%
Compañía de Comunicaciones C.C.C. Ltda.	Carrera, 39-A 1581 - Bogotá, Colombia	Commercial radio broadcasting services	Promotora de Publicidad Radial, S.A.	215	3.71%
Compañía Discográfica Muxic Records, S.A.	Gran Via, 32 - Madrid	Production, distribution and sale of phonograms and videograms	Legal Affairs Consilium, S.L.	781	92.00%
Comunicaciones del Pacífico S.A.	Los Leones 2255 - Providencia, Santiago de Chile	Operation of radio broadcasting business	Sociedad Española de Radiodifusión, S.A.	3,449	92.00%
Comunicaciones El País, S.A.	Collinas de Santa Rita, La Paz, Bolivia	Publication and operation of the newspaper "La Razón"	Caracol, S.A.	439	43.45%
Comunicaciones Radfónicas, S.A.	Gran Via, 32 - Madrid	Operation of radio broadcasting business	Caracol Estéreo, S.A.	1,488	11.13%
Comunicaciones y Medios Audiovisuales Telet Alcala, S.L.	Encomienda, 33 - Alcala de Henares	Provision of local television services	Ecos de la Montaña Cadena Radial Andino, S.A.	48	4.42%
Corporación Argentina de Radiodifusión, S.A.	Bosch 3860 - Buenos Aires, Argentina	Operation of radio broadcasting business	Grupo Latino de Radio, S.L.	513	16.72%
Corporación Canaria de Información y Radio, S.A.	General Balmes 7/n - Las Palmas de Gran Canaria	Operation of radio broadcasting business	Promotora de Publicidad Radial, S.A.	125	19.27%
Consortio Radial de Chile, S.A.	Los Leones 2255 - Providencia, Santiago de Chile	Operation of radio broadcasting business	Gran Via Musical de Ediciones, S.L.	6,411	99.99%
Constancia Ediciones, S.A.	Estrada da Oteruela 118, 2795 - Camaxilde Linda a Velha - Portugal	Publishing	Novo Ediciones Musicales, S.A.	-	0.01%
Diario As, S.L.	Albasanz, 14 - Madrid	Publication and operation of the newspaper "As"	Comunicaciones Santiago, S.A.	193	33.30%
Diario El País, S.L.	Miguel Yuste, 40 - Madrid	Publication and operation of the newspaper "El País"	Consortio Radial de Chile, S.A.	387	66.70%
			Inversiones en Radiodifusión, S.A.	1,905	94.75%
			Ediciones Bidasoa, S.A.	163	50.91%
			Publicitaria y Difusora del Norte Ltda.	-	23.00%
			Radifonosa del Norte Ltda.	-	75.00%
			Productora Digital de Medios Audiovisuales, S.A.	893	99.93%
			Promotora de Emisoras de Televisión, S.A.	-	0.07%
			Prisa División Internacional, S.L.	73	99.00%
			S. S. R. Unión Radio, S.L.	1,623	100.00%
			GLR Chile Ltda.	-	98.00%
			Participaciones de Radio Latinoamericana, S.L.	-	2.00%
			Jureca, S.L.	-	0.01%
			Santillana Educación, S.L.	4,473	99.99%
			Grupo Empresarial de Medios Impresos, S.L.	16,828	75.00%
			Promotora de Informaciones, S.A.	18,000	99.99%

## CONSOLIDATED SUBSIDIARIES: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Diario El País Argentina, S.A.	Boazley 3860 - Buenos Aires, Argentina	Operation of the newspaper "El País" in Argentina	Diario El País S.L.	2,555	99.99%
Diario El País Internacional, S.A.	Miguel Yuste, 40 - Madrid	Publication of the international edition of the newspaper "El País"	Diario El País S.L.	301	99.99%
Diario El País México, S.A. de C.V.	Avda. de la Universidad, 767 - Mexico City	Operation of the newspaper "El País" in Mexico	Promotora de Informaciones, S.A.	665	14.05% 1 acción
Diario Jách, S.A.	Torredonjimeno, 1. Pol. Los Olivares - Jách	Publication and operation of the newspaper "Diario Jách"	Promotora de Informaciones, S.A.	898	85.95%
Distribuidora Aguilar A.T.A., S.A. de C.V.	Avda. Universidad 767 - Mexico City, Mexico	Distribution company	Espacio Editorial Andaluza Holding, S.L.	1,474	59.27%
Distribuidora y Editora Aguilar, A.T.A. S.A.	Calle 80, N 10-13 - Santa Fe de Bogotá, Colombia	Publishing	Aguilar A.T.A., S.A. de C.V.	1,679	70.78%
Distribuidora y Editora Richmond, S.A.	Calle 80, N 10-13 - Santa Fe de Bogotá, Colombia	Publishing	Lanza, S.A. de C.V.	715	29.22%
Ecos de la Montaña Cadena Radial Andina, S.A.	Carrera 39-A 1581 - Bogotá, Colombia	Commercial radio broadcasting services	Ediciones Grazaletma, S.A.	-	0.01%
Ediciones Bidasoa, S.A.	Gran Via, 32 - Madrid	Printing of published materials	Ediciones Grazaletma, S.A.	-	0.01%
Ediciones Grazaletma, S.A.	Rafael Beca Mateos, 3 - Sevilla	Publishing	Ediciones Obradoiro, S.A.	-	0.01%
Ediciones Aguilar Venezolana, S.A.	Rómulo Gallegos, Edif. Zulia P - Caracas, Venezuela	Publishing	Ediciones Voramar, S.A.	39	5.01%
Ediciones La Mirada, S.A.	Fuencarnal, 6 - Madrid	Publication, management and operation of printed media	Iaca, S.L.	783	94.97%
Ediciones Musicales Horus, S.A.	Camí Vell de Santa Creu d Olorde a Valldreia, 12 - Barcelona	Production, distribution and sale of phonograms and videograms	Santillana Ediciones Generales, S.L.	-	0.10%
Ediciones Obradoiro, S.A.	Via Pasteur Pol. Ind. Tambore, 44 - Santiago de Compostela	Publishing	Ediciones Grazaletma, S.A.	-	0.10%
Ediciones Santillana, S.A. (Argentina)	Boazley 3860 - Buenos Aires, Argentina	Publishing	Ediciones Obradoiro, S.A.	-	0.10%
Editoria Moderna Ltda.	Rua Padre Adalino, 758 Boleszino, Sao Paulo - Brazil	Publishing	Iaca, S.L.	116	99.88%
Editorial Amanecer, S.A.	Cristo Redentor, 3355 - Santa Cruz, Bolivia	Publication, management and operation of printed media	Editorial Santillana, S.A. (Venezuela)	23	100.00%
Editorial Nuevo México, S.A. de C.V.	Insurgentes, 686 - Moztzantine - Colonia del Valle - Mexico City	Production, distribution and sale of phonograms and videograms	Grupo Empresarial de Medios Impresos, S.L.	1,362	99.99%
Editorial Santillana S.A. (Colombia)	Calle 80, N 10-13 - Santa Fe de Bogotá, Colombia	Publishing	Promotora de Informaciones, S.A.	-	0.01%
Editorial Santillana S.A. de C.V. (El Salvador)	Siemens 51. Zona Industrial Elena, La Libertad - El Salvador	Publishing	Grant Via Musical de Ediciones, S.L.	10,463	100.00%
Editorial Santillana S.A. (Guatemala)	5ª Avenida 8-96, Zona 9, Guatemala, C.A.	Publishing	Iaca, S.L.	60	99.99%
Ediciones Santillana Inc. (Puerto Rico)	Avda. Universidad 767 - Mexico City, Mexico	Publishing	Iaca, S.L.	6	0.09%
Editorial Santillana S.A. (Dominican Republic)	1506 Roosevelt Avenue, Guaymabo, Puerto Rico	Publishing	Santillana Educación, S.L.	6,665	99.90%
Ediciones Santillana, S.A. (Uruguay)	Rómulo Gallegos, Edif. Zulia P - Caracas, Venezuela	Publishing	Grupo de Ediciones Santillana Ltda.	17,800	100.00%
Ediciones Santillana S.A. (Venezuela)		Publishing	Inversiones Grupo Multimedia Comunicaciones, S.A.	1,035	95.00%
			Aguilar A.T.A., S.A. de C.V.	101	0.01%
			Iaca, S.L.	224	5.10%
			Santillana Educación, S.L.	4,615	94.90%
			Iaca, S.L.	19	0.05%
			Santillana Educación, S.L.	73	99.50%
			Santillana Educación, S.L.	-	0.01%
			Aguilar A.T.A., S.A. de C.V.	2,843	99.99%
			Lanza, S.A. de C.V.	1,038	100.00%
			Santillana Educación, S.L.	-	0.05%
			Otras Societades Grupo Santillana de Ediciones, S.L.	78	99.95%
			Santillana Educación, S.L.	1,212	100.00%
			Santillana Educación, S.L.	2,566	100.00%

## CONSOLIDATED SUBSIDIARIES: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Edicions Voramar, S.A.	Valencia, 44 - 46210 Pineda - Valencia	Publishing	Iliac, S.L.	-	0.01%
El Correo de Andalucía, S.L.	Americo Vespacio 63, Isla de La Cuesta - Sevilla	Publication and operation of the newspaper "El Correo de Andalucía"	Santillana Educación, S.L.	60	99.99%
El Correo de La Costa del Sol, S.L.	Avda. Doctor Manuel Domínguez, 6 - Málaga	Publication and operation of the newspaper "El Correo de La Costa del Sol"	Espacio Editorial Andalucía Holding, S.L.	5,220	99.99%
El Diablo Distribución, S.L.	Gran Vía, 32 - Madrid	Distribution of records and other leisure items.	Gran Vía Musical de Ediciones, S.L.	4	97.75%
Emisora Mit Veinte, S.A.	Carrera, 39-A - Bogotá, Colombia	Commercial radio broadcasting services	Grupo Latino de Radio, S.L.	949	91.41%
Espacio Editorial Andalucía Holding, S.L.	Gran Vía, 32 - Madrid	Ownership of shareholdings in publishing companies	Grupo Empresarial de Medios Impresos, S.L.	75,624	100.00%
Estructura, Grupo de Estudios Económicos, S.A.	Gran Vía, 32 - Madrid	Publication and operation of the newspaper "Cinco Días"	Grupo Empresarial de Medios Impresos, S.L.	32,921	99.99%
Eurotropical de Producciones Discográficas, S.L.	Gran Vía, 32 - Madrid	Production of musical novelties	Promotora de Informaciones, S.A.	-	0.01%
Fast Net Comunicaciones, S.A.	Guardia Vieja, 781 - Santiago de Chile, Chile	Radio broadcasting	Gran Vía Musical de Ediciones, S.L.	1,300	100.00%
Frecuencia del Principado, S.A.	Jovelanos, 1 - Gijón	Operation of radio broadcasting business	Comunicaciones Santiago, S.A.	202	99.00%
GDM Publicidad Electrónica, S.A.	Gran Vía, 32 - Madrid	Design and development of image-based applications	Publicación y Difusión del Norte Lda.	2	1.00%
Gerencia de Medios, S.A.	Gran Vía, 32 - Madrid	Contracting of advertising exclusives	S. S. R. Unión Radio, S.L.	320	100.00%
Gestión de Logística Editorial, S.L.	Samartigo s/n, Pol. Las Mercedes - Madrid	Distribution and sale of published materials	Gerencia de Medios, S.A.	31	51.00%
Gestión de Medios de Prensa, S.A.	Gran Vía, 32 - Madrid	Provision of common services for regional and local newspapers	Promotora de Informaciones, S.A.	48,079	99.99%
GLP Colombia	Carrera 9, 9907 oficina 1200, Bogotá, Colombia	Advertising sales	Rediprensa, S.L.	151	50.00%
GLR Chile Ltda.	Avda. Los Leones 2255 - Providencia, Santiago de Chile	Operation of radio broadcasting business	Rediprensa, S.L.	-	0.01%
GLR Costa Rica, S.L.	Ed. La Nación Liberté, de Tibás, Edif. La Nación - San José, Costa Rica	Radio broadcasting	Diario Joven, S.A.	2	2.08%
GLR Francia SARL (formerly GLR Europe)	Immeuble Le Periscope, 83-87 Av d'Italie - Paris, France	Operation of radio broadcasting business	El Correo de Andalucía, S.L.	4	4.30%
GLR Midi France, S.A.R.L.	Immeuble Le Periscope, 83-87 Av d'Italie - Paris, France	Operation of radio broadcasting business	Grupo Empresarial de Medios Impresos, S.L.	38	45.00%
GLR Networks, LLC	4770 Viscayne Boulevard, Suite 700 - 33137 Miami, Florida (USA)	Radio broadcasting	Nevoletkma, S.A.	2	2.48%
GLR Services, Inc.	2100 Coral Way - Miami 33145 - Florida (USA)	Provision of services to radio broadcasting businesses	Odial Press, S.L.	1	1.12%
Gran Vía Musical de Ediciones, S.L.	Gran Vía, 32 - Madrid	Provision of musical services	Prisa, S.A.	-	0.01%
Gran Vía Musical Inc.	111 West 57th Street, NY - USA	Ownership of shareholdings	Prisa División Internacional, S.L.	94	99.99%
Grup Promoter D'Ensenyament i Difusió en Català, S.A.	Fredric Mompou, 11 - V. Olímpica, Barcelona	Publishing	Caracol, S.A.	-	0.01%
Grupo de Ediciones Santillana Ltda.	Rua Padre Adelfino, 758 Betelzinho, Sao Paulo - Brazil	Ownership of shareholdings	Grupo Latino de Radio, S.L.	-	99.99%
Grupo Empresarial de Medios Impresos, S.L.	Gran Vía, 32 - Madrid	Ownership of shareholdings in publishing companies	Participaciones de Radio Latinoamericana, S.L.	2,437	50.00%
Grupo Latino de Radio, S.L.	Gran Vía, 32 - Madrid	Development of Latin-American radio market worldwide	Participaciones de Radio Latinoamericana, S.L.	9	100.00%
Grupo Latino de Radiodifusión LLC.	Corporation Trust Center, 1289 Orange Street, Wilmington, New Castle, Delaware	Development of Latin-American radio market in USA	Prisa División Internacional, S.L.	-	40.00%
Grupo Santillana de Ediciones, S.L.	Torrelegua, 60 - Madrid	Publishing	Prisa Services, Inc.	-	20.00%
Información Extra, S.A.	Avda. Argentina 2057, La Paz, Bolivia	Publishing	GLR Services, Inc.	1	100.00%
Iniciativas Radiofónicas, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting business	Grupo Latino de Radio, S.L.	5,892	100.00%
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1 - Toledo	Radio broadcasting	Plural Entertainment España, S.L.	-	0.01%
			Promotora de Informaciones, S.A.	25,478	99.99%
			Gran Vía Musical de Ediciones, S.L.	5,344	100.00%
			Promotora de Informaciones, S.A.	-	0.01%
			Santillana Educación, S.L.	63	99.99%
			Santillana Educación, S.L.	82,923	100.00%
			Promotora de Informaciones, S.A.	49,555	100.00%
			Prisa División Internacional, S.L.	100,851	86.76%
			Promotora de Informaciones, S.A.	16,513	13.24%
			Participaciones de Radio Latinoamericana, S.L.	2	100.00%
			Promotora de Informaciones, S.A.	87,767	100.00%
			Inversiones en Radiodifusión, S.A.	-	0.04%
			Inversiones Grupo Multimedia Comunicaciones, S.A.	13	99.96%
			Onidas, S.A.	426	91.32%
			Ediciones I.M. S.L.	24	40.00%
			S. S. R. Unión Radio, S.L.	31	50.00%

## CONSOLIDATED SUBSIDIARIES, 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Instituto Universitario de Posgrado, S.A.	Torrelaguna, 60 - Madrid	Educational services	Santillana Formación, S.L.	2,603	52.00%
Inversiones Grupo Multimedia Comunicaciones, S.A.	Federico Zaazo, 1598 - La Paz, Bolivia	Ownership of shareholdings	Prisa División Internacional, S.L. Promotora de Informaciones, S.A.	13,716 3,483	76.95% 23.05%
Iluco S.L.	Torrelaguna, 60 - Madrid	Book distribution	Grupo Santillana de Ediciones, S.L. Promotora de Informaciones, S.A.	3,339	99.99% 0.01%
Lanza, S.A. de C.V.	Ayda, Universidad 767 - Mexico City, Mexico	Creation, promotion and administration of companies	Santillana Educación, S.L.	4,134	100.00%
La Voz de Colombia, S.A.	Corra, 39-A - Bogotá, Colombia	Commercial radio broadcasting services	Grupo Latino de Radio, S.L. Caracol, S.A.	-	75.64% 0.01%
Legal Affairs Consultium, S.L.	Pza. Narcís Oller Nº 19, 1º - 08006 Barcelona	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	721	100.00%
Libertas Crisol, S.A.	Ayda, San Felipe, 731, Jesús María - Lima, Peru	Retail sales	Santillana, S.A. (Peru)	195	99.99%
Lifes and Music, S.L.	Camilo Oliveras, 22 - Barcelona	Record publishing business	Gran Via Musical de Ediciones, S.L.	5,026	100.00%
Localia TV Madrid, S.A.	Gran Via, 32 - Madrid	Provision of local television services	Promotora de Emisoras de TV, S.A.	8,486	100.00%
Localia TV Valencia, S.A.	Don Juan de Austria 3 - 46002 Valencia	Provision of local television services	Promotora de Emisoras de TV, S.A.	190	100.00%
Málaga Alavision, S.A.	Paseo Reding 7, Entrepianza - Málaga	Production and broadcast of videos and television programs	Promotora de Emisoras de TV, S.A.	4,653	74.00%
Marbella Digital Television, S.A.	Paseo Reding 7, Entrepianza - Málaga	Production of local television services	Málaga Alavision, S.A.	174	73.71%
Media Festivals, S.A.	Gran Via, 32 - Madrid	Production and organization of shows, congresses and conferences	Gran Via Musical de Ediciones, S.L. Nova Ediciones Musicales, S.A.	1,425	99.97% 0.03%
N. Editorial, S.L.	Torrelaguna, 60 - Madrid	Publishing	Grupo Santillana de Ediciones, S.A. Promotora de Informaciones, S.A.	60	99.99% 0.01%
Nova Ediciones Musicales, S.A.	Gran Via, 32 - Madrid	All manner of musical publications	Gran Via Musical de Ediciones, S.L. Promotora de Informaciones, S.A.	6,609	99.99% 0.01%
Odiel Press, S.L.	Americo Vespucio 63, Isla de La Cartujin - Sevilla	Publication and operation of the newspaper "Odiel Información"	Espacio Editorial Andaluza Holding, S.L. Grupo Empresarial de Medios Impresos, S.L.	4,374	99.99% 0.01%
Oficina del Autor, S.A.	Gran Via, 32 - Madrid	Management of publishing rights and representation of authors	Prisacom, S.A.	1	0.01%
Onida La Finjosa, S.A.	Limosna 2, Hinojosa del Duque - Córdoba	Operation of radio broadcasting business	Promotora de Informaciones, S.A.	2,133	99.99%
Ondas, S.A.	Caspe, 6 - Barcelona	Operation of radio broadcasting business	Algarra, S.A.	120	100.00%
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3 - Santiago de Compostela	Operation of radio broadcasting business	Sociedad Española de Radiofusión, S.A.	252	100.00%
Pallativa, S.A.	Gran Via, 32 - Madrid	Ownership of shareholdings in radio broadcasting companies	Sociedad Española de Radiofusión, S.A.	732	42.42%
Participaciones de Radio Latinoamericana, S.L.	Gran Via, 32 - Madrid	Development of Latin-American radio market worldwide	Promotora de Informaciones, S.A.	7,286	50.93%
Planet Events, S.A.	Gran Via, 32 - Madrid	Production and organization of shows and events	Grupo Latino de Radiofusión, S.L. Gran Via Musical de Ediciones, S.L. Nova Ediciones Musicales, S.A.	61	100.00% - 0.01%
Plural Entertainment Canarias, S.L.	Dársena Pesquera-Edif. Platé del Atlántico-San Andrés 38180-S/ta. Cruz de Tenerife	Production and distribution of audiovisual materials	Plural Entertainment España, S.L.	75	100.00%
Plural Entertainment España, S.L.	Gran Via, 32 - Madrid	Production and distribution of audiovisual materials	Promotora de Emisoras, S.L. Promotora de Informaciones, S.A.	3,000	99.99% 0.01%
Plural Entertainment Inc.	1680 Michigan Avenue, Suite 730 - Miami Beach - USA	Production and distribution of audiovisual materials	Plural Entertainment España, S.L.	-109	100.00%
Prisacom, S.A.	Gran Via, 32 - Madrid	Internet service provider	Oficina del Autor, S.A.	24,000	99.99%
Prisaprint, S.L.	Gran Via, 32 - Madrid	Management of printing companies	Promotora de Informaciones, S.A. Grupo Empresarial de Medios Impresos, S.L.	31,177	99.99% 0.01%
Prisa División Inmobiliaria, S.L.	Gran Via, 32 - Madrid	Lease of commercial and industrial premises	Grupo Santillana de Ediciones, S.L. Promotora de Informaciones, S.A.	2,761	99.99% 0.01%
Prisa División Internacional, S.L.	Gran Via, 32 - Madrid	Ownership of shareholdings in foreign companies	Promotora de Informaciones, S.A. Grupo Empresarial de Medios Impresos, S.L.	100,270	99.99% 0.01%
Prisa Finance (Netherlands) BV	Gran Via, 32 - Madrid	Ownership of shareholdings in and financing of companies	Promotora de Informaciones, S.A.	38	100.00%
Prisa Inc.	5300 First Union Financial Centre - Miami, Florida, USA	Management of businesses in USA and North America	Promotora de Informaciones, S.A.	1,049	100.00%
Productora Audiovisual de Badajoz, S.A.	Ramón Albarán, 2 - Badajoz	Provision of local television services	Prisa División Internacional, S.L.	613	51.00%
Productora Audiovisual de Mallorca, S.A.	Puerto Rico, 15 - Palma de Mallorca	Provision of local television services	Promotora de Emisoras de TV, S.A. Promotora de Emisoras de TV, S.A.	1,500	99.84% 0.01%

## CONSOLIDATED SUBSIDIARIES: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Promoción de Actividades Audiovisuales en Canarias, S.A.	Avda. Anaga, 35 - Santa Cruz de Tenerife	Communication activities in television media in the Canary Islands	Promotora de Emisoras, S.L.	417	99.99%
Productora de Comunicación Toledo, S.A.	Caretos, 1 - Toledo	Provision of local television services	Promotora de Emisoras de TV, S.A.	1,526	74.84%
Productora de Televisión de Córdoba, S.A.	Amaltesa s/n, Pol. El Granadill - Córdoba	Provision of local television services	Promotora de Emisoras de TV, S.A.	415	100.1%
Productora Digital de Medios Audiovisuales, S.A.	Juan de la Cueva, 22, Pol. Ind. Prado Regadono - Móstoles - Madrid	Provision of local television services	Promotora de Emisoras de TV, S.A.	613	51.00%
Productora Extrameta de Televisión, S.A.	J. M. R. Azorín*, Ed. Zeus, Pol. La Cortina - Mérida, Badajoz	Production and broadcast of video and television programs	Promotora de Emisoras de TV, S.A.	2,145	53.00%
Promociones Audiovisuales Sevillanas, S.A.	Rafael González, 3 - Sevilla	Operation of television channels	Localia TV Madrid, S.A.	120	99.90%
Promotora Audiovisual de Zaragoza, S.L.	Emilia Pardo Bazan, 18 - Zaragoza	Ownership of shareholdings	Promotora de Emisoras de TV, S.A.	10,789	99.99%
Promotora de Emisoras, S.L.	Cian Via, 32 - Madrid	Operation of television channels	Promotora de Emisoras, S.A.	24,009	73.00%
Promotora de Emisoras de Televisión, S.A.	Gran Via, 32 - Madrid	Commercial radio broadcasting services	Grupo Latino de Radio, S.L.	438	77.04%
Promotora de Publicidad Radial, S.A.	Carrera, 39-A 1581 - Bogotá, Colombia	Publication, production and operation of magazines	Grupo Empresarial de Medios Impresos, S.L.	1,502	99.96%
Promotora General de Revistas, S.A.	Fuencarral, 6 - Madrid	Radio broadcasting	Promotora de Informaciones, S.A.	-	0.04%
Publicitaria y Difusora del Norte Ltda.	Los Leones 2255 - Providencia, Santiago de Chile	Operation of radio broadcasting business	Consortio Radial de Chile, S.A.	-	99.00%
Radio 30, S.A.	Radio Murcia, 4 - Murcia	Operation of radio broadcasting business	CLR Chile Ltda.	-	1.00%
Radio Beethoven, Ltda.	Los Leones 2255 - Providencia, Santiago de Chile	Operation of radio broadcasting business	Radio Murcia, S.A.	1,282	100.00%
Radio Burgos, S.L.	Veneables, 8 - Burgos	Operation of radio broadcasting business	Comunicaciones del Pacífico S.A.	-	91.00%
Radio Club Canarias, S.A.	Avda. Anaga, 35 - Santa Cruz de Tenerife	Operation of radio broadcasting business	Comunicaciones Santiago, S.A.	-	9.00%
Radio España de Barcelona, S.A.	Caspe, 6 - Barcelona	Operation of radio broadcasting business	Sociedad Española de Radiodifusión, S.A.	130	100.00%
Radio Ghrallaro, S.A.	Santa Paula 2, Granada	Radio broadcasting	Sociedad Española de Radiodifusión, S.A.	456	95.00%
Radio Latina, S.A.	Immeuble Le Periscope, 83-87 Av d'Italie - Paris, France	Radio broadcasting	Sociedad Española de Radiodifusión, S.A.	532	99.23%
Radio Mercadeo Ltda.	Carrera, 39-A 1581 - Bogotá, Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.A.	1,198	100.00%
Radio Murcia, S.A.	Radio Murcia, 4 - Murcia	Operation of radio broadcasting business	Participaciones de Radio Latinoamericana, S.L.	37	20.00%
Radio Zaragoza, S.A.	Pº de la Constitución, 21 - Zaragoza	Operation of radio broadcasting business	Prisa División Internacional, S.L.	-	60.00%
Radiofusión Tenerife, S.A.	Avda. Anaga, 35 - Santa Cruz de Tenerife	Operation of radio broadcasting business	Carecol, S.A.	239	29.85%
Radiofusión del Norte Ltda.	Los Leones 2255 - Providencia, Santiago de Chile	Operation of radio broadcasting business	Caracol Estéreo, S.A.	-	0.35%
Radiofusores y Publicidad Exla Ltda.	Los Leones 2255 - Providencia, Santiago de Chile	Operation of radio broadcasting business	Ecos de la Montaña Cadena Radial Andina, S.A.	-	0.01%
Redprensa, S.L.	Gran Via, 32 - Madrid	Ownership of shareholdings	Emisora Mi Viento, S.A.	-	0.35%
Regie Musique Latine S.A.R.L.	Immeuble Le Periscope, 83-87 Av d'Italie - Paris, France	Development of Latin-American radio market in France	Grupo Latino de Radio, S.L.	129	48.40%
Richmond Publishing S.A. de C.V.	Avda. Universidad 767 - Mexico City, Mexico	Publishing	Promotora de Publicidad Radial, S.A.	-	0.35%
Salamanca Editorial, Ltda.	Rua Padre Adelino, 758 Bezaatino, Sao Paulo - Brazil	Publishing	Sociedad Española de Radiodifusión, S.A.	135	83.33%
Santillana, S.A. (Costa Rica)	La Uruca, 100m Oeste de Migración - San José, Costa Rica	Publishing	Sociedad Española de Radiodifusión, S.A.	686	34.00%
Santillana, S.A. (Ecuador)	Avda. Eloy Alfaro, 227 y 6 de diciembre - Quito, Ecuador	Publishing	Compañía Aragonesa de Radiodifusión, S.A.	679	66.00%
			Ediciones Bidasoa, S.A.	114	100.00%
			Consejo Radial de Chile S.A.	-	80.00%
			Publicitaria y Difusora del Norte Ltda.	-	20.00%
			Consejo Radial de Chile, S.A.	33	80.00%
			Publicitaria y Difusora del Norte Ltda.	8	20.00%
			Promotora de Informaciones, S.A.	130	100.00%
			Participaciones de Radio Latinoamericana, S.L.	7	80.00%
			Editorial Santillana, S.A. de C.V.	913	99.98%
			Lanza, S.A. de C.V.	49	100.00%
			Editoria Moderna, Ltda.	-	0.01%
			Iluro-S.L.	462	99.99%
			Santillana Educación, S.L.	504	100.00%

CONSOLIDATED SUBSIDIARIES: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Santillana, S.A. (Paraguay)	Avda. Vencuzuela, 276 - Asunción, Paraguay	Publishing	Ediciones Santillana, S.A. (Argentina)	812	0.25%
Santillana, S.A. (Peru)	Avda. San Felipe, 731, Jesús María - Lima, Peru	Publishing	Santillana Educación, S.L.	265	95.00%
Santillana Cincarias, S.A.	El Páso s/n. Los Májuctes - Santa Cruz de Tenerife	Publishing	Iaca, S.L.	1	1.00%
Santillana de Ediciones, S.A. (Bolivia)	Avda. Arocs 2333 - La Paz, Bolivia	Publishing	Santillana Educación, S.L.	60	99.00%
Santillana del Pacífico, S.A. de Ediciones (Chile)	Dr. Anubal Arizola 1444, Providencia - Santiago de Chile, Chile	Publishing	Iaca, S.L.	5	0.15%
Santillana Ediciones Generales, S.L.	Torrelaguna, 60 - Madrid	Publishing	Santillana Ediciones Generales, S.L.	5	0.15%
Santillana Ed. Generales S.A. de C.V. (Mexico)	Avda. Universidad 767-Mexico City, Mexico	Publishing	Santillana Educación, S.L.	3,206	99.70%
Santillana Educación, S.L.	Torrelaguna, 60 - Madrid	Publishing	Santillana Educación, S.L.	434	100.00%
Santillana en Red, S.L.	Edificio APOT - Ribera del Sena s/n - Madrid	Multimedia publishing	Grupo Santillana de Ediciones, S.L.	11,984	100.00%
Santillana Formación, S.L.	Torrelaguna, 60 - Madrid	Publishing	Grupo Santillana de Ediciones, S.L.	4	100.00%
Santillana USA Publishing Co. Inc.	2105 NW 86th Avenue - Miami, Florida, USA	Publishing	Grupo Santillana de Ediciones, S.L.	42,906	100.00%
Sociedad de Radiodifusión Aragonesa, S.A.	Pº de la Constitución, 21 - Zaragoza	Operation of radio stations	Prisacom, S.A.	750	50.00%
Sociedad de Radiodifusión Aragonesa, S.A.	Gran Vía, 32 - Madrid	Production of audiovisual contents	Santillana Educación, S.L.	750	50.00%
Sonomedios, S.A.	Gran Vía, 32 - Madrid	Advertising management	Grupo Santillana de Ediciones, S.L.	9,778	99.99%
S. S. R. Unión Radio, S.L.	Gran Vía, 32 - Madrid	Operation of radio broadcasting business	Iaca, S.L.	-	0.01%
Suma de Letras, S.L.	Berquillo, 21 - Madrid	Provision of services to radio broadcasting businesses	Grupo Santillana de Ediciones, S.A.	37,744	100.00%
Suma de Letras Argentina, S.A.	Beazley 3860, Buenos Aires - Argentina	Publishing	Promotora de Informaciones, S.A.	18,715	99.99%
Suma de Letras, S.A. de C.V.	Avda. Universidad 767 - Mexico City, Mexico	Publishing	Sociedad Española de Radiodifusión, S.A.	401	50.00%
Talavera Visión, S.L.	Avda. del Rey Santo, 8 - Ciudad Real	Operation of radio broadcasting business	Compañía Independiente de Televisión, S.L.	601	50.00%
Telecomunicaciones Antequera, S.A.	Apartamentos, 15 - Antequera - Málaga	Provision of local television services	S. S. R. Unión Radio, S.L.	998	50.00%
Tobeeser, S.A.	Quintana, 38 - Alicante	Operation of radio broadcasting business	Genencia de Medios, S.A.	157	99.97%
Trosca Producciones Cinematográficas, S.L.	Gran Vía, 32 - Madrid	Provision of television services	Promotora de Informaciones, S.A.	-	0.05%
Trokar de Colombia, S.A. (under liquidation)	Carreca, 39-A 1581 - Bogotá, Colombia	Audiovisual production and distribution	Promotora de Informaciones, S.A.	5,881	80.00%
TV Local Eivissa, S.L.	Avd. san Jordi s/n - Edificio Residencial - Ibiza	Retail and wholesale trade	Santillana Ediciones Generales, S.L.	922	100.00%
Unión Radio Digital, S.A.	Gran Vía, 32 - Madrid	Operation of television services	Suma de Letras, S.L.	6	1.00%
Valdegonas Comunicación, S.L.	Pza. de Cervantes, 6 - Ciudad Real	Operation of digital radio broadcasting concession	Santillana Ediciones Generales, S.L.	454	98.00%
Zúñiga Editorial, S.A.	Pº. Lozama Leguizamón, 7 / 31 - Eibarri, Vizcaya	Operation of radio broadcasting business	Agular A.T.A. S.A. de Ediciones	1	0.07%
		Publishing	Santillana Ediciones Generales, S.L.	2	0.07%
			Suma de Letras, S.L.	118	99.86%
			Valdegonas Comunicación, S.L.	185	100.00%
			Málaga Allavision, S.A.	819	66.56%
			Sociedad Española de Radiodifusión, S.A.	55	71.64%
			Promotora de Emisiones de TV, S.A.	2,227	100.00%
			Plural Entertainment España, S.L.	-1,942	80.80%
			Grupo Lainao de Radio, S.L.	201	70.17%
			Productora Audiovisual de Mallorca, S.A.	541	90.00%
			Antena 3 de Radio, S.A.	2,404	40.00%
			Sociedad Española de Radiodifusión, S.A.	3,606	60.00%
			S. S. R. Unión Radio, S.L.	30	50.00%
			Promotora de Informaciones, S.A.	-	0.01%
			Santillana Educación, S.L.	60	99.90%

## MULTI-GROUP COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in thousands of Euro	Percentage of Ownership
Bidasoa Press S.L.	Gran Vía, 32 - Madrid	Printing of published materials	Dédalo Grupo Gráfico, S.L.	7,592	100,00%
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City, Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	-	0,01%
Dédalo Altamira, S.A. (formerly Mateu Press, S.A.)	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	Sistema Radiópolis, S.A. de C.V.	1,066	99,99%
Dédalo Grupo Gráfico, S.L.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing	Dédalo Grupo Gráfico, S.L.	3,000	50,00%
Distribuciones Aliadas, S.A.	Gran Vía, 32 - Madrid	Printing of published materials	Mateu Cromo Artes Gráficas, S.A.	50,000	40,00%
Eje de Editores Media, S.L.	Gran Vía, 32 - Madrid	Publishing, sale and marketing of publications and content	Prisaprint, S.L.	30,957	40,00%
Gráficas Integradas, S.A.	C/ Camino de los Afligidos S/N - Alcalá de Henares - Madrid	Printing of published materials	Dédalo Grupo Gráfico, S.L.	5,848	100,00%
Infotecnia 11824, S.L.	Vázquez de Menchaca, 9 - Valladolid	Provision of telecommunications services	Polstar Hispánica, S.A.	795	100,00%
Macrolibros, S.A.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Book printing and binding	Prisaprint, S.A.	20	50,00%
Mateu Cromo Artes Gráficas, S.A.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	Mateu Cromo Artes Gráficas, S.A.	617	99,99%
Mateu Liber, S.L.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	Dédalo Grupo Gráfico, S.L.	13,629	100,00%
Norpenisa, S.A.	Gran Vía, 32 - Madrid	Printing of published materials	Dédalo Grupo Gráfico, S.L.	1,065	99,50%
Polstar Helicócolor, S.L.	C/ Camino de los Afligidos S/N - Alcalá de Henares - Madrid	Printing of published materials	Mateu Cromo Artes Gráficas, S.A.	5	50,00%
Polstar Hispánica, S.A.	C/ Camino de los Afligidos S/N - Alcalá de Henares - Madrid	Printing of published materials	Dédalo Grupo Gráfico, S.L.	3,349	100,00%
Radio Comerciales, S.A. de C.V.	Rubén Darío nº 158, Guadalajara - Mexico	Operation of radio broadcasting stations	Polstar Hispánica, S.A.	8,418	100,00%
Radiotelevisora de Mexicali, S.A. de C.V.	Av. Reforma 1270 Mexicali Baja California Norte, Mexico	Operation of radio broadcasting stations	Dédalo Grupo Gráfico, S.L.	50,000	100,00%
Radio Melodía, S.A. de C.V.	Rubén Darío nº 158, Guadalajara, Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	15	0,03%
Radio Tapatlá, S.A. de C.V.	Rubén Darío nº 158, Guadalajara, Mexico	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V.	829	99,97%
Sistema Radiópolis, S.A. de C.V.	Av. Vasco de Quiroga 2000, Mexico City	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	-	0,01%
Sociedad Canaria de Televisión Regional, S.A.	Avda. de Madrid s/n - Tenerife	Audiovisual productions for TV programming	Sistema Radiópolis, S.A. de C.V.	1,277	99,99%
Xeiza, S.A. de C.V.	Rubén Darío nº 158, Guadalajara, Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	34	99,00%
			Radio Comerciales, S.A. de C.V.	1	1,00%
			Cadena Radiodifusora Mexicana, S.A. de C.V.	10	99,00%
			Radio Comerciales, S.A. de C.V.	2	1,00%
			Grupo Latino de Radio, S.L.	63,612	50,00%
			Promotora de Emisoras de TV, S.A.	5,440	40,00%
			Cadena Radiodifusora Mexicana, S.A. de C.V.	3	99,00%
			Radio Comerciales, S.A. de C.V.	-	1,00%



## ASSOCIATED COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	Cost in Thousands of Euros	December 2004	Percentage of Ownership
Albarizas Comunicación, S.A.	Avda. del Membrillar s/n - Jerez de la Frontera, Cádiz	Production and broadcast of videos and television programs	Promotora de Emisoras de TV, S.A.	726	50.00%	
Antena 3 de Radio, S.A.	Oquendo, 23 - Madrid	Operation of radio stations	Inversiones Códó, S.A.	5,686	64.64%	
Antena 3 de Radio de León, S.A.	Oquendo, 23 - Madrid	Operation of radio stations	Antena 3 de Radio, S.A.	212	99.56%	
Antena 3 de Radio de Meililla, S.A.	Oquendo, 23 - Madrid	Operation of radio stations	Antena 3 de Radio, S.A.	144	100.00%	
ATB Illimani de Comunicaciones y Asociados del Valle, S.A.	Tupiza, 1140 - Recoleta, San Benito - Bolivia	Operation of TV and radio programs	Illimani de Comunicaciones, S.A.	1,041	80.00%	
ATB Santa Cruz Televisión, S.A. (*)	Avda. Criso Redentor, 33-55 - Santa Cruz, Bolivia	Operation of TV and radio programs	Illimani de Comunicaciones, S.A.	1,683	99.94%	
Audiovisual Sport, S.L.	Ganduser, 117 - Barcelona	Management and distribution of sporting rights	Gestión de Derechos Audiovisuales y Deportivos, S.A.	171,950	80.00%	
Beralán, S.L.	Avda. Ana Kandiá, 21 - Guipúzcoa	Distribution of published materials	Redprensa, S.A.	238	22.25%	
Cable Antena, S.A.	Avda. de los Artesanos, 6 Tres Cantos- Madrid	Operation of theme channels	Compañía Independiente de Televisión, S.L.	-	0.01%	
Cadena Onda Oliva, S.A.	Oquendo, 23 - Madrid	Operation of radio stations	Sogetable, S.A.	6,612	99.99%	
Canal Bilbao, S.A.	Ribera Eiorrieta, 3 - Bilbao	Operation of local television services	Antena 3 de Radio, S.A.	797	100.00%	
Canal Club de Distribución de Ocio y Cultura, S.A.	Hermosilla, 112 - Madrid	Provision of local television services	Promotora de Emisoras de TV, S.A.	2,104	30.00%	
Canal + Investments, Inc.	Beverly Hills, California, USA	Catalog sales	Sogetable, S.A.	2,138	25.00%	
Canal Satellite Digital, S.L.	Avda. de los Artesanos, 6 Tres Cantos- Madrid	Film production	Sogetable, S.A.	67,051	60.00%	
Centro de Asistencia Telefónica, S.A.	Albasanz, 75 - Madrid	Satellite TV operation	Sogetable, S.A.	400,104	83.25%	
Cinemanía, S.L.	Avda. de los Artesanos, 6 Tres Cantos- Madrid	Provision of services	Compañía Independiente de Televisión, S.L.	-	0.29%	
Cinemas, S.L.	Avda. de los Artesanos, 6 Tres Cantos- Madrid	Operation of theme channels	Sogetable, S.A.	3,065	99.71%	
Cirpress, S.L.	Autopista A8 Km 14.4 - Arribas, Asturias	Operation of published materials	Compañía Independiente de Televisión, S.L.	19,826	90.00%	
Ciudad Real Noticias, S.A.	Pais Valenciano, 5 - Ciudad Real	Distribution of published materials	Redprensa, S.A.	91	24.70%	
Comercialización de Medios 2000, S.A.	Avda. de Monserrat, 46 - Almería	Operation of radio broadcasting business	Ediciones LM, S.L.	163	100.00%	
Compañía Independiente de Noticias de TV, S.L.	Pablo Ruiz Picasso s/n - Madrid	Printing of published materials	Novotécnica, S.A.	32	41.50%	
Compañía Independiente de Televisión, S.L.	Avda. de los Artesanos, 6 Tres Cantos- Madrid	Television services	Sogetable, S.A.	29	14.00%	
Compostela Visión, S.L.	Rua Nova, 32 - 2 - Santiago de Compostela	Management and exploitation of audiovisual rights	Sociedad General de Cine, S.A.	-	0.05%	
Disperso, S.R.L.U.	C/Dels Argenters 4, P.I. Vara de Quart - 46014 Valencia	Provision of local television services	Sogetable, S.A.	35,703	99.95%	
Distribuidora Almeriense de Publicaciones, S.L.	Sierra Cabrera, 1, Pol. Ind. La Juada - Viator, Almería	Distribution of published materials	Unión de Televisiones Gallegas, S.A.	834	100.00%	
Distribuciones Cordoba de Medios Editoriales, S.L.	Pol. Ind. Chinales, naves 7 y 8, parcela 29 - Córdoba	Distribution of published materials	Val Disme, S.L.	3	100.00%	
Distribuidora de Publicaciones Boreal, S.L.	Avda. Fuenteamar, 29 - Colada, Madrid	Distribution of published materials	Comercialización de Medios 2000, S.A.	64	30.00%	
Distribuidora Extremeña de Publicaciones, S.L.	Ctra. N-5, Km. 397 - Badajoz	Distribution of published materials	Distribuidores, S.L.	175	70.00%	
Distribuidora Jilense de Publicaciones, S.L.	Pol. Ind. Los Olivares, calle 5, parcel 526 - Jaén	Distribution of published materials	Distribuidores, S.L.	1,442	70.00%	
Distribuciones Papiro, S.L.	Dior, Ferrán s/n, Pol. Ind. El Montalbo - Carbalosa de la Sagrada - Salamanca	Distribution of published materials	Redprensa, S.A.	558	29.00%	
Distribuidores, S.L.	Agricultura, parcela D-10 (P. Empresarial) - Jerez, Cádiz	Distribution of published materials	Distribuidores, S.L.	247	70.00%	
DTS, Distribuidora de TV Digital, S.A.	Avda. de los Artesanos, 6 - Tres Cantos- Madrid	Distribution of published materials	Redprensa, S.A.	213	25.14%	
Editor, S.L.	Plaza de Cervantes, 6 - Ciudad Real	Television services	Redprensa, S.A.	412	29.00%	
Editor, S.L.	Avda. del Mediterráneo 150- Edificio Laura 1ª Planta - Almería	Operation of radio broadcasting stations	Compañía Independiente de Televisión, S.L.	449,489	99.99%	
El Dorado Broadcasting Corporation	2100 Coral Way - Miami, Florida - USA	Services for publishing companies	S. S. R. Unión Radio, S.L.	3,606	50.00%	
Euroleague Marketing, S.L.	Jorge Manrique, 12 - 28006 Madrid	Development of Latin-American radio market in USA	Comercialización de Medios 2000, S.A.	1	19.80%	
Ferrolvisión, S.L.	Arce s/n - Santiago de Compostela	Distribution of audiovisual rights	Grafvoez, S.A.	3	49.50%	
Field Mateu, S.L.	Ctra. de Pinto a Fuentelabrada, Km. 20.8 - Madrid	Provision of local television services	Servicecom, S.L.	2	30.69%	
Fox Kids España, S.L.	Avda. de los Artesanos, 6 Tres Cantos- Madrid	Manufacture of cardboard containers and packaging material	Grupo Latino de Radiodifusión L.L.C.	1,273	25.00%	
Gestión de Derechos Audiovisuales y Deportivos, S.A.	Avda. de los Artesanos, 6 Tres Cantos- Madrid	Operation of theme channels	Sogetable, S.A.	562	50.00%	
Gipuzkoa Televisión, S.A.	Libertad, 17 - San Sebastián	Distribution of sporting rights	Unión de Televisiones Gallegas, S.A.	292	100.00%	
Grafvoez, S.A.	Avda. del Mediterráneo 150- Edificio Laura 1ª Planta - Almería	Provision of local television services	Prisaprint, S.L.	2,321	49.00%	
		Printing of published materials	Compañía Independiente de Televisión, S.L.	150	50.00%	
			Sogetable, S.A.	140,350	99.99%	
			Promotora de Emisoras de TV, S.A.	697	30.00%	
			Novotécnica, S.A.	81	23.93%	

## ASSOCIATED COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Green Emerald Business Inc.	Calle 54 Obarrío N° 4, Panama City - Panama	Development of Latin-American radio market in Panama	Participaciones de Radio Latinoamericana, S.L.	1,334	34.95%
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.	Calle País Valenciano, 5 - Ciudad Real	Provision of local television services	Promotora de Emisoras de TV, S.A.	100	33.33%
Iberbanda, S.A.	Pso. Castellana, 110 - Madrid	Creation, development and management of communications	Promotora de Emisoras de TV, S.A.	32,977	25.98%
Illimant de Comunicaciones, S.A. (*)	Avda. Argentina, 2057 - La Paz, Bolivia	Exploitation of TV and radio programs	Inversiones en Radiodifusión, S.A.	5,913	75.00%
Información, Telefonía y Comunicación, S.A.	Argentina 2057, La Paz - Bolivia	Provision of telecommunications services	Inversiones Digitales, S.A.	109	100.00%
Inversiones Digitales, S.A.	Federico Zuazo, 1598 - La Paz, Bolivia	Ownership of shareholdings	Prisacom, S.A.	134	50.00%
Inversiones en Radiodifusión, S.A.	Federico Zuazo, 1598 - La Paz, Bolivia	Telecommunications and radio broadcasting	Promotora de Informaciones, S.A.	3,268	25.00%
Inversiones Godó, S.A.	Pelayo 28 - Barcelona	Ownership of shareholdings	Promotora de Informaciones, S.A.	16,413	48.95%
La Palma Difusión, S.A.	Almirante Díaz Pimentel, 10 - Los Llanos de Aridane	Operation of radio stations	Antena 3 de Radio, S.A.	686	100.00%
Manna Press Distribuciones, S.L.	Pere IV, 467 - Barcelona	Distribution of published materials	Redprensa, S.A.	325	30.00%
Novotécnica, S.A.	Avda. del Mediterráneo 150- Edificio Laura 1ª Planta - Almería	Publishing of the daily newspaper La Voz de Almería	Espacio Editorial Andaluza Holding, S.L.	149	31.89%
Onda Musical, S.A.	Oquendo, 23 - Madrid	Operation of radio stations	Antena 3 de Radio, S.A.	490	49.01%
Parisiennes Regie, S.A.R.L.	Rue de Charonne 5, 75011 Paris (France)	Commercial radio broadcasting services	Inversiones Godó, S.A.	140	16.68%
Plataforma Logística de Usuarios de Sogecable, S.L.	Avda. de los Artesanos, 6 Tres Cantos - Madrid	Internet service provider	Palirveva, S.A.	564	34.30%
Prensa Servidíol, S.L.	Poliégono Tartessos 309, Calle A - 21610 San Juan del Puerto (Huelva)	Distribution of published materials	Regie Musique Latine, S.A.R.L.	3	25.00%
Productora Asturiana de Televisión, S.A.	Asturias, 19 - Oviedo	Provision of local television services	Centro de Asistencia Telefónica, S.A.	-	0.01%
Productora Canaria de Programas, S.A.	Enrique Wolfso, 17 - S. C. de Tenerife	Development of a TV channel to promote the Canary Islands	Sogecable, S.A.	7,087	99.99%
Productora de Televisión de Almería, S.A.	Avda. del Mediterráneo 159 - Almería	Provision of local television services	Distribuidos, S.L.	107	70.00%
Productora de Televisión de León, S.A.	República Argentina, 28 - León	Provision of local television services	Promotora de Emisoras de TV, S.A.	638	48.99%
Productora de Televisión de Salamanca, S.A.	Arco 16-20 - Salamanca	Provision of local television services	Prom. de Actividades Audiovisuales en Canarias, S.A.	410	40.00%
Promotora Audiovisual de Jaén, S.A.	Avda. del Ejército Español, 6 - Jaén	Provision of local television services	Novotécnica, S.A.	243	51.00%
Promotora Radial del Llano, Ltda.	Carrera, 39-A 1581 - Bogotá, Colombia	Commercial radio broadcasting services	Promotora de Emisoras de TV, S.A.	398	29.00%
Radiodifusora de Navarra, S.A.	Plaza Plazaola, Manzana F - Aizoain, Navarra	Operation of radio broadcasting stations	Promotora de Emisoras de TV, S.A.	327	30.00%
Radio Jaén, S.L.	Obispo Aguilar, 1 - Jaén	Operation of radio broadcasting stations	Promotora de Emisoras de TV, S.A.	383	39.00%
Radiotelevisión Compostela, S.L.	Fuencarral, 123 - Madrid	Provision of local television services	Diario Jaén	250	25.00%
Riotelisa, S.A.	Avda. de Portugal 12, 1ª - Logroño	Audiovisual productions for television programming	Promotora de Emisoras de TV, S.A.	200	20.01%
Servicios de Valor Agregado Bolivia.com, S.A.	Argentina 2057, La Paz - Bolivia	Provision of telecommunications services	Inversiones Digitales, S.A.	-	0.01%
Servicios Técnicos de Sogecable, S.L.	Avda. de los Artesanos, 6 Tres Cantos - Madrid	Television services	Centro de Asistencia Telefónica, S.A.	13,246	99.99%
Servicom, S.L.	Avda. del Mediterráneo 150- Edificio Laura 1ª Planta - Almería	Distribution of published materials	Sogecable, S.A.	2	17.65%
Sistemiel Telecomunicaciones Bolivia, S.A.	Argentina 2057, La Paz - Bolivia	Provision of telecommunications services	Espacio Editorial Andaluza Holding, S.L.	241	58.82%
Sociedad General de Cines, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Production and management of audiovisual rights	Novotécnica, S.A.	96	100.00%
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avd. de la Estación, 5 Bajo - Albacete	Operation of radio broadcasting stations	Compañía Independiente de Televisión, S.L.	-	0.01%
Sogecable, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of television businesses	Sogecable, S.A.	6,010	99.99%
Sogecable Fútbol, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of theme channels	Antena 3 de Radio, S.A.	1,285	73.53%
Sogepaq, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Management and distribution of audiovisual rights	Promotora de Informaciones, S.A.	354,099	23.00%
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5 - Arrecife	Operation of radio broadcasting business	Compañía Independiente de Televisión, S.L.	32,374	99.99%
Studio Canal Spain, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Management and distribution of audiovisual rights	Sociedad General de Cine, S.A.	-	0.01%
Suscripciones de Medios Editoriales, S.L.	C/De la Agricultura, Parque Empresarial Parcela D1 - 11407-Jerez de la Frontera	Distribution of published materials	Sogecable, S.A.	16,628	99.99%
Telecomunicaciones Empresariales del Sur, S.L.	Avda. del Rey Santo, 8 - Ciudad Real	Operation of radio broadcasting business	Antena 3 de Radio, S.A.	155	50.00%
Teleonda Ciudad Real, S.L.	Avda. de la Estación, 5 Bajo - Albacete	Operation of radio broadcasting stations	Sogepaq, S.A.	2,427	49.00%
Teleradio Pres, S.L.	Avda. de la Estación, 5 Bajo - Albacete	Operation of radio broadcasting stations	Distribuidos, S.L.	3	100.00%
			Ediciones LM, S.L.	135	82.00%
			Ediciones LM, S.L.	1,875	80.00%
			Antena 3 de Radio, S.A.	3,109	75.10%

## ASSOCIATED COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: 2004

Company	Registered Office	Line of Business	Company Owning the Holding	December 2004	
				Cost in Thousands of Euros	Percentage of Ownership
Televisión Alpujarra, S.L.	Pza. Zenete NPT1, El Ejido - Almería	Provision of local television services	Novotécnica, S.A.	130	16.00%
Televisión Ciudad Real, S.L.	Avda. del Rey Santo, 8 - Ciudad Real	Operation of radio broadcasting business	Productora de Televisión de Almería, S.A.	413	51.00%
Televisión Pontevedra S.A.	Castelao 3 B 1 - Pontevedra	Provision of local television services	Antena 3 de Radio, S.A.	769	75.10%
Unión de Televisión Gallegas, S.A.	Pza. de Orense, 3 - La Coruña	Operation of local audiovisual media and management of local TV services	Unión de Televisión Gallegas, S.A.	651	100.00%
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32 - Andorra la Vella	Operation of radio broadcasting business	Promotora de Emisoras de TV, S.A.	2,250	28.80%
Val Disme, S.L.	Trajiners, 3 - Valencia	Distribution of published materials	S. S. R. Unión Radio, S.L.	167	33.00%
Via Atención Comunicación, S.L.	Alcalá, 506 - Madrid	Provision of published materials	Redprensa, S.A.	45	23.75%
Via Interactiva, S.L.	Virgilio, 2 - Pozuelo de Alarcón - Madrid	Provision of digital television services	DTS, Distribuidora de TV Digital, S.A.	3,801	100.00%
Warner Lusomundo Cines de España, S.A.	Azalea, 1 Alcobendas - Madrid	Internet service provider	DTS, Distribuidora de TV Digital, S.A.	2	99.99%
Warner Sogefilms, A.I.E.	Cardenal Marcelo Spínola, 8 - Madrid	Movie screening business	Sogecable, S.A.	12,701	33.33%
WSUA Broadcasting Corporation	2100 Coral Way - Miami, Florida - USA	Movie distribution	Sogecable, S.A.	30	50.00%
		Radio broadcasting	El Dorado Broadcasting Corporation	-	100.00%

(\*) Data in thousands of US dollars.

Variations in consolidated equity accounts in 2004

EXHIBIT 4

	Consolidation											Income Attributed to the Parent Company	
	Capital Stock	Additional Paid-in Capital	Revaluation Reserves 1983	Revaluation Reserves RDL 7/96	Legal Reserve	Reserves for Treasury Stock	Bylaw Reserves	Reserves for Retired Capital	Other Reserves	Reserves at Companies Accounted for by the Equity Method	Translation Differences		Total Reserves
Balance at December 31, 2003	21,881	108,369	3,289	10,650	4,376	29,365	10,941	1,373	339,791	117,135	(47,102)	578,187	60,597
Transfer - Reserves for delivery of treasury stock						(79)			79				
Transfer - Reserves for purchase of treasury stock						420			(420)				
Distribution of 2003 income													(1,382)
- Directors' compensation													(21,263)
- Dividends													(37,952)
- Reserves									54,976	(17,024)		37,952	
Translation differences										(6,075)	68	(6,007)	
Variation in revaluation reserves										4,734		4,734	
Other										(4,234)		(4,234)	
Income for 2004													103,252
Balance at December 31, 2004	21,881	108,369	3,289	10,650	4,376	29,706	10,941	1,373	394,426	94,536	(47,034)	610,632	103,252

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

2004 Consolidated Management Report

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

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)  
AND SUBSIDIARIES**  
**2004 CONSOLIDATED MANAGEMENT REPORT**

## **1. BUSINESS PERFORMANCE**

In 2004 Prisa increased its revenues by 9.3% to €1,425.67 million.

Operating income (EBIT) amounted to €190.16 million, up 39.8% on 2003. This increase in the EBIT figure was underpinned by the growth in advertising revenues in all the Group's media formats, its circulation revenues, the performance of its promotions and the sound results achieved in the educational campaigns, both in Spain and Latin America.

2004 witnessed further improvement in the business units<sup>1</sup> that have an adverse impact on EBIT. In overall terms, the operating income of the Group's businesses grew by 13%, due both to the recovery of revenues and the ongoing control of expenses.

The Group's margins improved in 2004: the EBIT/revenues margin was 13.3%, as compared with 10.4% in 2003, and the EBITDA margin rose from 17.0% to 19.2%.

Net consolidated income grew by 70.4% to €103.25 million (€60.6 million in 2003).

### **ADVERTISING**

The Group's total advertising revenues, which account for 37% of all its operating revenues, **increased by 11%**, confirming the recovery of the advertising market that commenced at the end of 2003. The rise in the Group's advertising revenues was thus higher than the estimated 6% growth experienced by the Spanish advertising market as a whole in 2004<sup>2</sup>.

### **PROMOTIONS**

Revenues from promotions totaled €114.14 million in 2004 (up 108.9% on 2003), signifying a contribution of €17.65 million to operating income (EBIT).

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<sup>1</sup> Including local TV, Prisacom, International Media, Leisure and Entertainment and Specialized and Regional Press.

<sup>2</sup> Zenith Optimedia estimates.

The figures obtained from promotions show that, in addition to contributing toward dissemination, promotional activity in itself represents an important business line. To harness this opportunity, the Group created a division responsible for jointly managing all the promotions of the various business units.

## LATIN AMERICA

In 2004 revenues from the Latin America division amounted to €236 million (€183 million of which were earned by Santillana), representing 17% of total revenues. The Group's publishing business recorded growth, in local currency terms, in most of the countries in which it is present, most notably in Brazil, Mexico and Argentina.

The advertising revenues of the International Media business division, substantially all of which are obtained in Latin America, grew by 6.9%.

**Exchange rate fluctuations** had an adverse effect on operating revenues, leading to a drop of €7.2 million; however, they had a very similar effect on expenses and, consequently, operating income (EBIT) for 2004 was not affected.

## SOGECABLE

Prisa increased its ownership interest in Sogecable to 23.6% through acquisitions in the market. The investments made in 2004 in this holding amounted to €125.9 million. As of December 31, the average price of Prisa's investments in Sogecable was €12.22 per share.

## STATEMENT OF INCOME

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
<b>Operating revenues</b>	<b>1,425.67</b>	<b>1,304.92</b>	<b>9.3</b>
<b>EBITDA</b>	<b>274.27</b>	<b>221.86</b>	<b>23.6</b>
<b>EBIT</b>	<b>190.16</b>	<b>136.07</b>	<b>39.8</b>
Financial income/(loss)	(11.54)	4.87	-
Loss of companies accounted for by the equity method	(22.31)	(28.91)	22.8
Amortization of goodwill	22.08	24.48	(9.8)
<b>Income from ordinary activities</b>	<b>134.23</b>	<b>87.55</b>	<b>53.3</b>
Extraordinary loss	(16.65)	(2.00)	-
<b>Income before taxes</b>	<b>117.58</b>	<b>85.55</b>	<b>37.4</b>
Corporate income tax	12.63	23.45	(46.1)
Income attributed to minority interests	1.70	1.50	12.9
<b>Net income</b>	<b>103.25</b>	<b>60.60</b>	<b>70.4</b>
<b>EBIT margin</b>	<b>13.3%</b>	<b>10.4%</b>	<b>27.9</b>
<b>EBITDA margin</b>	<b>19.2%</b>	<b>17.0%</b>	<b>13.1</b>

Operating revenues were €1,425.67 million, up 9.3% from €1,304.92 million in 2003.

The breakdown, by business line, of the Group's revenues is as follows:

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Advertising sales	533.10	480.47	11.0
Book and rights sales	343.64	326.49	5.3
Newspaper and magazine sales	235.47	225.16	4.6
Promotional product revenues	114.14	54.65	108.9
Printing services sales <sup>3</sup>	60.96	77.53	(21.4)
Music sales <sup>4</sup>	38.04	52.90	(28.1)
Other revenues	100.32	87.72	14.4
<b>Total operating revenues</b>	<b>1,425.67</b>	<b>1,304.92</b>	<b>9.3</b>

Advertising sales increased by 11.0% to total €533 million.

El País and la Radio, which together account for 68% of advertising revenues (34% each), grew by 11.5% and 6.0%, respectively, finally outstripping the pace of growth recorded in the year. The performance of all the business units was excellent, as shown in the table below:

<sup>3</sup> Includes in 2004 40% of the revenues of Dédalo, the company formed as a result of the merger of Prisaprint and Polestar España. In 2003, all revenues were consolidated.

<sup>4</sup> Includes sales of audiovisual rights and programs, music sales, collection sales and events and concerts organized for Gran Vía Musical.



Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
El País	178.99	160.50	11.5
Radio	182.99	172.70	6.0
Specialized and regional press	38.15	32.09	18.9
GDM	105.66	89.79	17.7
International media	46.62	43.60	6.9
Local TV	15.83	8.29	90.9
Prisacom	4.53	3.08	47.1

Particularly noteworthy is the growth obtained in local television (90.9%) and the digital business (47.1%). Earnings from advertising outstripped the Group's internal estimates for the various sectors of the market (4.5% in the press, 5.0% in radio, 16.0% in the television market and 15.0% in Internet).

**Book and rights sales** totaled €343.6 million in 2004, a 5.3% increase with respect to the previous year.

2004 was characterized by the sound performance of regular text book sales. In local currency terms, sales in Spain and Mexico rose by 7% and 11%, respectively.

**Newspaper and magazine sales** increased by 4.6% to €235.5 million.

**Promotional product revenues** grew substantially, reaching €114.1 million, as compared with €54.6 million in 2003.

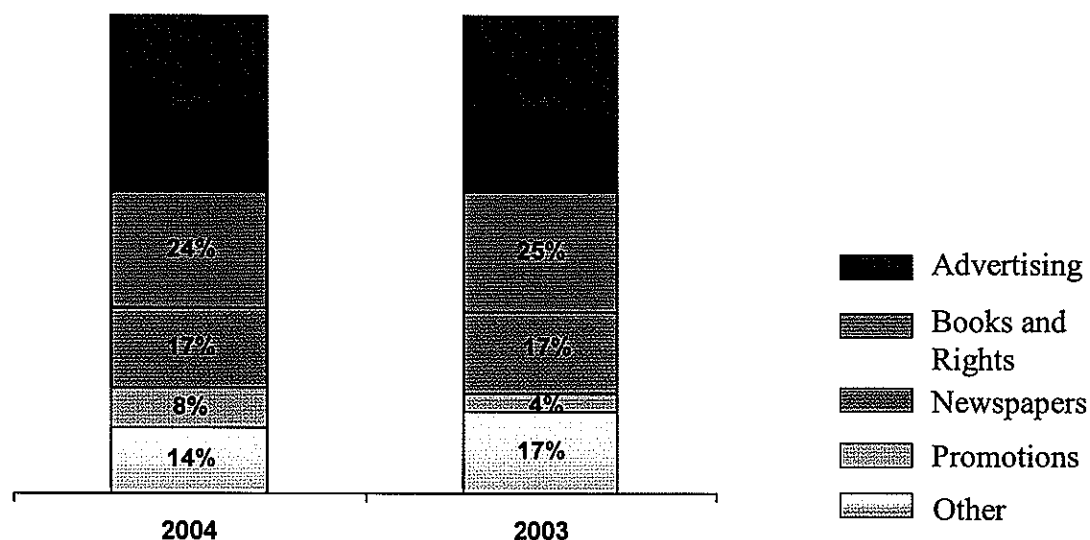
**Printing services sales** fell by 21.4%, due to the sluggishness of the market and the proportional consolidation (40%) in 2004 of the income obtained by the printing company Dédalo, which was formed in 2003 as a result of the agreement entered into by the Prisa Group and Polestar to merge their printing businesses in Spain.

**Music business sales**, following the restructuring of the Company under the agreement reached with Universal Music Group<sup>5</sup>, dropped by 28.1%.

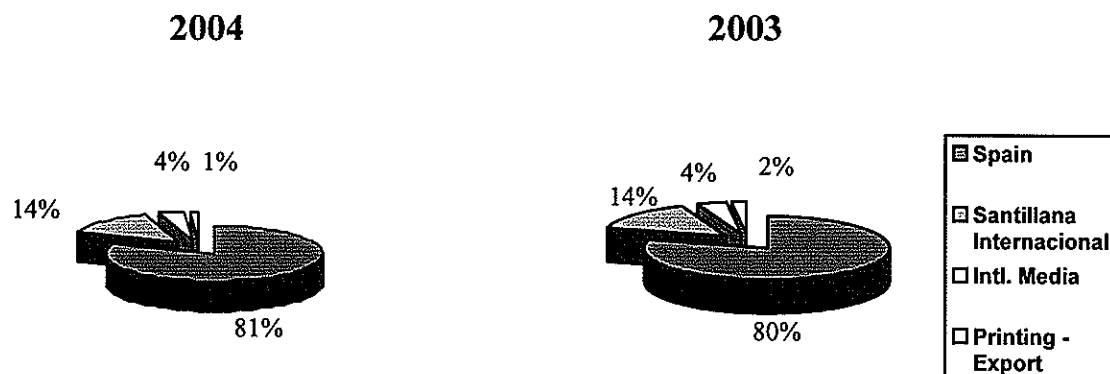
**Other operating revenues** rose by 14.4%, due mainly to the publication of magazines for the account of third parties, the lease contracts of the real estate division and the roaming agreements entered into by Prisacom with various telecommunications operators.

<sup>5</sup> Agreement under which the Prisa Group sold the recording rights of its main artists and the exploitation rights of the music catalogs of its subsidiaries to Universal Music Group.

The contribution of the various business lines to total revenues was as follows:



The breakdown, by geographical area, of revenues in 2004 and 2003 was as follows:



**Operating income (EBIT)** amounted to €190.16 million, as compared with €136.07 million in 2003, an increase of 39.8%. This upward trend is due basically to:

- the sound performance of El País, la Radio and Santillana
- the impact of promotional products
- the improvement in operating income and cost control in new developments, particularly in International Media, Prisacom and Specialized and Regional Press

**The Group reported a financial loss** of €11.54 million in 2004, in contrast to financial income of €4.87 million in 2003. The difference is due basically to the inclusion in the 2003 figure of the gains arising from the hedges arranged for the U.S. dollar loans.

**Losses of companies accounted for by the equity method** (€22.31 million), which includes mainly the investments in Sogecable, Antena 3 de Radio and Iberbanda, improved by 22.8% with respect to 2003. This substantial improvement is due mainly to increased earnings at Antena 3 de Radio and the reduction in Sogecable's losses.

**Amortization of goodwill** fell by 9.8% on 2003 due to the adjustment made in 2003 to the amortization of certain goodwill relating to the music and international businesses.

The Group's **extraordinary loss** amounted to €16.65 million, as compared with €2.00 million in the same period in 2003.

Extraordinary revenues of €10.8 million were obtained in 2004 as a result of the inclusion of Iberbanda in the consolidated Group.

In December 2004 a gain of €18.5 million was recorded on the sale of land and structures owned by Prisa División Inmobiliaria, S.L. and Dédalo Grupo Gráfico, S.L. in Pinto (Madrid).

Extraordinary expenses in 2004 related mainly to employee severance costs, which totaled €15 million, and to prior years' expenses.

**Income before taxes** amounted to €117.6 million, up 37.4% on 2003.

The **corporate income tax expense** was €12.63 million, compared with €23.45 million in 2003, and **income attributed to minority interests** stood at €1.70 million. The reduction in the corporate income charge was due to the consideration of tax credits for the export activities of Santillana and International Media and additional tax credits for reinvestment and sponsorship of the "Barcelona 2004 Universal Culture Forum", and to the provision recorded in Prisa's individual financial statements for the losses at Sogecable, which is a deductible expense.

**Net income amounted to €103.25 million**, an increase of 70.4% with respect to the €60.60 million reported in 2003.

**CONSOLIDATED BALANCE SHEET**

<b>ASSETS</b>	<b>Millions of Euros</b>	
	<b>12/31/04</b>	<b>12/31/03</b>
<b>FIXED AND OTHER NONCURRENT ASSETS</b>	<b>691.49</b>	<b>722.09</b>
Start-up expenses	10.24	11.87
Intangible assets	93.73	114.26
Tangible fixed assets	295.46	292.13
Long-term investments	262.35	274.47
Long-term Parent Company shares	29.71	29.36
<b>CONSOLIDATION GOODWILL</b>	<b>428.16</b>	<b>316.34</b>
<b>DEFERRED CHARGES</b>	<b>5.86</b>	<b>6.85</b>
<b>CURRENT ASSETS</b>	<b>598.19</b>	<b>581.36</b>
Inventories	99.85	91.06
Accounts receivable	460.87	429.83
Short-term investments	8.64	10.14
Cash	21.89	39.31
Accrual accounts	6.94	11.02
<b>TOTAL ASSETS</b>	<b>1,723.70</b>	<b>1,626.64</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>Millions of Euros</b>	
	<b>12/31/04</b>	<b>12/31/03</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>735.77</b>	<b>660.67</b>
Capital stock	21.88	21.88
Reserves	610.64	578.19
Income attributable to the Parent Company	103.25	60.60
<b>MINORITY INTERESTS</b>	<b>16.75</b>	<b>28.02</b>
<b>DEFERRED REVENUES</b>	<b>7.29</b>	<b>9.15</b>
<b>PROVISIONS FOR CONTINGENCIES AND EXPENSES</b>	<b>21.53</b>	<b>19.84</b>
<b>LONG-TERM DEBT</b>	<b>458.89</b>	<b>481.79</b>
Payable to credit institutions	260.42	296.56
Exchangeable bonds	162.30	162.30
Other long-term payables	36.17	22.93
<b>CURRENT LIABILITIES</b>	<b>483.47</b>	<b>427.17</b>
Payable to credit institutions	144.59	106.99
Trade accounts payable	199.83	192.37
Other short-term payables	132.49	122.91
Accrual accounts	6.56	4.90
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,723.70</b>	<b>1,626.64</b>

## INVESTMENTS

Investments in fixed assets totaled €249.5 million in 2004, as compared with €241.17 million in 2003. The breakdown of total investments, by business unit, was as follows:

<b>INVESTMENTS JANUARY-DECEMBER 2004</b>	<b>Millions of Euros</b>
Prisa	150.27
Santillana	32.16
Leisure and Entertainment	14.06
El País	14.36
International Media	10.10
Printing	8.41
Radio	9.95
Local TV	7.36
Other	2.87
<b>Total</b>	<b>249.54</b>

Prisa's investments, which amounted to €150.27 million, relate mainly to the €125.9 million increase in its stake in Sogecable and to the acquisition of a 13.24% holding in Grupo Latino de Radio for €16.51 million, as a result of which the Group now owns all the shares of this company.

The investments made by the other business units were mainly operational in nature: Santillana purchased prototypes and El País and the Printing division acquired new rotary presses to increase their printing capacity.

The investments of the Leisure and Entertainment unit were made mainly in Tesela film productions.

The detail of the investments, by type of fixed asset, is as follows:

<b>INVESTMENTS JANUARY-DECEMBER 2004</b>	<b>Millions of Euros</b>
Start-up expenses	2.29
Tangible fixed assets	54.36
Intangible assets	40.70
Long-term investments	152.19
<b>TOTAL INVESTMENTS</b>	<b>249.54</b>

## NET FINANCIAL POSITION

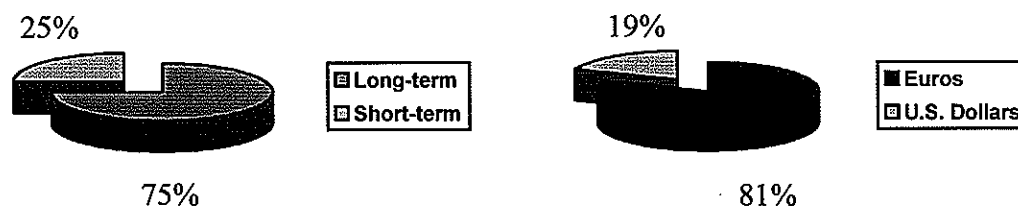
As of December 31, 2004, the Group's net debt amounted to €536.8 million, as compared with €516.4 million at 2003 year-end.

NET FINANCIAL POSITION 12/31/04		Millions of Euros
Financial debt		567.31
Long-term		422.72
Short-term		144.59
Cash and short-term investments		30.53
<b>Net debt</b>		<b>536.78</b>

The Group's financial debt amounts to €567.31 million. It also has open credit facilities for a total amount of €352.8 million. Of the total long-term financial debt, €162.3 relate to the exchangeable bonds issued in December 2003. Prisa owns shares of treasury stock representing 5% of its capital to enable it to meet its obligations to bondholders.

The coupon on the bonds was established at 1.75%. Bearing in mind that the remainder of the financial debt is tied to floating interest rates, 29% of Prisa's debt is tied to a fixed interest rate and 71% to a floating rate.

Long-term debt accounts for 75% of the Group's total financial debt. By currency, 81% of the debt is denominated in euros and 19% in U.S. dollars.



The Group's final debt position enabled it to enhance its net debt/EBITDA ratio, which fell from 2.33 in 2003 to 1.96 in 2004. Its net debt/equity ratio also improved, falling from 78% to 73% in 2004.

## CASH FLOW STATEMENT

	12/31/04	12/31/03
<b>EBIT</b>	<b>190.16</b>	<b>136.07</b>
Depreciation and amortization expense	72.53	77.50
Variation in nonfinancial working capital	(17.07)	(14.36)
Operating investments	(97.35)	(93.21)
<b>Operating cash flow</b>	<b>148.27</b>	<b>106.00</b>
Investments	(152.19)	(147.95)
Financial income (loss)	(11.54)	4.87
Extraordinary loss	(16.65)	(2.00)
Dividends	(21.26)	(18.71)
Taxes	(12.63)	(23.45)
Other	45.62	0.69
<b>VARIATION IN NET DEBT</b>	<b>20.38</b>	<b>80.55</b>

The operating cash flow generated in 2004 amounted to €148.27 million, up 40% on 2003 as a result of the improvement in operating income.

The "Other" caption includes mainly tangible fixed and intangible asset retirements due to divestments, most of which relate to the sale of land and structures at the industrial park located in Pinto (Madrid) in December 2004.

## PERFORMANCE OF THE BUSINESS UNITS

REVENUES Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
El País	397.45	300.49	32.3
Specialized and Regional Press	128.48	116.90	9.9
Radio	205.31	190.43	7.8
Local TV	32.87	24.99	31.5
International Media	54.45	50.23	8.4
Education and Training	352.91	334.32	5.6
Prisacom	17.51	11.72	49.5
Leisure and Entertainment	67.01	87.89	(23.8)
Printing	74.69	115.45	(35.3)
GDM	105.66	89.79	17.7
Distribution	204.86	190.96	7.3
Other	27.81	20.22	37.5
Consolidation adjustments	(243.34)	(228.47)	6.5
<b>TOTAL</b>	<b>1,425.67</b>	<b>1,304.92</b>	<b>9.3</b>

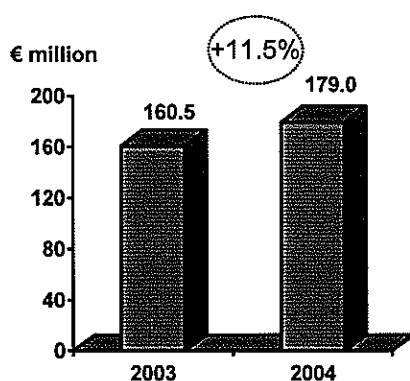
EBIT Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
El País	126.72	83.86	51.1
EBIT Margin	31.9%	27.9%	
Specialized and Regional Press	3.69	3.03	22.0
EBIT Margin	2.9%	2.6%	
Radio	37.62	35.09	7.2
EBIT Margin	18.3%	18.4%	
Local TV	(15.86)	(10.49)	(51.2)
EBIT Margin	(48.3%)	(42.0%)	
International Media	(1.11)	(3.28)	66.1
EBIT Margin	(2.0%)	(6.5%)	
Education and Training	38.28	35.53	7.7
EBIT Margin	10.8%	10.6%	
Prisacom	(5.16)	(10.64)	51.6
EBIT Margin	(29.4%)	(90.8%)	
Leisure and Entertainment	(3.61)	(3.96)	8.8
EBIT Margin	(5.4%)	(4.5%)	
Printing	(0.18)	7.78	-
EBIT Margin	(0.2%)	6.7%	
GDM	8.44	7.00	20.5
EBIT Margin	8.0%	7.8%	
Distribution	1.83	0.46	-
EBIT Margin	0.9%	0.2%	
Adjustments and Other	(0.50)	(8.31)	-
<b>TOTAL</b>	<b>190.16</b>	<b>136.07</b>	<b>39.8</b>
<b>Margin</b>	<b>13.3%</b>	<b>10.4%</b>	



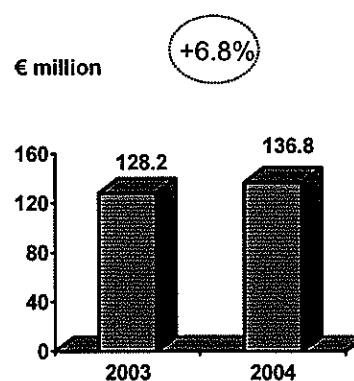
## EL PAÍS

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	397.45	300.49	32.3
Total operating expenses	270.73	216.63	25.0
EBIT	126.72	83.86	51.1
%/Revenues	31.9%	27.9%	
EBITDA	138.38	96.64	43.2
%/Revenues	34.8%	32.2%	

### Advertising revenues



### Circulation revenues



El País showed improved profitability in 2004, with revenues growth of 32.3% and a 51.1% increase in operating income. Its EBIT/revenues margin improved by four percentage points on 2003, to stand at 31.9%.

Advertising revenues rose by 15.4% in the last quarter, improving the trend set in the first nine months of the year, when the increase was 9.8%. As a result, the rise in El País' advertising revenues was 11.5% in 2004.

Circulation revenues increased by 6.8% to €136.8 million.

	January-December 2004	January-December 2003	% Variation
Average daily circulation	469,183	440,226	6.6
Average weekend circulation	812,476	773,001	5.1

Revenues from promotional products continued their rise, performing excellently in 2004, soaring to €79.3 million in 2004 from €8.9 million in the year-ago period.

The most noteworthy promotional product in 2004 was "La Enciclopedia" which, sold together with the El País newspaper, recorded average weekly sales of 330,000 copies.

The adventure stories collection and the launch on DVD of the Spanish cinema and documentaries collections had a very favorable market response.

Operating expenses grew at a lower rate than operating revenues.

Paper consumption expenses rose by 4.6% due to the increase in consumption resulting from the higher circulation figure. However, it should be noted that the price of paper fell by 5% in year-on-year terms.

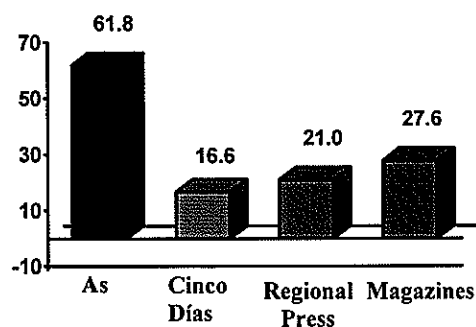
2004 witnessed a marked improvement in profitability; EBIT rose by 51.1% and the EBIT/revenues ratio stood at 31.9%, as compared with 27.9% in 2003. Disregarding the effect of the promotions<sup>6</sup>, the EBIT/revenues margin would be 32.8% (27.7% in 2003)<sup>7</sup>.

### SPECIALIZED AND REGIONAL PRESS

Millions of Euros	JANUARY-DECEMBER		% Variation
	2004	2003	
Total operating revenues	128.48	116.90	9.9
Total operating expenses	124.79	113.87	9.6
EBIT	3.69	3.03	22.0
%/Revenues	2.9%	2.6%	
EBITDA	6.74	6.10	10.4
%/Revenues	5.2%	5.2%	

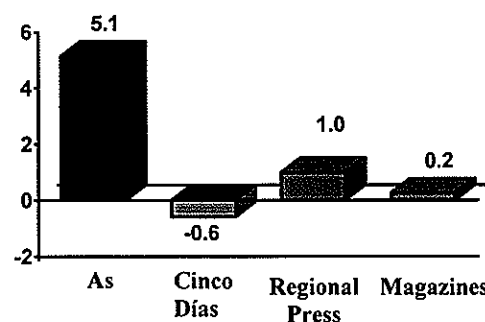
#### Operating revenues

€ million



#### Operating income (EBIT)

€ million



<sup>6</sup> The promotions launched by the newspaper contributed a total EBIT margin of 28%.

<sup>7</sup> 2003 EBIT margin, net of the effect of the promotions for which a charge was made.

The growth in revenues reported by the As sports newspaper, the Regional Press and Magazines, combined with an across-the-board cost contention drive -featuring the restructuring carried out at Cinco Días-, enabled this business unit to increase its operating income (EBIT) by 22% from €3.03 million in 2003 to €3.69 million in 2004.

The business performance of Diario AS in 2005 was characterized by the following:

- A 16.4% rise in advertising revenues with respect to those obtained in 2003.
- An 8.1% increase in circulation revenues. Average daily circulation stood at 203,160 copies, up 1% on the 200,204 copies recorded in 2003. In August the price of the newspaper was increased by €0.05, the current price being €0.90.

Cinco Días reported improved operating results in 2004, incurring an operating loss (EBIT) of €0.59 million (down from €1.51 million in 2003). This enhanced earnings performance was underpinned by the growth in advertising revenues (+12.2%) and the reduction of operating expenses due to the restructuring measures adopted in January 2004.

The average daily circulation of Cinco Días reached 25,114 copies, as compared with 25,041 copies in 2003.

The most notable development in Regional Press was the 13.1% growth in advertising revenues. The circulation figures of the various newspapers remained stable.

The revenues obtained from Magazines increased by 18.7%. Particularly noteworthy in this connection was the sound performance of advertising revenues, which rose by 45.8%, and the increase in circulation figures. Cinemanía has an average readership of 76,128 copies.

## RADIO

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	205.31	190.43	7.8
Total operating expenses	167.69	155.34	8.0
EBIT	37.62	35.09	7.2
%/Revenues	18.3%	18.4%	
EBITDA	41.75	39.74	5.1
%/Revenues	20.3%	20.9%	

In 2004 the revenues of the radio business unit in Spain rose by 7.8%.

- **Advertising revenues** increased by 6.0% to €183.0 million, boosted by the buoyant advertising market. Growth was recorded both in local advertising (+6.4%) and on the national network (+4.7%)

EBIT grew by 7.2% with respect to 2003.

Once again in 2004, the third wave of the General Media Study (EGM) confirmed the leadership of the SER radio network, both in conventional radio and other formats. The SER had 5,135,000 listeners, 4.6% more than the figure for the third wave in 2003.

In October 2004 the Prisa Group launched "La Revista 40", a magazine designed to be a major component of "Universo 40", a whole range of multimedia entertainment products based on the "40 Principales" brand. The 40 Principales (Top Forty) radio station ranks as the media with the highest number of listeners among the Spanish youth. As of December 2004, the average circulation of this magazine was 122,851 copies.

## LOCAL TV

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	32.87	24.99	31.5
Total operating expenses	48.73	35.48	37.3
<b>EBIT</b>	<b>(15.86)</b>	<b>(10.49)</b>	<b>(51.2)</b>
<b>%/Revenues</b>	<b>(48.3%)</b>	<b>(42.0%)</b>	
<b>EBITDA</b>	<b>(11.24)</b>	<b>(7.76)</b>	<b>(44.9)</b>
<b>%/Revenues</b>	<b>(34.2%)</b>	<b>(31.0%)</b>	

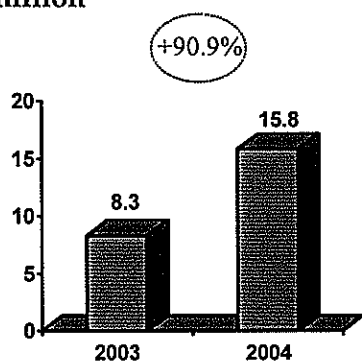
Revenues from Local TV experienced substantial growth in 2004:

- **Advertising revenues** (48.2% of total operating revenues) rose by 90.9% to €15.8 million.
- **Programming sales** (38.1% of total revenues) grew by 16.4% to €12.5 million.

Despite the upward trend in revenues, in 2004 the Company bore the preoperating expenses of new broadcasting centers, such as those in Barcelona and Valencia, for which no advertising revenues had yet been recorded, which to a large extent explains the increase in operating losses.

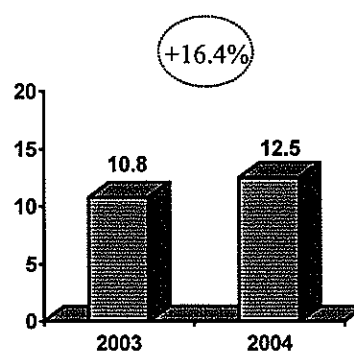
### Advertising revenues

€ million



### Programming sales

€ million

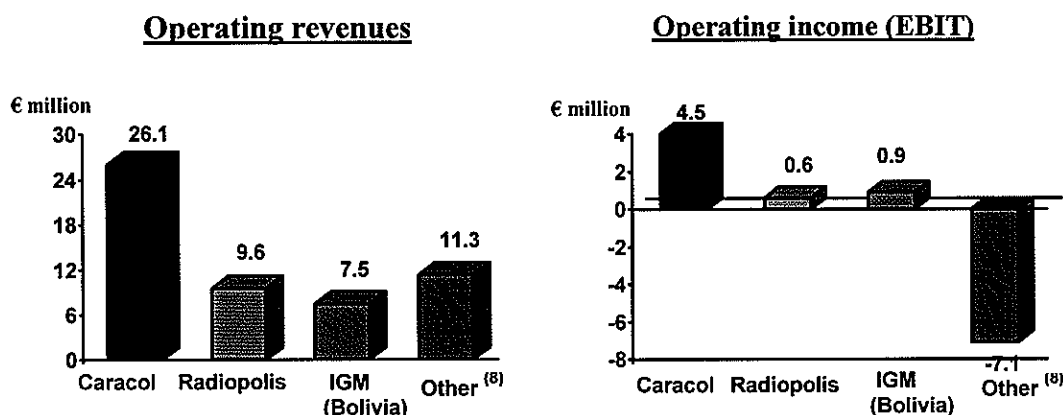


According to Sofres, the cumulative viewing figure for Localia as of December was 11,982,925, 4,807,419 viewers more than its closest direct rival.

### INTERNATIONAL MEDIA

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	54.45	50.23	8.4
Total operating expenses	55.56	53.51	3.8
<b>EBIT</b>	<b>(1.11)</b>	<b>(3.28)</b>	<b>66.1</b>
<b>%/Revenues</b>	<b>(2.0%)</b>	<b>(6.5%)</b>	
<b>EBITDA</b>	<b>2.63</b>	<b>1.56</b>	<b>68.9</b>
<b>%/Revenues</b>	<b>4.8%</b>	<b>3.1%</b>	

The detail of the revenues and the EBIT of the various businesses composing the International Media unit is as follows:



The International Media unit obtained sound growth in advertising revenues, which were up 6.9% on 2003. Although expenses were kept in check, with growth of 3.8%, giving rise to a 66.1% improvement in operating results (EBIT), the unit still reported a net operating loss of €1 million.

**Caracol** increased its revenues by 5.4% to €26.1 million in 2004. Operating income rose by 31%, giving rise to an EBIT/revenues margin of 17.2% (13.8% in 2003).

Local currency revenues at **Radiópolis** grew by 11.1%. However, despite the strong depreciation of the Mexican peso against the euro, billings in euros increased by 6.6%.

In June 2004 Radiópolis entered into an agreement with Radiorama whereby it extended its coverage in Mexico to 90% of the potential audience. Under the agreement, 41 stations will be added to the current Radiópolis network, which will total 71 stations, with a presence in the major Mexican cities. Radiópolis will supply Radiorama with its news, entertainment, sports and music contents through the W Radio, 40 Principales, Ke Buena and Bésame Radio brands.

The restructuring measures and the change in the shareholder structure at **Inversiones Grupo Multimedia** enabled this company to report operating income (EBIT) of €0.9 million, in contrast to an operating loss of €0.2 million in 2003.

Following the acquisition, for €16.51 million, of the 13.24% ownership interest in GLR (Grupo Latino de Radio, S.L.) held by the Colombian business and media group Valores Bavaria, the Prisa Group now owns all the shares of GLR.

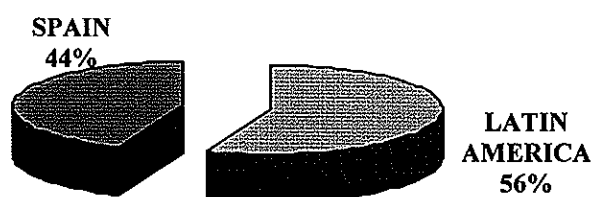
In November 2004, Prisa entered into an agreement with Telefónica to acquire all the shares of two Argentine radio operators, Radio Continental and Radio Estéreo.

<sup>8</sup> Including Participaciones de Radio Latinoamericana, Grupo Latino de Radio, S. L., Grupo Latino de Publicidad Colombia, Promotora Mexicana de Revistas, S.L. and the holding company Prisa Internacional.

## EDUCATION AND TRAINING

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	352.91	334.32	5.6
Total operating expenses	314.63	298.79	5.3
<b>EBIT</b>	<b>38.28</b>	<b>35.53</b>	<b>7.7</b>
<b>%/Revenues</b>	<b>10.8%</b>	<b>10.6%</b>	
<b>EBITDA</b>	<b>74.23</b>	<b>66.54</b>	<b>11.6</b>
<b>%/Revenues</b>	<b>21.0%</b>	<b>19.9%</b>	

### Breakdown, by geographical area, of 2004 revenues



The figures for the first half of the year evidenced the sound results of the campaigns conducted in the Southern Cone, where significant growth was recorded in most countries, most notably Brazil and Argentina. The results for the third quarter of 2004 included the campaigns in Spain and Portugal, as well as those in the Northern Cone, the most significant growth being that obtained in Spain.

Despite the sound performance of the campaigns in Spain and Portugal and the increase in local currency revenues in most Latin-American countries, the results of this business unit were conditioned by currency depreciations. The total impact of currency depreciations on this unit was to reduce revenues by €4.8 million. Disregarding the effect of the depreciations, revenues would have grown by 7%.

In 2004 the performance of the main countries in terms of business volume was as follows:

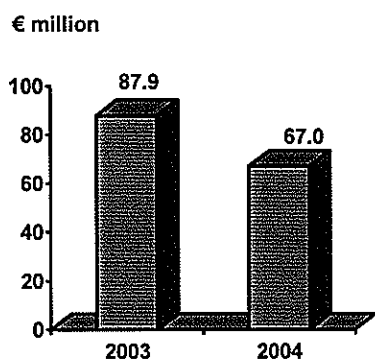
- **Spain** showed substantial growth, with a 7% increase in revenues.
- **In Brazil** revenues grew by 8% in euros.
- **In Argentina** revenues from book sales rose by 46% in euros.
- **In Peru** revenues grew by 25% in local currency terms and 12% in euros.

In February 2004 Santillana acquired a 50% holding in Suma de Letras and, accordingly, currently owns all the shares of this company. Suma de Letras, which engages in the publication of pocket books, carries on its business activity all over Latin America through its subsidiaries in Mexico and Argentina and through an extensive distribution network in the other countries.

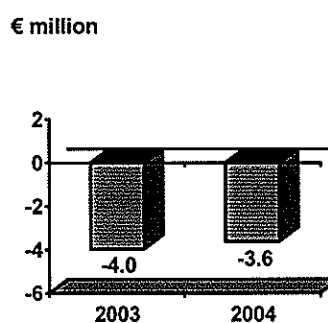
## LEISURE AND ENTERTAINMENT

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	67.01	87.89	(23.8)
Total operating expenses	70.62	91.85	(23.1)
<b>EBIT</b>	<b>(3.61)</b>	<b>(3.96)</b>	<b>(8.8)</b>
%/Revenues	(5.4%)	(4.5%)	
<b>EBITDA</b>	<b>1.65</b>	<b>1.55</b>	<b>6.5</b>
%/Revenues	2.5%	1.8%	

### Operating revenues



### Operating income (EBIT)



Revenues and expenses fell in 2004 due to the drop in activity resulting from the agreement with Universal Music Group under which the Prisa Group sold to Universal the recording rights of its main artists and the exploitation rights of the music catalogs of its subsidiaries Compañía Discográfica Muxxic Records S.A, Ediciones Musicales Horus S.A, and Eurotropical Producciones Discográficas, S.L.

Plural Entertainment, which engages in the production of television programs, entered into an agreement with Televisión Española in 2004 to produce a fiction serial that will foreseeably be given its first screening in 2005.

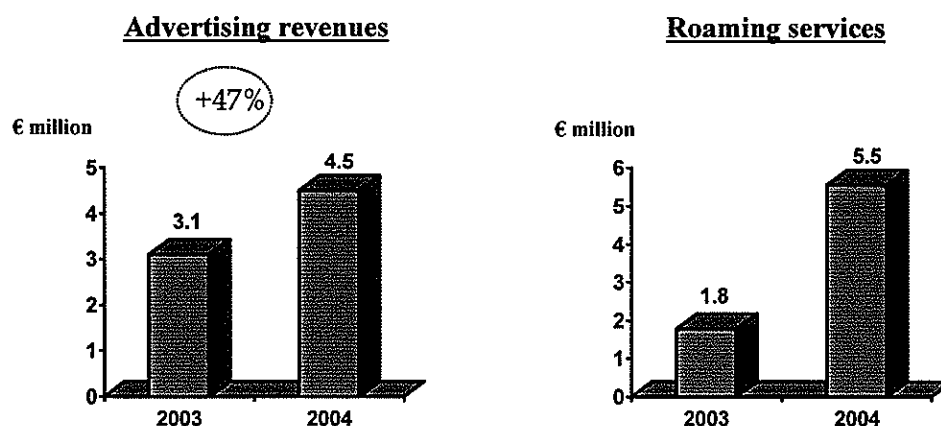
In 2004 Tesela, the movie production company in which Plural has an ownership interest, produced the internationally-acclaimed movies "Roma" and "Astronautas". Tesela's operating revenues increased by 15.2% with respect to 2003.



## PRISACOM

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	17.51	11.72	49.5
Total operating expenses	22.67	22.36	1.4
<b>EBIT</b>	<b>(5.16)</b>	<b>(10.64)</b>	<b>51.6</b>
<b>%/Revenues</b>	<b>(29.4%)</b>	<b>(90.8%)</b>	
<b>EBITDA</b>	<b>(3.10)</b>	<b>(8.36)</b>	<b>62.9</b>
<b>%/Revenues</b>	<b>(17.7%)</b>	<b>(71.3%)</b>	

Prisacom increased revenues by 49.5% due to the growth in advertising and the sound performance of its roaming services business.



Prisacom's operating losses were down 51.6% on the 2003 figure, due to the upward trend in revenues and its ongoing cost-control measures.

The number of subscribers to El País.es rose from 26,226 in 2003 to 41,861 at 2004 year-end.

In 2003 Prisacom, in conjunction with Santillana, embarked upon the development of the on-line educational platform business through Santillana en Red, and clinched a series of significant agreements both in Spain and in Latin America.

In January 2004 Infotecnia<sup>9</sup>, which is 50%-owned by Prisacom, was proportionally consolidated for the first time. The corporate purpose of this company is the provision of telephone information services to users.

<sup>9</sup> This company operates the telephone information service number 11824.

## MEDIA ADVERTISING SALES (GDM)

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	105.66	89.79	17.7
Total operating expenses	97.22	82.79	17.4
<b>EBIT</b>	<b>8.44</b>	<b>7.00</b>	<b>20.5</b>
<b>%/Revenues</b>	<b>8.0%</b>	<b>7.8%</b>	
<b>EBITDA</b>	<b>8.71</b>	<b>7.39</b>	<b>18.0</b>
<b>%/Revenues</b>	<b>8.2%</b>	<b>8.2%</b>	

The recovery of the Spanish advertising market initiated in 2003 gathered increased momentum in 2004, generating substantial growth.

This improvement was reflected in all media formats, in particular in television and in the press.

This improved market scenario enabled GDM to increase its operating margin to 8.0%. GDM's net revenues grew by 10.9% with respect to 2003.

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Advertising sales	105.66	89.79	17.7
Purchases, materials used and supplies	81.36	67.89	19.8
<b>Net operating revenues</b>	<b>24.30</b>	<b>21.90</b>	<b>10.9</b>

## PRINTING - DÉDALO

Millions of Euros	CUMULATIVE AS OF DECEMBER		
	2004	2003	% Variation
Total operating revenues	74.69	115.45	(35.3)
Total operating expenses	74.87	107.67	(30.5)
<b>EBIT</b>	<b>(0.18)</b>	<b>7.78</b>	<b>-</b>
<b>%/Revenues</b>	<b>(0.2%)</b>	<b>6.7%</b>	
<b>EBITDA</b>	<b>7.78</b>	<b>18.72</b>	<b>(58.4)</b>
<b>%/Revenues</b>	<b>10.4%</b>	<b>16.2%</b>	

In 2004 the earnings of the new printing company Dédalo, which was formed at the end of 2003 as a result of the merger of the Spanish printing groups Prisa and Polestar were proportionally consolidated (40%) for the first time.

Prisa has a 40% holding in Dédalo, whose shareholder structure is completed by Polestar, which owns a further 40%, and by Ibersuizas which, as a financial shareholder, owns the remaining 20%.

In 2004 Dédalo made headway in the organizational and operational integration processes resulting from the merger.

## **2. SUBSEQUENT EVENTS**

In January 2005 the Group company Promotora de Emisoras de Televisión, S.A. arranged bank loans for a total of €30,000 thousand. Promotora de Informaciones, S.A. acted as guarantor for 75% of this amount, the percentage of indirect ownership held by it in the aforementioned company.

Also, in January 2005 Prisa acquired a further 0.64% holding in Sogecable, S.A. for €22,785 thousand, bringing its total ownership interest in this company to 23.64%.

## **3. TREASURY STOCK**

As of December 31, 2004, Promotora de Informaciones, S.A. held a total of 10,940,625 shares of treasury stock, representing 5% of its capital. The total cost of these shares was €29,706 thousand, with a cost per share of €2.72.

The Group plans to use the full amount of the treasury stock held by it to cover the exchangeable bond issue launched in 2003 through its subsidiary Prisa Finance (Netherlands) B.V.