

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

**2004 Individual Financial Statements
together with 2004 Management Report**

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

2004 Individual Financial Statements

PROMOTORA DE INFORMACIONES, S.A. (PRISA)
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 25). In the event of a discrepancy, the Spanish-language version prevails.

ASSETS	12/31/04	12/31/03	SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/04	12/31/03
A) FIXED AND OTHER NONCURRENT ASSETS	981,781	877,126	A) SHAREHOLDERS' EQUITY (Note 12)	647,445	607,657
I. START-UP EXPENSES	1,445	2,192	I. CAPITAL STOCK	21,881	21,881
II. INTANGIBLE ASSETS (Note 5)	113	113	II. ADDITIONAL PAID-IN CAPITAL	108,369	108,369
1. Concessions, patents and other	1,662	1,662	III. 1985 REVALUATION RESERVES	3,289	3,289
2. Leasehold assignment rights	4,961	2,661	IV. REVALUATION RESERVE ROYAL DECREE-LAW 7/1996	10,650	10,650
3. Computer software	139	2,010	V. RESERVES		
4. Advances	(2,310)	(1,385)	1. Legal reserve	4,376	4,376
5. Accumulated amortization	4,565	5,061	2. Reserves for treasury stock	29,706	29,365
III. TANGIBLE FIXED ASSETS (Note 6)	7,310	113,048	3. Bylaw reserves	10,941	10,941
1. Land and structures	1,216	4,519	4. Reserve for retired capital	1,373	1,373
2. Plant and machinery	1,839	1,688	5. Other reserves	394,426	339,791
3. Other fixtures and furniture	4,338	3,590	VI. INCOME FOR THE YEAR	62,434	77,622
4. Other tangible fixed assets	455	114	B) DEFERRED REVENUES (Notes 4-i, and 20)	1,332	2,442
5. Advances and construction in progress	(6,576)	(45,159)	C) PROVISIONS FOR CONTINGENCIES AND EXPENSES (Note 13)	13,236	10,794
6. Accumulated depreciation	8,582	77,800	D) LONG-TERM DEBT	406,364	376,088
IV. LONG-TERM INVESTMENTS (Note 7)	530,643	442,462	I. PAYABLE TO GROUP AND ASSOCIATED COMPANIES (Note 14)	196,088	190,986
1. Investments in Group companies	406,756	280,870	II. PAYABLE TO CREDIT INSTITUTIONS (Note 14)	210,078	181,788
2. Investments in associated companies	10	176	III. TAXES PAYABLE (Note 16)	134	2,593
3. Deposits and guarantees	167,441	130,610	IV. OTHER LONG-TERM DEBT	64	721
4. Other loans	(167,367)	(91,410)	E) CURRENT LIABILITIES	498,175	209,946
5. Allowances for investments in Group and associated companies	937,483	762,708	I. PAYABLE TO GROUP AND ASSOCIATED COMPANIES (Note 15)	429,621	175,764
V. TREASURY STOCK (Note 8)	29,706	29,365	II. PAYABLE TO CREDIT INSTITUTIONS (Note 15)	62,364	25,983
B) DEFERRED CHARGES (Note 9)	2,983	3,259	III. TRADE ACCOUNTS PAYABLE	2,555	4,173
C) CURRENT ASSETS	581,786	326,542	IV. OTHER NONTRADE PAYABLES	1,044	3,489
I. ACCOUNTS RECEIVABLE	7	458	1. Taxes payable (Note 16)	2,591	537
1. Trade receivables for services	33,594	11,901	2. Other payables	3,635	4,026
2. Receivable from Group and associated companies (Note 10)	4,141	1,394	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,566,552	1,206,927
3. Tax receivables (Note 16)	9,652	25,297			
4. Other accounts receivable (Note 10)	47,394	39,050			
II. SHORT-TERM INVESTMENTS (Note 11)	533,555	274,148			
III. CASH	335	12,900			
IV. ACCRUAL ACCOUNTS	504	444			
TOTAL ASSETS	1,566,552	1,206,927			

The accompanying Notes 1 to 25 and Exhibits I, II and III are an integral part of the balance sheet as of December 31, 2004.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)
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 25). 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
A) EXPENSES			B) REVENUES		
1. Personnel expenses:			1. Net sales:		
a) Wages, salaries and similar expenses	10,219	9,361	a) Services (Note 17)	25,436	18,487
b) Employee welfare expenses	915	883	b) Revenues from equity investments (Note 17):		
2. Depreciation and amortization expense	4,182	6,383	Group companies	118,080	80,826
3. Other operating expenses:			Associated companies	4,296	4,204
a) Outside services	11,421	10,273			
b) Taxes other than income tax	162	134			
I. OPERATING INCOME	120,913	76,483			
4. Financial and similar expenses:			2. Revenues from marketable securities	-	555
a) On debts to Group companies (Note 17)	3,687	2,399			
b) On debts to third parties and similar expenses	8,337	14,382	3. Other interest and similar revenues:		
			a) On loans to Group and associated companies (Note 17)	10,508	8,854
			b) Other financial revenues	1,340	8,930
II. FINANCIAL INCOME	-	1,558	II. FINANCIAL LOSS	176	-
III. INCOME FROM ORDINARY ACTIVITIES	120,737	78,041			
5. Losses on fixed assets	-	-	4. Gains on fixed asset disposals	134	10,459
6. Variation in investment valuation allowances (Notes 4-d and 7)	81,405	34,185	5. Extraordinary revenues	1,366	12,391
7. Extraordinary expenses (Note 17)	5,339	4,983	IV. EXTRAORDINARY LOSS	85,244	16,318
V. INCOME BEFORE TAXES	35,493	61,723			
8. Corporate income tax (Note 16)	(26,941)	(15,898)			
VI. INCOME FOR THE YEAR	62,434	77,622			

The accompanying Notes 1 to 25 and Exhibits I, II and III are an integral part of the 2004 statement of income.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Notes to 2004 Individual Financial Statements

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 25). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

NOTES TO 2004 INDIVIDUAL FINANCIAL STATEMENTS

1.- Company description

Promotora de Informaciones, S.A., whose registered office is located at calle Gran Vía, 32, Madrid, was incorporated on January 18, 1972. Its business activities include printed and audiovisual mass media operations, the holding of ownership interests in companies and businesses, and the provision of all manner of services.

In view of the business activities carried on by the Company, it 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. Therefore, no specific disclosures relating to environmental issues are included in these notes to financial statements.

2.- Basis of presentation of the financial statements

The financial statements, which were prepared from the Company's accounting records, are presented in accordance with the Spanish National Chart of Accounts and, accordingly, give a true and fair view of the Company's net worth, financial position and results of operations. The financial statements for 2004, which were prepared by the directors, will be submitted for approval by the Shareholders' Meeting, and it is considered that they will be approved without any changes. The 2003 financial statements were approved by the Shareholders' Meeting on April 15, 2004.

3.- Distribution of income

The directors propose that the Company's income for 2004 be distributed as follows (in thousands of euros):

	Thousands of Euros
Distributable income -	
Income for the year	62,434
Distribution to -	
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 14*), will be €0.12 per share, and no interim dividend out of 2004 income was approved.

4.- Valuation standards

The main valuation methods applied by the Company in preparing its 2004 financial statements were as follows:

a) Start-up expenses

Start-up expenses, which comprise incorporation, preopening and capital increase expenses, are recorded at the costs incurred in terms of public deed and registration expenses, transfer tax and lawyers' fees.

These expenses are amortized at an annual rate of 20%. €747 thousand were charged to the accompanying statement of income in this connection.

b) Intangible assets

The "*Concessions, Patents and Other*" caption reflects the amounts paid for the acquisition of title to or the right to use items of this nature, which are amortized on a straight-line basis over 5 years.

The "*Leasehold Assignment Rights*" account includes the amounts paid in this connection and these rights are amortized on a straight-line basis over ten years.

The balance of the "*Computer Software*" caption includes the amounts paid for the development of specific in-house computer programs and the amounts incurred in acquiring from third parties the licenses to use computer programs. Computer software is amortized over four years from the date on which it is brought into service.

c) Tangible fixed assets

Tangible fixed assets acquired prior to December 31, 1996, are carried at cost revalued pursuant to the applicable enabling legislation, the most recent being Royal Decree-Law 7/1996 on Asset Revaluation. Subsequent additions are stated at cost.

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.

Upkeep and maintenance expenses are expensed currently.

The Company depreciates its tangible fixed assets by the straight-line method at annual rates based on the following years of estimated useful life:

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

In 2004 the Company 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 statement of income by €2,824 thousand.

d) Long-term investments

Holdings in listed companies are valued at the lower of cost or market. The market value was taken to be the lower of market price at year-end or average market price in the last quarter.

Holdings in Group and associated companies and unlisted securities are carried at the lower of cost or underlying book value, adjusted by the related allowance for the amount of the unrealized gains disclosed at the time of the acquisition and still existing at the date of subsequent valuation. €3,794 thousand were recorded in this connection under the "*Provisions for Contingencies and Expenses*" caption (see Note 13).

The future income of these companies will enable the Company to recover, where appropriate, the acquisition costs paid in excess of the underlying book values.

As parent company of the Group, the Company presents consolidated financial statements. The effect of consolidation, with respect to these individual financial statements, was to increase assets in 2004 by €157,146 thousand, reserves by €47,502 thousand and income for the year by €40,818 thousand.

e) Treasury stock

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 recorded as a reduction of acquisition cost under the "*Treasury Stock*" caption in the accompanying balance sheet.

f) Short-term investments

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

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

g) Provisions for contingencies and expenses

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

The "*Provision for Third-Party-Liability*" caption relates to the estimated amount required to meet the Company's liability, as the majority shareholder, for the portion of the losses incurred at investees whose net worth has become negative, and whose net-worth equilibrium must be restored by their shareholders. The provision is recorded with a charge to the "*Variation in Investment Valuation Allowances*" caption in the accompanying statement of income when the obligation giving rise to said provision arises. Overprovisions or the full provision are reversed when the risk is reduced or disappears (*see Notes 4-d and 13*).

h) Severance costs

Under current labor legislation, the Company is required to pay severance to employees terminated under certain conditions. The Company records the required provisions when the resolution to terminate the related employment relationships is adopted.

Company management does not envisage any terminations which would require the recording of a provision in this connection.

i) Classification of debt

Debts are recorded at their effective value. Debts maturing in under 12 months from the balance-sheet date are classified as current liabilities and those maturing at over 12 months as long-term debt.

j) Corporate income tax

The corporate income tax expense for the year was calculated by obtaining the gross tax payable through application of the tax rate to book income before taxes, adjusted by the amount of any positive or negative permanent differences, including those arising from tax consolidation adjustments. Subsequently, the gross tax payable was reduced by the applicable tax relief and tax credits, excluding tax withholdings and prepayments.

The Company files consolidated tax returns pursuant to Corporate Income Tax Law 43/1995 as the parent company of tax group 2/91.

As a result of timing differences, the Company records deferred tax assets and deferred tax liabilities, as appropriate, for the difference between the corporate income tax payable and the tax expense recorded. The deferred tax assets are recorded when there is no reasonable doubt as to their recovery.

The Company, as the parent company of the group, records the adjustments arising from the tax consolidation mechanism, and recognizes the timing differences and records the related tax asset resulting from the variation in the investment valuation allowance relating to the Company's holdings in entities included in the consolidated tax group.

In order to recognize the tax expense in the corresponding year, and since the Company's directors consider that there are no reasons to doubt that the consolidated tax group will recover the tax asset arising from the unused tax credits, the Company records the tax asset under the "*Long-Term Investments - Other Loans*" caption in the accompanying balance sheet.

k) 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 prior years' exchange losses, are recorded under the "*Deferred Revenues*" caption in the 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.

l) 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 Company only records realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

m) Hedging instruments

Prisa 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 and, accordingly, every year it hedges this type of transaction on the basis of its projections and budgets. The Company is also exposed to variations in the interest rate curve since all of its debt to financial institutions is at floating rates. Consequently, the Company 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, reflected losses of €3 thousand for the Company, which were recorded in its accounting records.

5.- Intangible assets

The transactions recorded in 2004 in intangible asset accounts and the related accumulated amortization are summarized as follows (in thousands of euros):

	Balance at 12/31/03	Additions	Transfers	Retirements	Balance at 12/31/04
Cost -					
Concessions, patents and other	113	-	-	-	113
Leasehold assignment rights	1,662	-	-	-	1,662
Computer software	2,661	93	2,207	-	4,961
Advances and construction in progress	2,010	449	(2,207)	(113)	139
Total cost	6,446	542	-	(113)	6,875
Accumulated amortization -					
Concessions, patents and other	109	2	-	-	111
Leasehold assignment rights	477	166	-	-	643
Computer software	799	757	-	-	1,556
Total accumulated amortization	1,385	925	-	-	2,310

The additions in 2004 to the "Advances and Construction in Progress" caption relate mainly to the various projects which the Company is implementing within the framework of its Technological Plan. As these projects in progress are completed they are transferred to the "Computer Software" caption.

As of December 31, 2004, €453 thousand of the Company's intangible assets had been fully amortized.

6.- Tangible fixed assets

The transactions in 2004 in tangible fixed asset accounts and the related accumulated depreciation are summarized as follows (in thousands of euros):

	Balance at 12/31/03	Additions	Transfers	Retirements	Balance at 12/31/04
Cost -					
Land	14,525	-	-	(13,286)	1,239
Structures	98,523	1,716	467	(94,635)	6,071
Plant and machinery	4,519	470	-	(3,773)	1,216
Other fixtures and furniture	1,688	111	44	(4)	1,839
Other tangible fixed assets	3,590	1,748	(44)	(956)	4,338
Advances and construction in progress	114	3,282	(467)	(2,474)	455
Total cost	122,959	7,327	-	(115,128)	15,158
Accumulated depreciation -					
Structures	38,864	1,324	-	(37,740)	2,448
Plant and machinery	2,765	498	-	(2,599)	664
Other fixtures and furniture	1,347	80	-	(1)	1,426
Other tangible fixed assets	2,183	608	-	(753)	2,038
Total accumulated depreciation	45,159	2,510	-	(41,093)	6,576

The additions in 2004 relate basically to the improvements and refurbishments made to the Company's buildings and to the investments in computer and communications equipment related to the projects being developed by the Company as part of its Technological Plan.

Also, the retirements recorded relate mainly to the assignment of the assets of the real estate line of business on December 17, 2004, to Prisa División Inmobiliaria, S.L. (See Note 7), a Group company that will continue to operate the properties transferred, together with those already owned by it.

Following is a summarized balance sheet of the contribution to Prisa División Inmobiliaria, S.L. (in thousands of euros):

Assets	Thousands of Euros	Shareholders' Equity and Liabilities	Thousands of Euros
Tangible fixed assets	72,033	Shareholders' equity	67,124
Land	12,884	Capital stock	7,001
Structures	93,288	Additional paid-in capital	60,123
Other tangible fixed assets	6,845		
Accumulated depreciation	(40,984)	Long-term debt	3,116
Long-term investments	506	Current liabilities	2,299
Total Assets	72,539	Total Shareholders' Equity and Liabilities	72,539

As indicated in *Note 4-c* to these financial statements, the Company revalued its tangible fixed assets pursuant to Royal Decree-Law 7/1996.

The accounts affected by the revaluation and the effect thereof as of December 31, 2004, were as follows (in thousands of euros):

	Revaluation Surplus	Accumulated Depreciation	Surplus Not Yet Depreciated	Period Provision
Structures	1,130	(401)	729	57
Plant and machinery	28	(28)	-	6
Other fixtures and furniture	90	(90)	-	-
Other tangible fixed assets	34	(7)	27	1
Total	1,282	(526)	756	64

As of December 31, 2004, €2,441 thousand of the Company's tangible fixed assets had been fully depreciated.

The Company takes out insurance policies to adequately cover the replacement value of its assets.

7.- Long-term investments

The transactions recorded in 2004 in long-term investment accounts are summarized as follows (in thousands of euros):

	Balance at 12/31/03	Additions	Transfers	Retirements	Balance at 12/31/04
Cost					
Investments in Group companies	442,462	91,181	-	(3,000)	530,643
Investments in associated companies	280,870	125,886	-	-	406,756
Deposits and guarantees	176	-	-	(166)	10
Other loans	130,610	51,426	(9,051)	(5,544)	167,441
Loans to Group companies	-	39,638	(5,675)	-	33,963
Loans to associated companies	50,000	-	2,272	-	52,272
Investment tax credits (Note 16)	45,614	7,409	-	(4,723)	48,300
Deferred tax asset (Note 16)	28,973	4,379	-	(821)	32,531
Other	6,023	-	(5,648)	-	375
Total cost	854,118	268,493	(9,051)	(8,710)	1,104,850
Allowances					
Group companies	80,364	21,837	-	(4,281)	97,920
Associated companies	11,046	58,401	-	-	69,447
Total provisions	91,410	80,238	-	(4,281)	167,367

The main direct and indirect holdings of Promotora de Informaciones, S.A. are listed in *Exhibit I* and *Exhibit II*, respectively.

Investments in Group companies

The main addition recorded in 2004 relates to the capital increase carried out at Prisa División Inmobiliaria, S.L. amounting to €67,124 thousand, through the nonmonetary contribution of personal and corporate assets making up the real estate line of business (see *Note 6*).

Additionally, contributions were made in 2004 to Gran Vía Musical de Ediciones, S.L. (€5,737 thousand) and to Plural Entertainment España, S.L. (€1,802 thousand), in order to offset losses and to contribute to the restoration of the net worth equilibrium.

Lastly, on May 7, 2004, the Company 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 Company owns the remaining 86.76% of the capital of this company through its subsidiary 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 10*).

The retirements recorded in 2004 relate to the sale on July 14, 2004, of the 50% ownership interest in Agencia Informativa de Noticias Económicas, S.L., for €1, to Grupo Empresarial de Medios Impresos, S.L., a wholly-owned investee of the Company. The cost on the balance sheet of this investment was €3,000 thousand which was provisioned in full.

Holdings in associated companies

In 2004 the Company acquired a further 3.29% of Sogecable, S.A. for €125,886 thousand, increasing its ownership interest from 19.71% to 23.00%.

Other loans

Loans to Group companies-

The additions to this caption include the participating loan of €39,638 thousand granted to Gran Vía Musical de Ediciones, S.L. in September 2004. The interest rate is tied to Euribor, and its accrual is dependent upon the borrowing company achieving certain annual billings and results. The final maturity of the loan is in December 2015. The transfers recorded relate to the reclassification to short term under the "Short-Term Investments" caption (see Note 11) of the installment of this loan maturing in December 2005.

Loans to associated companies-

This caption includes a loan of €50,000 thousand granted by the Company to Sogecable, S.A. 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 the Company undertook to grant Sogecable, S.A. a ten-year commercial participating loan amounting to €150,000 thousand to meet its operating needs following its integration with Vía Digital. The transfers recorded in 2004 relate to the capitalization of interest accrued in 2003 (see Note 11).

Investment tax credits-

The tax receivables amounting to €7,409 thousand generated in 2004 for tax credits for investments of the Company and the consolidated tax group are included as an addition in 2004. The balancing entry for these tax receivables is an account payable to Group companies included under the "Long-Term Debt - Payable to Group and Associated Companies" caption in the accompanying balance sheet (see Note 14). Lastly, the retirement of the balance of this account relates to the partial use of the investment tax credits (€4,723 thousand) earned by the Company and by the consolidated tax group in 2002 and 2003.

Deferred tax asset-

The variations recorded in the "Deferred Tax Asset" account (an addition of €4,379 thousand and a retirement of €821 thousand) relate to the timing differences arising from the variation in the allowances for the decline in value of the Company's holdings in entities included in the consolidated tax group.

Other-

The transfers recorded relate, basically, to the reclassification to short term under the "Accounts Receivable - Other Accounts Receivable" caption (*see Note 10*) of the account receivable amounting to €5,273 thousand generated in 2003 as a result of the sale of a building lot in Madrid, the final maturity of which is in June 2005.

8.- 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 Company plans to cover the exchangeable bond issue launched in 2003 (*see Note 14*) through all 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 14*).

9.- Deferred charges

The "Deferred Charges" caption relates to the expenses incurred as a result of the exchangeable bonds issue that were assumed by the Company by virtue of the agreement entered into on December 19, 2003, with Prisa Finance (Netherlands) B.V. (*see Note 14*).

The Company will allocate these expenses to income over the next five years by the straight-line method based on the maturity of the exchangeable bonds. €746 thousand were charged to the accompanying statement of income in this connection.

10.- Accounts receivable

The main short-term accounts receivable are recorded under the following headings:

Receivable from Group and associated companies

This caption includes both the accounts receivable from Group and associated companies for the provision of services, amounting to €13,572 thousand (*see Note 17*), and those relating to the net balance receivable by the Company (€20,022 thousand) as a result of the settlement of the corporate income tax expense for 2004 of the consolidated tax group.

Other accounts receivable

The balance of this account as of December 31, 2003, included an account receivable from Valores Bavaria, S.A. for €17,152 thousand that arose in 2003 for the reimbursement of the contributions of Participaciones de Radio Latinoamericana, S.A. and of the Caracol Group companies. In 2004 the outstanding balances were collected in full (see Note 7).

As a result of the sale in 2003 of a building lot in Madrid with deferred payment, the Company collected €4,745 thousand in 2004, and it has an account receivable for €5,273 thousand in this connection (see Note 7), which is recorded under the "Other Accounts Receivable" caption of the balance sheet as of December 31, 2004.

11.- Short-term investments

Since September 2002 the Company has centralized all the cash balances of the PRISA Group companies located in Spain through transfers from (to) the banks at which it has demand deposits. The balances in this connection earn and bear interest for the Company at rates tied to Euribor plus a spread. As of December 31, 2004, this caption included €512,525 thousand of balances and interest receivable from Group companies arising from the above-mentioned centralization of cash.

This caption also includes the loans granted to Iberbanda, S.A. and Inversiones en Radiodifusión, S.A., amounting to €8,273 thousand and €1,118 thousand, respectively, as well as the interest earned on these loans and on that granted to Sogecable, S.A. (see Note 7), totaling €5,964 thousand, and the installment of €5,675 thousand of the participating loan granted to Gran Vía Musical de Ediciones, S.L. scheduled to mature in December 2005 (see Note 7).

12.- Shareholders' equity

A detailed summary of the transactions recorded in equity accounts in 2004 is presented in *Exhibit III* to these financial statements.

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 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%.

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.

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. Promotora de Informaciones, S.A. 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 has already reached this threshold.

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 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 has already reached this threshold.

13.- Provisions for contingencies and expenses

The variations in this caption in 2004 were summarized as follows:

	Balance at 12/31/03	Additions	Retirements	Balance at 12/31/04
Provision for taxes	9,448	-	(6)	9,442
Provision for third-party liability	1,346	2,846	(398)	3,794
Total cost	10,794	2,846	(404)	13,236

The "Provision for Taxes" account relates to the estimated amount of the tax debts arising from the tax inspection at the Company (see Note 16).

The additions to the "Provision for Third-Party Liability" account relate mainly to the provision recorded to cover the negative net worth of PrisaCom, S.A. as of December 31, 2004. The retirements relate to the provision in this same regard at Gran Vía Musical de Ediciones, S.A., which as of December 31, 2004, presented a balance of €948 thousand.

14.- Long-term debt

The Company's long-term payables are grouped together under the following captions:

Payable to Group and associated companies

The detail of the transactions recorded under this caption in 2004 is as follows (in thousands of euros):

	Balance at 12/31/03	Additions	Retirements	Balance at 12/31/04
Payable to Prisa Finance (Netherlands) B.V.	162,300	-	-	162,300
Investment tax credits	24,282	7,409	(2,307)	29,384
Other payables	4,404	-	-	4,404
Total	190,986	7,409	(2,307)	196,088

Prisa Finance (Netherlands) B.V.-

On December 11, 2003, Prisa Finance (Netherlands) B.V., a wholly-owned subsidiary of the Company, resolved to launch an issue of bonds exchangeable for common shares of the Company. 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.

In the context of this issue, on December 19, 2003, the Company entered into a deposit agreement with Prisa Finance (Netherlands) B.V., whereby the Company guarantees bondholders that it will fulfill all its obligations.

Also, the funds obtained from the bond issue, amounting to €162,300 thousand, were transferred to the Company as a deposit, and the interest thereon was 1.75% of the principal, payable under the same terms and conditions as those established for the issue.

The Company plans, through its subsidiary, to cover the exchangeable bond issue through all the shares of treasury stock held by it (*see Note 8*).

In addition to the foregoing, the Company 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. The loan will earn interest of five basis points, payable monthly, calculated on the basis of the market value of the loaned shares. Also, the Company 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.

Investment tax credits-

The accounts payable to companies that form part of the consolidated tax group are recorded as an addition in the year amounting to €7,409 thousand, arising as a result of the investment tax credits earned by these companies in 2004 that were not used in the tax group's corporate income tax settlement (*see Note 7*). The Company used €2,307 thousand in the consolidated tax group's 2004 corporate income tax settlement.

Other Payables-

The "Other Payables" account includes €4,404 thousand relating to the assessments issued by the tax authorities against Sociedad Española de Radiodifusión, S.A. (SER) for withholdings from income from movable capital. Promotora de Informaciones, S.A.'s entitlement to a refund has been recognized, and the Company has undertaken to repay the amount involved if the appeals filed are ultimately not successful.

Payable to credit institutions

The long-term payables to credit institutions, which relate to loans and credit facilities tied to EURIBOR or LIBOR plus a spread of 0.25% to 0.60%, totaled €210,078 thousand. The limit of these credit facilities was €334,066 thousand.

The detail and maturities of the financial debt as of December 31, 2004, are as follows:

Maturity	Euribor (EU €)			Libor (US \$)	
	Face Value	Drawn Down	Available	Face Value	Drawn Down
2006	126,915	85,710	41,205	8,516	8,516
2007	148,050	65,267	82,783	11,485	11,485
2008	39,100	39,100	-	-	-
Total	314,065	190,077	123,988	20,001	20,001

15- Current liabilities

The main current liabilities are grouped under the following captions:

Payable to Group and associated companies

As of December 31, 2004, this caption included the payables to Group and associated companies as a result of the centralization of the cash balances of the Prisa Group companies amounting to €411,936 thousand (*see Note 11*), the accounts payable relating to the net balance payable by the Company as a result of the consolidated tax group's 2004 corporate income tax settlement amounting to €15,735 thousand, and payables to Group and associated companies for services, amounting to €1,950 thousand.

Payable to credit institutions

The short-term payables to credit institutions relate to loans and credit facilities totaling €62,364 thousand tied to EURIBOR and LIBOR plus a spread of 0.25% to 0.60%. The limit of these credit facilities was €220,948 thousand.

The detail of the financial debt as of December 31, 2004, was as follows:

	Euribor (EU €)			Libor (US \$)	
	Face Value	Drawn Down	Available	Face Value	Drawn Down
2005	215,247	56,663	158,584	5,701	5,701

16.- Tax matters

As indicated in the "Valuation Standards" caption, the Company, as the parent company of consolidated tax group 2/91, files consolidated tax returns pursuant to the Corporate Income Tax Law.

Tax receivables and taxes payable

The detail of the balances of "Tax Receivables" and "Taxes Payable" as of December 31, 2004, is as follows (in thousands of euros):

	Receivable		Payable	
	Short Term	Long Term	Short Term	Long Term
Corporate income tax	2,634	-	-	-
Unused tax credits (Note 7)	-	48,300	-	-
Deferred tax asset (Note 7)	-	32,531	-	-
Deferred tax liability	-	-	-	(134)
VAT, personal income tax withholdings, accrued social security taxes and other	1,507	-	(1,044)	-
Total	4,141	80,831	(1,044)	(134)

Reconciliation of income per books to taxable income

The reconciliation of income per books for 2004 to taxable income for corporate income tax purposes is as follows (in thousands of euros):

Income for the year per books	62,434
2004 corporate income tax	(26,766)
Adjustment of 2003 corporate income tax	(175)
Permanent differences	12,689
Timing differences	12,505
Taxable income	60,687

Incentives used

Current corporate income tax regulations provide for certain tax incentives. Pursuant to Article 40 of the Corporate Income Tax Law, the Company, on calculating its corporate income tax expense for the year, availed itself of tax benefits amounting to €7 thousand, which were used in the year. Also in 2004, the Company took the tax credit envisaged in Article 20 of Law 49/2002 on the Tax Regime for Not-For-Profit Entities and Patronage Tax Incentives, amounting to €744 thousand. Furthermore, the Company took €42,832 thousand of dividend double taxation tax credits arising in 2004.

The Company, under the agreement between the Prisa Group and Forum Universal de las Culturas Barcelona 2004, S.A., resolved to make investments and incur 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 charge of €22 thousand, which was taken in full.

In 2001 the Company applied the transitional regime established with the introduction of the tax credit for reinvestment of extraordinary income envisaged in the current Article 42 of the Corporate Income Tax Law to gains amounting to €79,277 thousand, obtained in 1996, 1997, 1998, 1999 and 2001. As of December 31, 2001, the Company had complied with the reinvestment obligation through the acquisition of tangible fixed assets and long-term investments by the Company itself and by other companies belonging to the consolidated tax group.

Similarly, in 2004 the Company applied the above-mentioned tax credit for reinvestment of extraordinary income to income totaling €125 thousand. In 2004 it complied with the reinvestment requirement through the acquisition of fixed assets under the terms envisaged in Article 42 of the Corporate Income Tax Law. The tax credit earned in this connection amounted to €25 thousand.

Corporate income tax

As the parent company of the above-mentioned consolidated tax group, the Company records the Group's overall corporate income tax position arising from the consolidation process. The consolidated tax group's taxable income amounted to €99,366 thousand, after making the consolidation adjustments for a net negative amount of €95,775 thousand. The tax asset in this connection, after offset of Group companies' tax losses of €1,739 thousand arising in years prior to their inclusion in the consolidated tax group, amounted to €2,634 thousand as of December 31, 2004, and is recorded under the "Other Nontrade Payables - Taxes Payable" caption. This amount includes, in addition to the aforementioned tax credits of the company itself amounting to €3,161 thousand (net of the dividend double taxation tax credits of tax group companies amounting to €40,468 thousand), the unused tax credits of the tax group taken in the year which arose in 2001, 2002 and 2003 (€4,222 thousand), and in 2004 (€13,022 thousand) and the tax credits earned by Group companies before they became part of the Group, amounting to €18 thousand. The settlement of the balance of the tax prepayments made during the year, amounting to €14,962 thousand, and the period withholdings borne by the tax group, totaling €1,417 thousand, were also included.

Unused tax credits

As of December 31, 2004, the balance of the Company's long-term tax receivable amounted to €48,300 thousand, and is recorded under the "Long-Term Investments - Other Loans" caption on the asset side of the balance sheet (see Note 7). This amount comprises €7,410 thousand of investment tax credits earned and not taken in 2004 and €40,890 thousand of prior years' investment tax credits.

Deferred tax assets and liabilities

As the parent company of the tax group, the Company records the related tax expense or revenue taking into account the effect of the permanent and timing adjustments arising as a result of consolidation for tax purposes.

The timing differences recorded by the Company and the variations therein in 2004 were as follows (in thousands of euros):

	Deferred Tax Asset	Deferred Tax Liability
Balance at 12/31/03	28,973	3,045
Additions	4,379	-
Retirements	(821)	(2,911)
Balance at 12/31/04	32,531	134

Deferred tax asset-

The deferred tax asset arose mainly from the variations in the investment valuation allowances of the companies included in the consolidated tax group, and is recorded under the "Long-Term Investments - Other Loans" caption (see Note 7).

Deferred tax liability-

The variation in the deferred tax liability arose mainly from the transaction to transfer the real estate line of business to Prisa División Inmobiliaria, S.L. (see Note 6). This transaction included assets acquired under financial lease contracts eligible for the tax benefits applicable to these assets and, accordingly, the balance relating to the unreversed deferred tax liability was transferred together with the properties.

The present balance relates to the effect of taking accelerated depreciation on assets pursuant to Royal Decree Law 3/1993, and is recorded under the "Long-Term Debt - Taxes Payable" and "Current Liabilities - Taxes Payable" captions in the accompanying balance sheet.

Years open for review by the tax inspection authorities

As a result of the tax audit performed by the tax authorities in 1988 and 1989, various tax assessments were issued for a total amount of €8,769 thousand. In 2002 the Supreme Court dismissed the appeal filed and the outstanding tax debt arising from the assessments, amounting to €4,120 thousand, was paid. The decision 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 decision, 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 Company to pay an additional amount of €122 thousand, which was paid in and appealed against by the Company. 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 through 1996 of the Company and its consolidated tax group, and issued tax assessments amounting to €7,187 thousand against the Company relating to personal income tax withholdings and prepayments, VAT, the single revaluation tax and, as the head of the tax group, corporate income tax. Since the Company 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 Company has recorded a provision of €9,442 thousand to cover any payments that it might have to make in this connection in the future (*see Note 13*).

In 2004, the tax authorities announced the commencement of an audit of the consolidated tax group. Consequently, the following taxes and years are being reviewed: corporate income tax (1999, 2000, 2001 and 2002), 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 (for the period from June 2000 to May 2004). No additional material liabilities are expected to arise for the Company as a result of this tax audit.

17.- Revenues and expenses

Transactions with Group and associated companies

The transactions carried out in 2004 were as follows (in thousands of euros):

	Revenues			Expenses	
	Services Rendered	Financial Revenues	Dividends	Services Received	Financial Expenses
Group companies	17,391	3,852	118,080	901	3,687
Associated companies	5,060	6,656	4,296	-	-
Total	22,451	10,508	122,376	901	3,687

The detail of the dividend revenues earned by the Company in 2004 from Group and associated companies is as follows (in thousands of euros):

	Thousands of Euros
Group companies-	
Diario El País, S.L.	74,416
Sociedad Española de Radiodifusión, S.A.	20,732
Prisa División Inmobiliaria, S.L.	9,000
Grupo Santillana de Ediciones, S.L.	6,000
Gerencia de Medios, S.A.	3,916
Paltrieva, S.A.	2,456
Redprensa, S.A.	1,560
Associated companies-	
Inversiones Godó, S.A.	4,296
Total	122,376

The revenues from services provided to third parties relate basically to rent and central corporate services.

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, €62 thousand of which related to the services provided to Promotora de Informaciones, S.A. 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, €102 thousand of which related to the services provided to Promotora de Informaciones, S.A., whereas the fees charged for such services by other

auditors participating in the audit of the various Group companies totaled €26 thousand. Promotora de Informaciones, S.A. did not receive any services of this kind.

Extraordinary revenues and expenses

The “*Extraordinary Expenses*” relate basically to donations made to foundations and other entities for €2,124 thousand and to prior years’ sundry expenses.

The “*Extraordinary Revenues*” relate mainly to the adjustment of the premium paid by the participants in the 2000 stock options Plan, since none of them had exercised their options (see Note 20).

18.- Employees

The average number of employees in 2004 was 105, of which 104 had permanent contracts and 1 had a temporary contract.

19.- Directors’ compensation and other benefits

In 2004 the Company recorded the following compensation earned by the members of the Board of Directors, mainly under the “Personnel Expenses” caption:

	Thousands of Euros
Wages and salaries	3,114
Directors’ compensation	1,382
Attendance fees	897
Total	5,394

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

As indicated in Note 20 to these financial statements, the Board members acquired 115,000 stock options in the 2000 stock options Plan and 185,000 in the 2004 stock options Plan.

Pursuant to Article 127 ter.4 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, if any, 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.	-	"
	Radio Melodía, S.A. de C.V.	-	"
	Radio Televisora de Mexicali, S.A. de C.V.	-	"
	Radio Tapatía, 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.	-	Executive 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.)

Owner	Investee	% of Ownership	Functions
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 Tapatía, 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	-
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 Promotora de Informaciones, S.A.

20.- Stock option plan

On May 18, 2000, and April 15, 2004, the Shareholders' Meetings approved stock option plans for the acquisition of Company shares to facilitate the ownership of equity interests in Prisa 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 this Plan.

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.

2000 Plan

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) is 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. The amount paid for this premium as of December 31, 2003, was recorded under the "Deferred Revenues" caption in the accompanying 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.

2004 Plan

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).

The number of options granted as of December 31, 2004, amounted to 1,606,000 and affect 285 beneficiaries.

21.- 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, 2004, 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.

The Company has an ownership interest through Promotora de Emisoras, S.A. 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 invite bids for the indirect management of local digital television services and the situation in the industry is in the process of being regularized. Once the calls for tender, which will take place throughout 2005, have been completed, the situation in the industry and Promotora de Emisoras de Televisión, S.A.'s final position therein, will be clarified.

22.- Guarantee commitments to third parties

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, the Company 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 Company 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 16*). 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.

23.- 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%.

24.- Statements of changes in financial position

Following are the statements of changes in financial position of Promotora de Informaciones, S.A. for 2004 and 2003 (in thousands of euros):

25.- Explanation added for translation to English

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

Statements of Changes in Financial Position for 2004 and 2003
(Thousands of Euros)

APPLICATION OF FUNDS	2004	2003	SOURCE OF FUNDS	2004	2003
1. FIXED ASSET ADDITIONS:			1. FUNDS OBTAINED FROM OPERATIONS		
Intangible assets	542	2,844	Income for the year	148,633	96,859
Tangible fixed assets	7,327	2,585	Depreciation and amortization expense	62,434	77,622
Long-term investments			Deferred charges taken to income	4,182	6,383
Group companies	24,057	3,646	Variation in investment valuation allowances	746	-
Associated companies	125,886	94,345	Provisions to investment valuation allowances	80,238	42,202
Other investments	51,426	82,764	Period provisions for contingencies and expenses	2,846	1,346
			Amount used of investment valuation allowances	(1,281)	(9,363)
2. TREASURY STOCK			Amount used of provisions for contingencies and expenses	(398)	-
Acquisition of treasury stock	420	636	Extraordinary revenue due to use of investment valuation allowances	-	(10,872)
			Gains on tangible fixed assets	(134)	(10,371)
3. DIVIDENDS PAID	21,264	18,709	Gains on long-term investments	-	(88)
	1,382	1,387	Deferred revenues taken to income	(1,110)	-
4. DIRECTORS' COMPENSATION			2. TREASURY STOCK		
			Delivery of treasury stock	79	150
5. REPAYMENT OR TRANSFER TO SHORT TERM OF LONG-TERM DEBT	2,307	150,378	3. INCREASE IN LONG-TERM DEBT		
				35,699	312,463
6. INCREASE IN DEFERRED CHARGES	470	3,259	4. FIXED ASSET DISPOSALS:		
			Intangible assets	113	170
7. DECREASE IN DEFERRED REVENUES	-	3,123	Tangible fixed assets	2,136	12,584
			Long-term investments	-	1,790
8. PROVISIONS FOR CONTINGENCIES AND EXPENSES	6	-	Group and associated companies	5,204	7,054
			Other investments	9,051	20,562
			5. TRANSFER TO SHORT TERM OF LONG-TERM ASSETS		
TOTAL FUNDS APPLIED	235,087	363,676	TOTAL FUNDS OBTAINED	199,805	451,632
VARIATION IN WORKING CAPITAL (Increase)	-	87,956	VARIATION IN WORKING CAPITAL (Decrease)	35,282	-

Note: The transaction for the contribution of the real estate line of business to Prisa División Inmobiliaria, S.L. (see Note 6), was not taken into account for the purposes of calculating the source of funds and the application of funds in 2004.

Variation in 2004 and 2003 working capital
(Thousands of Euros)

	INCREASE		DECREASE	
	2004	2003	2004	2003
<i>Accounts receivable</i>	8,344	-	-	222
<i>Accounts payable</i>	-	-	290,528	98,797
<i>Short-term investments</i>	259,407	175,188	-	-
<i>Cash</i>	-	11,413	12,565	-
<i>Accrual accounts</i>	60	374	-	-
Total	267,811	186,975	303,093	99,019

VARIATION IN WORKING CAPITAL			
	-	87,956	35,282
			-

GROUP COMPANIES						12/31/04 (Thousands of Euros)			
INVESTE	ADDRESS	LINE OF BUSINESS	NET BOOK VALUE	% CAPITAL	CAPITAL STOCK	RESERVES	12/31/04 (Thousands of Euros)		
							NET BOOK VALUE	% CAPITAL	INCOME (LOSS)
Diario El País México, S.A. de C.V. (*)	Avd. de la Universidad, 767 - Mexico City	Operation of the newspaper "El País" in Mexico	396	85.95%	424	98	(61)		
Diario El País, S.L.	Miguel Yuste, 40 - Madrid	Publication and operation of the newspaper "El País"	18,030	99.99%	18,000	(23,257)	83,974		
Gerencia de Medios, S.A.	Gran Vía, 32 - Madrid	Contracting of advertising exclusives	40,933	99.99%	800	2,083	4,770		
Gran Vía Musical de Ediciones, S.L.	Gran Vía, 32 - Madrid	Provision of musical services	(948)	99.99%	3,000	-	(5,340)		
Grupo Empresarial de Medios Impresos, S.L.	Gran Vía, 32 - Madrid	Ownership of shareholdings in publishing companies	49,555	100.00%	875	39,709	1,411		
Grupo Latino de Radio, S.L.(**)	Gran Vía, 32 - Madrid	Development of Latin-American radio market	16,513	13.24%	116,243	(16,458)	(1,617)		
Grupo Santillana de Ediciones, S.L.	Torreleguana, 60 - Madrid	Publishing	87,766	100.00%	12,018	57,195	51		
Inversiones Grupo Multimedia de Comunicaciones, S.A. (***)	Federico Zuazo, 1598 - La Paz, Bolivia	Ownership of shareholdings	2,979	23.05%	14,515	(4,992)	(953)		
Oficina del Autor, S.A.	Gran Vía, 32 - Madrid	Management of publishing rights and representation of authors	888	99.99%	1,200	(31)	(281)		
Paltrivia, S.A.	Gran Vía, 32 - Madrid	Ownership of shareholdings in radio broadcasting companies	7,286	50.93%	11,281	(2,505)	4,826		
Plural Entertainment España, S.L.	Gran Vía, 32 - Madrid	Production and distribution of audiovisual material	2,034	99.99%	3,000	-	(965)		
Prisa División Inmobiliaria, S.L.	Gran Vía, 32 - Madrid	Rental of commercial and industrial premises	69,885	99.99%	8,910	(7,181)	10,430		
Prisa División Internacional, S.L.	Gran Vía, 32 - Madrid	Ownership of foreign shareholdings	69,730	99.99%	3,000	(27,556)	(4,994)		
Prisa Finance (Netherlands) BV	Gran Vía, 32 - Madrid	Ownership of shareholdings in and financing of companies	18	100.00%	18	-	-		
Prisacom, S.A.	Gran Vía, 32 - Madrid	Internet service provider	(2,846)	99.99%	1,918	(2)	(4,762)		
Prisaprint, S.L.	Gran Vía, 32 - Madrid	Management of printing companies	31,177	99.99%	3,000	7,984	3,747		
Promotora de Emisoras, S.A.	Gran Vía, 32 - Madrid	Radio broadcasting service	10,786	99.99%	2,500	6,140	(5,819)		
Redprensa, S.A.	Gran Vía, 32 - Madrid	Ownership of shareholdings	150	100.00%	150	1,712	2,057		
S. S. R. Unión Radio, S.L.	Gran Vía, 32 - Madrid	Provision of services to radio broadcasting businesses	5,881	80.00%	301	2,898	1,592		
Sociedad Española de Radiodifusión, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting businesses	18,715	99.99%	6,700	18,922	18,965		
Other holdings	-	-	1	-	-	-	-		

(*) The total holding is 99.99%

(**) The total holding is 100%.

(***) The total holding is 100%. Except for the net book value (expressed in thousand of euros), capital stock, reserves and income (loss) are expressed in thousands of US dollars.

ASSOCIATED COMPANIES						12/31/04 (Thousands of Euros)			
INVESTE	ADDRESS	LINE OF BUSINESS	NET BOOK VALUE	% CAPITAL	CAPITAL STOCK	RESERVES	12/31/04 (Thousands of Euros)		
							NET BOOK VALUE	% CAPITAL	INCOME (LOSS)
Iberbanda, S.A.	Pso. Castellana, 110 - Madrid	Creation, development and management of communications r	18,281	25.98%	106,595	(12,715)	(23,498)		
Inversiones en Radiodifusión, S.A.	Federico Zuazo, 1598 - La Paz, Bolivia	Operation of television broadcasting businesses in Bolivia	77	25.00%	6,746	(173)	(316)		
Inversiones Godó, S.A.	Pelayo, 28 - Barcelona	Ownership of shareholdings	16,412	48.95%	5,698	(7,502)	8,834		
Sogecable, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of television activities	302,539	23.00%	252,009	173,168	(62,955)		

INDIRECT HOLDINGS

EXHIBIT II

INVESTEES	ADDRESS	LINE OF BUSINESS	12/31/04 (Thousands of Euros)		
			% CAPITAL	CAPITAL STOCK	SHAREHOLDERS' EQUITY
EL PAIS BUSINESS UNIT					
Diario El Pais Internacional, S.A.	Miguel Yuste, 40 - Madrid	Publication of the international edition of "EL PAIS"	99.99%	300	1,052
Diario El Pais México, S.A. de C.V.	Avda. de la Universidad, 767 - Mexico City	Operation of the newspaper "El Pais" in Mexico	99.99%	424	460
Diario El Pais Argentina, S.A.	Beazley 3860 - Buenos Aires, Argentina	Operation of the newspaper "El Pais" in Argentina	99.99%	2,535	-1,527
LEISURE AND ENTERTAINMENT BUSINESS UNIT					
Compañía Discográfica Muxxic Records, S.A.	Gran Via, 32 - Madrid	Production, distribution and sale of phonograms and videograms	100.00%	750	(1,862)
Ediciones Musicales Horus, S.A.	Gran Via, 32 - Madrid	Development of Latin-American radio market	100.00%	70	389
El Diablo Distribución, S.L.	Gran Via, 32 - Madrid	Distribution of records, videos and other items.	91.41%	485	444
Eurotopical de Producciones Discográficas, S.L.	Gran Via, 32 - Madrid	Production of musical novelties	100.00%	752	250
Gran Via Musical Inc.	111 West, 57 th Street, NY - USA	Ownership of shareholdings	100.00%	3,215	4
Lirics and Music, S.L.	Cannino Oliveras, 22 - Barcelona	Record publishing business	100.00%	12	1,180
Media Festivals, S.A.	Gran Via, 32 - Madrid	Production and organization of shows, congresses and conferences	100.00%	402	(110)
Nova Ediciones Musicales, S.A.	Gran Via, 32 - Madrid	Music publishing business	100.00%	600	1,935
Planet Events, S.A.	Gran Via, 32 - Madrid	Production and organization of shows and events	51.00%	120	297
Plural Entertainment Canarias, S.L.	Dársena Pesquera-Edif. Plató del Atlántico-San Andrés 38180	Production and distribution of audiovisual material	99.99%	75	91
Plural Entertainment Inc.	1680 Michigan Avenue, Suite 730 - Miami Beach - USA	Production and distribution of audiovisual material	99.99%	109	(1,993)
Tesela Producciones Cinematográficas, S.L.	Gran Via, 32 - Madrid	Production and distribution of audiovisual material	80.79%	1,034	4,252
INTERNET BUSINESS UNIT					
Información, Telefonía y Comunicación, S.A. (*)	Argentina, 2057, La Paz, Bolivia	Provision of telecommunications services	50.00%	6	9
Infotecnis 11824, S.L.	Ronda de Poniente 7, Trescantos - Madrid	Provision of telecommunications services	50.00%	40	209
Inversiones Digitales, S.A. (*)	Federico Zuazo, 1598, La Paz - Bolivia	Ownership of shareholdings	50.00%	286	260
Santillana en Red, S.L.	Ribera del Sena s/n. Edif. APOT. Madrid	Multimedia publishing	100.00%	1,500	779
Servicios de Valor Agregado Bolivia.com, S.A. (*)	Argentina, 2057, La Paz, Bolivia	Provision of telecommunications services	32.00%	2	(473)
Sistemtel Telecomunicaciones Bolivia, S.A. (*)	Argentina, 2057, La Paz, Bolivia	Provision of telecommunications services	50.00%	25	(138)
PRESS BUSINESS UNIT					
Box News Comunicación, S.L.	Pza. Nueva, 8 - Seville	Publication of "40 Magazine" and others	100.00%	60	425
Comercialización de Medios 2000, S.A.	Avda. de Montserrat, 46 - Almería	Printing of published materials	45.96%	60	667
Diario As, S.L.	Albasanz, 14 - Madrid	Publication and operation of the newspaper "As"	75.00%	1,400	11,443
Diario Jaén, S.A.	Torredonjimenno, 1. Pol. Los Olivares - Jaén	Publication and operation of the newspaper "Diario Jaén"	59.27%	214	789
Ediciones La Mirada, S.A.	Fuencarral, 6 - Madrid	Publication, management and operation of printed media	100.00%	300	247
Editor, S.L.	Avda. del Mediterraneo 150- Edificio Laura 1ª Planta - Almería	Services for publishing companies	42.70%	6	176
Eje de Editores Media, S.L.	Gran Via, 32 - Madrid	Publication, sale and marketing of publications and contents	50.00%	10	503
El Correo de Andalucía, S.L.	Americo Vespucio 63 - Isla de la Cartuja- Seville	Publication and operation of the newspaper "El Correo de Andalucía"	100.00%	1,192	1,552
El Correo de la Costa del Sol, S.L.	Avd. Dtor. Manuel Dominguez, 6 - Málaga	Publication and operation of the newspaper "El Correo de la Costa del Sol"	100.00%	4	(3)
Espacio Editorial Andaluza Holding, S.L.	Gran Via, 32 - Madrid	Ownership of shareholdings in publishing companies	100.00%	8,501	2,501
Estructura, Grupo de Estudios Económicos, S.A.	Gran Via, 32 - Madrid	Publication and operation of the newspaper "Cinco Días"	100.00%	1,802	(4,263)
Gestión de Medios de Prensa, S.A.	Gran Via, 32 - Madrid	Provision of common services for regional and local newspapers	52.44%	85	91
Grafivox, S.A.	Avda. del Mediterraneo 150- Edificio Laura 1ª Planta - Almería	Printing of published materials	45.31%	90	414
Novotécnica, S.A.	Avda. del Mediterraneo 150- Edificio Laura 1ª Planta - Almería	Publication of the newspaper "La Voz de Almería"	31.89%	348	11,223
Odiel Press, S.L.	Americo Vespucio 63 - Isla de la Cartuja- Seville	Publication and operation of the newspaper "Odiel Información"	100.00%	905	418
Promotora General de Revistas, S.A.	Fuencarral, 6 - Madrid	Publication, production and operation of magazines	100.00%	1,500	2,062
Servicom, S.L.	Avda. del Mediterraneo 150- Edificio Laura 1ª Planta - Almería	Distribution of published materials	36.41%	10	527

(*) Data in thousands of US dollars.

INDIRECT HOLDINGS

EXHIBIT II

INVESTEE	ADDRESS	LINE OF BUSINESS	12/31/04 (Thousands of Euros)		SHAREHOLDERS' EQUITY
			% CAPITAL	CAPITAL STOCK	
RADIO BUSINESS UNIT					
Algarra, S.A.	García Lovera, 3 - Córdoba	Operation of radio broadcasting business	80.00%	60	998
Antena 3 de Radio de León, S.A.	Oquendo 23 - Madrid	Operation of radio stations	49.13%	135	445
Antena 3 de Radio de Melilla, S.A.	Oquendo 23 - Madrid	Operation of radio stations	49.35%	61	609
Antena 3 de Radio, S.A.	Oquendo 23 - Madrid	Operation of radio stations	49.35%	5,032	13,219
Avante Radio, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting business	99.24%	60	433
Cadena Onda Oliva, S.A.	Oquendo 23 - Madrid	Operation of radio stations	49.35%	631	792
Ciudad Real Noticias, S.A.	Plaza Cervantes 6 - Ciudad Real	Development of Latin-American radio market	40.00%	72	81
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21 - Zaragoza	Operation of radio broadcasting business	97.01%	66	2,740
Comunicación Radiofónica, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting business	99.63%	331	1,159
Corporación Canaria de Información y Radio, S.A.	General Balmes s/n - Las Palmas de Gran Canaria	Operation of radio broadcasting business	80.00%	60	478
Ediciones LM, S.L.	Plaza de Cervantes, 6 - Ciudad Real	Operation of radio broadcasting business	40.00%	215	2,786
Frecuencia del Principado, S.A.	Jovelanos 1 - Cijón	Operation of radio broadcasting business	80.00%	60	54
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carrteros, 1 - Toledo	Operation of radio broadcasting business	56.00%	61	96
Iniciativas Radiofónicas, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting business	93.41%	228	425
La Palma Difusión, S.A.	Almirante Díaz Fimienta, 10 - Los Llanos de Aridane	Operation of radio broadcasting business	49.35%	360	250
Onda La Finjosa, S.A.	Limosa, 2 - Hinojosa del Duque - Córdoba	Operation of radio broadcasting business	80.00%	4	20
Onda Musical, S.A.	Oquendo 23 - Madrid	Operation of radio stations	49.82%	343	1,625
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3 - Santiago de Compostela	Operation of radio broadcasting business	42.42%	70	335
Ondas, S.A.	Caspe, 6 - Barcelona	Operation of radio broadcasting business	99.99%	60	272
Radio 30, S.A.	Radio Murcia, 4 - Murcia	Operation of radio broadcasting business	99.99%	60	141
Radio Burgos, S.L.	Venerables 8 - Burgos	Operation of radio broadcasting business	99.99%	3	49
Radio Club Canarias, S.A.	Avda. Anaga, 35 - Santa Cruz de Tenerife	Operation of radio broadcasting business	94.99%	480	2,121
Radio España de Barcelona, S.A.	Caspe, 6 - Barcelona	Operation of radio broadcasting business	99.31%	364	1,568
Radio Gibralfaro, S.A.	Santa Paula 2 - Granada	Operation of radio broadcasting business	100.00%	60	554
Radio Jeen, S.L.	Obispo Aguilar, 1 - Jaen	Operation of radio broadcasting business	28.79%	563	1,121
Radio Murcia, S.A.	Radio Murcia, 4 - Murcia	Operation of radio broadcasting business	83.32%	120	2,356
Radio Zaragoza, S.A.	P de la Constitución, 21 - Zaragoza	Operation of radio broadcasting business	98.03%	183	2,787
Radiodifusión Tenerife, S.A.	Avda. Anaga, 35 - Santa Cruz de Tenerife	Operation of radio broadcasting business	100.00%	60	153
Radiodifusora de Navarra, S.A.	Polígono Plazola, Manzana F- 2ª A - Pamplona	Operation of radio broadcasting business	49.35%	66	1,074
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avd. de la Estación, 5 Bajo - Albacete	Operation of radio broadcasting business	36.29%	874	746
Sociedad de Radiodifusión Aragonesa, S.A.	Paseo de la Constitución, 21 - Zaragoza	Operation of radio stations	49.99%	62	91
Sogetable Música, S.L.	Gran Vía, 32 - Madrid	Creation, broadcasting, distribution and operation of television theme channels	51.49%	1,202	2,335
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5 - Arrecife	Operation of radio broadcasting business	24.68%	270	108
Talavera Visión, S.L.	Avda. del Rey Santo, 8 - Ciudad Real	Operation of radio broadcasting business	40.00%	192	205
Telecomunicaciones Empresariales del Sur, S.L.	Avda. del Rey Santo, 8 - Ciudad Real	Operation of radio broadcasting business	32.80%	150	314
Teleonda Ciudad Real, S.L.	Avda. del Rey Santo, 8 - Ciudad Real	Operation of radio broadcasting business	32.00%	180	1,075
Teleradio Pres, S.L.	Avd. de la Estación, 5 Bajo - Albacete	Operation of radio broadcasting business	37.06%	150	180
Teleser, S.A.	Gran Vía, 32 - Madrid	Operation of radio broadcasting business	71.63%	75	67
Televisión Ciudad Real, S.L.	Plaza España, 2 - Ciudad Real	Production, broadcasting, editing and distribution of all manner of communications media and advertising activities.	37.06%	150	13
Unión Radio Digital, S.A.	Gran Vía, 32 - Madrid	Operation of DAB concession	79.23%	6,010	5,277
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32 - Andorra la Vella	Operation of radio broadcasting business	26.40%	249	162
Valdepeñas Comunicación, S.L.	Pza. de Cervantes, 6 - Ciudad Real	Operation of radio broadcasting business	40.00%	60	(10)

INDIRECT HOLDINGS

EXHIBIT II

INVESTE	ADDRESS	LINE OF BUSINESS	12/31/04 (Thousands of Euros)		
			% CAPITAL	CAPITAL STOCK	SHAREHOLDERS' EQUITY
LOCAL TELEVISION BUSINESS UNIT					
Albarizas Comunicación, S.A.	Avda. del Membrillar s/n - Jerez de la Frontera, Cádiz	Production and broadcast of videos and television programs	37.50%	853	313
Azarquia Visión, S.A.	Paseo de Reding, 7 - Málaga	Provision of local television services	44.23%	60	(194)
Canal 4 Navarra, S.L.	Avda. Sancho el Fuerte, 18 - Pamplona	Production and broadcast of videos and television programs	75%	2,809	(2,175)
Canal 4 Navarra Digital, S.A.	Polígono Industrial Cordovilla - Navarra	Provision of local television services	75.00%	2,000	2,000
Canal Bilbao, S.A.	Ribera Eboriata, 3 - Bilbao	Provision of local television services	22.50%	1,467	1,890
Collserola Audiovisual, S.L.	Pza. Narcís Oller Nº6 1º, 1º - 08006 Barcelona	Provision of local television services	69%	85	(962)
Compostela Visión, S.L.	Pza. Narcís Oller Nº6 1º, 1º - 08006 Barcelona	Development of Latin-American radio market	21.60%	264	(737)
Comunicaciones y Medios Audiovisuales Tele Alcalá, S.L.	Encomienda, 33 - Alcalá de Henares	Provision of local television services	72.74%	312	(85)
Ferrolvisión, S.L.	Arce s/n, Ferrol	Provision of local television services	21.60%	90	(336)
Gipuzkoa Televisión, S.A.	Libertad, 17 - San Sebastián	Provision of local television services	22.50%	1,442	379
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.	C/Pais Valenciano 5 - Ciudad Real	Provision of local television services	25%	300	350
Legal Affairs Consultium, S.L.	Pza. Narcís Oller Nº6 1º, 1º - 08006 Barcelona	Provision of local television services	75%	130	(823)
Localia TV Madrid, S.A.	Gran Vía, 32 - Madrid	Provision of local television services	75%	1,200	(1,291)
Localia TV Valencia, S.A.	Don Juan de Austria 3 - 46002 Valencia	Provision of local television services	75%	190	14
Málaga Altavisión, S.A.	Paseo de Austria 3 - 46002 Valencia	Production and broadcast of videos and television programs	55%	6,312	2,688
Marbella Digital de Televisión, S.A.	Paseo de Reding, 7 - Málaga	Provision of local television services	55%	174	(700)
Productora Asturiana de Televisión, S.A.	Paseo de Reding, 7 - Málaga	Provision of local television services	36.74%	1,112	432
Productora Audiovisual de Badajoz, S.A.	Asturias, 19 - Oviedo	Provision of local television services	38.25%	600	(553)
Productora Audiovisual de Mallorca, S.A.	Ramón Albarrán, 2 - Badajoz	Provision of local television services	74.88%	92	(158)
Productora Canaria de Programas, S.A.	Puerto Rico, 15 - Palma de Mallorca	Provision of local television services	40.00%	601	526
Productora de Comunicación Toledo, S.A.	Enrique Wolfson, 17 - S. C. de Tenerife	Development of a TV channel to promote the Canary Islands	56.13%	1,283	342
Productora de Televisión de Almería, S.A.	Carreteros, 1 - Toledo	Provision of local television services	38.01%	1,374	(32)
Productora de Televisión de Córdoba, S.A.	Avda. del Mediterraneo 150- Edificio Laura 1ª Planta - Almería	Provision of local television services	75.00%	90	(1,064)
Productora de Televisión de León, S.A.	Amatista s/n, Pol. El Granadall - Córdoba	Provision of local television services	22.50%	1,089	385
Productora Digital de Medios Audiovisuales, S.A.	República Argentina, 28 - León	Provision of local television services	29.25%	900	(42)
Productora Extremeña de Televisión, S.A.	Arco, 16-20 - Salamanca	Provision of local television services	72.75%	1,803	1,643
Promoción de Actividades Audiovisuales en Canarias, S.A.	Juan de la Cierva, 72 - Pol. Ind. Prado Regordito - Mostoles	Provision of local television services	38.25%	1,202	1,331
Promociones Audiovisuales Sevillanas, S.A.	J. M. R. "Azorin", Ed. Zeus, Pol. La Corchera - Mérida, Badajoz	Communication activities in television media in the Canary Islands	100.00%	1,052	2,979
Promotora Audiovisual de Jaén, S.A.	Avda. Anaga, 35 - Santa Cruz de Tenerife	Production and broadcast of videos and television programs	41.25%	2,520	1,446
Promotora Audiovisual de Zaragoza, S.L.	Rafael González Abreu, 3 - Seville	Provision of local television services	37.03%	1,000	367
Promotora de Emisoras de Televisión, S.A.	Avda. del Ejército Español, 6 - Jaén	Provision of local television services	75.00%	120	(754)
Radiotelevisión Compostela, S.L.	Enlita Pardo Bazán, 18 - Zaragoza	Operation of television channels	75.00%	19,061	6,481
Rotedisa, S.A.	Gran Vía, 32 - Madrid	Provision of local television services	21.60%	30	14
Sociedad Canaria de Televisión Regional, S.A.	Fuencarral, 123 - Madrid	Audiovisual productions for television programming	36.75%	1,203	489
Telecomunicación Antequera, S.A.	Avda. de Portugal, 12 - Logroño	Audiovisual productions for television programming	30.00%	6,010	6,937
Televisión Alpujarra, S.L.	Avda. de Madrid s/n - Tenerife	Provision of local television services	51.42%	822	121
Televisión Pontevedra S.A.	Aguardenteros, 15 - Antequera, Málaga	Provision of local television services	24.42%	810	190
Televisión, Medios y Publicidad, S.L.	Pza. Zenete Nº11, El Ejido - Almería	Provision of local television services	21.60%	270	(486)
TV Local Eivissa, S.L.	Castelao 3 B 1º - Pontevedra	Provision of television services	75.00%	132	(937)
Unión de Televisión Gallega, S.A.	Quitana, 38 - Alicante	Provision of television services	67.50%	90	195
	Avd. San Jordi s/n - Edificio Residencial - Ibiza	Operation of local audiovisual media	21.60%	7,602	5,062
	Pza. de Oranese, 3 - La Coruña				

INVESTE	ADDRESS	LINE OF BUSINESS	% CAPITAL	12/31/04 (Thousands of Euros) CAPITAL STOCK	SHAREHOLDERS' EQUITY
PUBLISHING BUSINESS UNIT					
Aguilar A.T.A., S.A. de C.V.	Avda. Universidad 767- Mexico City, Mexico	Publishing	100.00%	65	4,669
Aguilar A.T.A., S.A. de Ediciones (Argentina)	Beazley 3860 - Buenos Aires, Argentina	Publishing	100.00%	1,595	1,683
Aguilar Chilena de Ediciones, S.A.	Dr. Anibal Ariztia 1444, Providencia - Santiago de Chile, Chile	Publishing	100.00%	591	891
Canal de Editoriales S.A.	Juan Bravo, 38 - Madrid	Retail sales	99.14%	1,686	2,332
Constancia Editores, S.A.	Estrada da Outoreia 118, 2795 - Carnaxide Linda a Velha - Portugal	Publishing	100.00%	2,165	928
Distribuidora Aguilar A.T.A., S.A. de C.V.	Avda. Universidad 767- Mexico City, Mexico	Distribution	100.00%	2,372	3,592
Distribuidora y Editora Aguilar, A.T.A., S.A.	Avda. Universidad 767- Mexico City, Mexico	Development of Latin-American radio market	100.00%	269	564
Distribuidora y Editora Richmond, S.A.	Calle 80, N 10-13 - Santa Fe de Bogotá, Colombia	Publishing	100.00%	44	206
Ediciones Aguilar Venezolana, S.A.	Rómulo Gallegos, Edif. Zulia 1° - Caracas, Venezuela	Publishing	100.00%	38	61
Ediciones Grazelema, S.A.	Rafael Beca Mateos, 3 - Seville	Publishing	100.00%	60	121
Ediciones Santillana Inc. (Puerto Rico)	1506 Roosevelt Avenue, Guaynabo, Puerto Rico	Publishing	100.00%	1,065	3,736
Ediciones Santillana, S.A. (Argentina)	Beazley 3860 - Buenos Aires, Argentina	Publishing	100.00%	9,801	5,897
Ediciones Santillana, S.A. (Uruguay)	Constitución, 1889 - 11800 - Montevideo, Uruguay	Publishing	100.00%	1,162	346
Edicions Obrador, S.A.	Vía Pasteur, 44 - Santiago de Compostela	Publishing	100.00%	60	67
Edicions Yoramar, S.A.	Valencia, 44 - 46210 Pínceya - Valencia	Publishing	100.00%	60	60
Editora Moderna Ltda.	Rua Padre Adelino, 758 Belezinho, Sao Paulo - Brazil	Publishing	100.00%	29,817	16,933
Editorial Nuevo México, S.A. de C.V.	Insurgentes, 686 - Mezzanine - Colonia del Valle - Mexico City.	Publishing	100.00%	53	491
Editorial Santillana S.A. (Colombia)	Calle 80, N 10-23 - Santa Fe de Bogotá, Colombia	Publishing	99.99%	1,081	4,682
Editorial Santillana S.A. de C.V. (Mexico)	Avda. Universidad 767- Mexico City, Mexico	Publishing	100.00%	2,843	16,239
Editorial Santillana S.A. de C.V. (El Salvador)	Siemens, 51 Zona industrial Santa Elena - La Libertad, El Salvador	Publishing	100.00%	23	1,540
Editorial Santillana, S.A. (Guatemala)	5ª Avenida 8-96, Zona 9, Guatemala, C.A.	Publishing	100.00%	71	882
Editorial Santillana, S.A. (Dominican Republic)	Juan Sánchez Ramírez, 9, Gazcue, Santo Domingo, Dominican Republic	Publishing	100.00%	79	1,644
Editorial Santillana, S.A. (Venezuela)	Rómulo Gallegos, Edif. Zulia, 1° - Caracas, Venezuela	Publishing	100.00%	2,087	4,615
Grup Promotor D'Ensenyament i Difusió en Català, S.A.	Frederic Mompou, 11 - V. Olímpica, Barcelona	Publishing	100.00%	60	70
Grupo de Edicoes Santillana Ltda.	Rua Padre Adelino, 758 Belezinho, Sao Paulo - Brazil	Publishing	100.00%	37,575	27,193
Instituto Universitario de Postgrado, S.A.	Torrelaguna, 60 - Madrid	Teaching outside permanent establishment	52.00%	3,505	1,219
Itaca, S.L.	Torrelaguna, 60 - Madrid	Distribution of books	100.00%	408	6,389
Lanza, S.A. de C.V.	Avda. Universidad 767- Mexico City, Mexico	Creation, promotion and administration of companies	100.00%	12,204	23,857
Librerías Crisol, S.A.	Avda. San Felipe 731, Lima - Peru	Retail sales	94.90%	209	34
N. Editorial, S.L.	Torrelaguna, 60 - Madrid	Publishing	100.00%	60	72
Richmond Publishing S.A. de C.V.	Avda. Universidad 767- Mexico City, Mexico	Publishing	100.00%	4	1,532
Salamandra Editorial, Ltda.	El Paso s/n - Los Magueles, Tenerife	Publishing	100.00%	49	43
Santillana Canarias, S.A.	Avda. Arce, 2333 - La Paz, Bolivia	Publishing	100.00%	59	60
Santillana de Ediciones, S.A. (Bolivia)	Dr. Anibal Ariztia 1444, Providencia - Santiago de Chile, Chile	Publishing	100.00%	2,459	924
Santillana del Pacífico, S.A. de Ediciones (Chile)	Torrelaguna, 60 - Madrid	Publishing	100.00%	309	3,068
Santillana Ediciones Generales, S.L.	Torrelaguna, 60 - Madrid	Publishing	100.00%	2,276	11,854
Santillana Ed. Generales, S.A. de C.V.	Avda. Universidad 767- Mexico City, Mexico	Publishing	100.00%	3	(832)
Santillana Educación, S.L.	Torrelaguna, 60 - Madrid	Publishing	100.00%	7,747	64,407
Santillana Formación, S.L.	Torrelaguna, 60 - Madrid	Publishing	100.00%	1,000	2,158
Santillana USA Publishing Co. Inc.	2105 NW 86th Avenue - Miami, Florida, USA	Publishing	100.00%	40,569	4,191
Santillana, S.A. (Costa Rica)	La Uruca, 100m Oeste de Migración - San José, Costa Rica	Publishing	100.00%	465	808
Santillana, S.A. (Ecuador)	Avda. Eloy Alfaro, 227 y 6 de diciembre - Quito, Ecuador	Publishing	100.00%	990	2,143
Santillana, S.A. (Paraguay)	Avda Venezuela, 276 - Asunción, Paraguay	Publishing	100.00%	763	170
Santillana, S.A. (Peru)	Avda. San Felipe, 731, Jesús María - Lima, Peru	Publishing	95.00%	1,356	3,117
Suma de Letras Argentina, S.A.	Beazley 3860 - Buenos Aires, Argentina	Publishing	100.00%	467	165
Suma de Letras, S.A. de C.V.	Avda. Universidad 767 - Mexico City, Mexico	Publishing	100.00%	75	333
Suma de Letras, S.L.	Baquilillo, 21 - Madrid	Publishing	100.00%	300	1,063
Zubia Editorial, S.A.	Pol. Lezama Leguzamon, c/ 31 - Eibarri, Vizcaya	Publishing	100.00%	60	84

INDIRECT HOLDINGS

EXHIBIT II

INVESTEES	ADDRESS	LINE OF BUSINESS	12/31/04 (Thousands of Euros)		
			% CAPITAL	CAPITAL STOCK	SHAREHOLDERS' EQUITY
PRINTING BUSINESS UNIT					
Bidasoa Press (formerly Catalunya Press, S.L.)	Gran Vía, 32 - Madrid	Printing of published materials	40.00%	2,047	7,965
Dédalo Grupo Gráfico, S.L.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing	40.00%	28,457	115,918
Distribuciones Aliadas, S.A.	Gran Vía, 32 - Madrid	Printing of published materials	40.00%	2,100	7,879
Ediciones Bidasoa, S.A.	Gran Vía, 32 - Madrid	Printing of published materials	100.00%	113	184
Field Mateu, S.L.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of cardboard containers and packaging material	49.00%	4,736	5,084
Gráficas Integradas, S.A.	C/ Camino de los Afiliados S/N - Alcalá de Henares - Madrid	Printing of published materials	40.00%	601	1,527
Macrolibros, S.A.	C/ Camino de los Afiliados S/N - Alcalá de Henares - Madrid	Development of Latin-American radio market	40.00%	992	7,133
Mateu Cromo Artes Gráficas, S.A.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	40.00%	4,000	13,683
Mateu Liber, S.L.	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	40.00%	1,003	1,358
Dédalo Altamira, S.A. (formerly Mateu Press, S.A.)	Ctra. de Pinto a Fuenlabrada, km. 20,8 - Madrid	Printing of published materials	40.00%	6,000	925
Norpremsa, S.A.	Gran Vía, 32 - Madrid	Printing of published materials	40.00%	1,800	4,042
Polestar Helicolor, S.A.	C/ Camino de los Afiliados S/N - Alcalá de Henares - Madrid	Printing of published materials	40.00%	8,418	-602
Polestar Hispánica, S.A.	C/ Camino de los Afiliados S/N - Alcalá de Henares - Madrid	Printing of published materials	40.00%	8,456	10,671
DISTRIBUTION BUSINESS UNIT					
Beralán, S.L.	Avda. Ana Kandiá, 21 - Guipuzcoa	Distribution of published materials	22.25%	218	2,369
Cirpress, S.L.	Autopista A8 Km 14A - Arribas, Asturias	Distribution of published materials	30.20%	14	471
Diserpe, S.R.L.U.	C/ Dels Argenters 4, P.I. Vara de Quart, - 46014 Valencia	Distribution of published materials	23.75%	3	249
Distribuidora de Publicaciones Borsal, S.L.	Avenida de Fuentermar, 29 - Coslada, Madrid	Distribution of published materials	29.00%	93	872
Distribuidora Cordobesa de Medios Editoriales, S.L.	Pol. Ind. Chinales, naves 7 y 8, parcela 29 - Córdoba	Distribution of published materials	20.30%	31	85
Distribuciones Papiro, S.L.	Dior. Ferrán s/n, Pol. Ind. El Montalbo - Carbojosa de la Segreda, Salamanca	Distribution of published materials	25.14%	39	417
Distribuidora Almeriense de Publicaciones, S.L.	Sierra Cabrera, 1. Pol. Ind. La Juada - Visitor, Almería	Distribution of published materials	34.09%	264	330
Distribuidora Extremeña de Publicaciones, S.L.	Ctra. N-5, Km. 397 - Badajoz	Distribution of published materials	20.30%	10	97
Distribuidora Jienense de Publicaciones, S.L.	Pol. Ind. Los Olivares, calle 5, parcela 526 - Jaén	Distribution of published materials	29.00%	220	358
Distrimedios, S.L.	Agricultura, parcela D-10 (P. Empresarial) - Jerez, Cádiz	Distribution and sale of published materials	50.00%	310	950
Gestión de Logística Editorial, S.L.	Samaniego s/n, Pol. Las Mercedes - Madrid	Distribution of published materials	30.00%	300	718
Marina Press Distribuciones, S.L.	Pere IV, 467 - Barcelona	Distribution of published materials	20.30%	8	81
Prensa Serviodiel, S.L.	Polígono Tartessos 309, Calle A - 21610 San Juan del Puerto (Huelva)	Distribution of published materials	29.00%	4	-47
Suscripciones de Medios Editoriales, S.L.	C/ De la Agricultura, Parque Empresarial Parcela D1 - 11407 Jerez de la Frontera	Distribution of published materials	23.75%	144	705
Val Disme, S.L.	Trojaners, 3 - Valencia	Distribution of published materials			
MEDIA ADVERTISING SALES BUSINESS UNIT					
GDM Publicidad Electrónica, S.A.	Gran Vía, 32 - Madrid	Design and development of image-based applications	51.00%	61	510
Solomedios, S.A. (formerly Ocio Media Producciones, S.A.)	Gran Vía, 32 - Madrid	Advertising management	100.00%	180	927

INDIRECT HOLDINGS

EXHIBIT II

INVESTEE	ADDRESS	LINE OF BUSINESS	12/31/04 (Thousands of Euros)		
			% CAPITAL	CAPITAL STOCK	SHAREHOLDERS' EQUITY
INTERNATIONAL RADIO BUSINESS UNIT Cadena Radiodifusora Mexicana, S.A. de C.V. Caracol, S.A. Caracol Broadcasting Inc. Caracol Estéreo, S.A. CHR, Cadena Hispanoamericana de Radio, S.A. Compañía de Comunicaciones C.C.C. Ltda. Comunicaciones del Pacífico S.A. Comunicaciones Santiago, S.A. Consortio Radial de Chile, S.A. Corporación Argentina de Radiodifusión, S.A. Ecos de la Montaña Cadena Radial Andina, S.A. El Dorado Broadcasting Corporation Emisora MH Veinte, S.A. Fast Net Comunicaciones, S.A. GLP Colombia GLR Chile Ltda (formerly Caracol Telecom. Internac. Ltda.) GLR Costa Rica, S.A. GLR Francia, S.A.R.L. (formerly GLR Europa, S.A.R.L.) GLR Midi France, S.A.R.L. GLR Networks, LLC GLR Services Inc. Green Emerald Business Inc. Grupo Latino de Radiodifusión LLC. La Voz de la Frontera, Ltda. Participaciones de Radio Latinoamericana, S.L. Prisa Inc. Promotora de Publicidad Radial, S.A. Publicitaria y Difusora del Norte Ltda. Radio Beethoven, Ltda. Radio Comerciales, S.A. de C.V. Radio Latina, S.A. Radio Melodía, S.A. de C.V. Radio Mercadeo, Ltda. Parisientes Regie S.A.R.L. Radio Tapatía, S.A. de C.V. Radiodifusora del Norte Ltda. Radiodifusores y Publicidad Exta Ltda. Radiotelevisora de Mexicali, S.A. de C.V. Regie Musique Latine S.A.R.L. Sistema Radiópolis, S.A. de C.V. Trokar de Colombia, S.A. WSUA Broadcasting Corporation Xezx, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870 Carrera, 39-A 1581 - Bogotá, Colombia 2100 Coral Way - Miami 33145 - Florida, USA Carrera, 39-A 1581 - Bogotá, Colombia Carrera, 39-A 1581 - Bogotá, Colombia Carrera, 39-A 1581 - Bogotá, Colombia Carrera, 39-A 1581 - Bogotá, Colombia Los Leones 2255 - Providencia, Santiago de Chile Los Leones 2255 - Providencia, Santiago de Chile Beazley 3860 - Buenos Aires, Argentina Carrera, 39-A 1581 - Bogotá, Colombia 2100 Coral Way - Miami, Florida, USA Carrera, 39-A 1581 - Bogotá, Colombia Guardia Vieja, 781 - Santiago de Chile, Chile Carrera 9, 9907 oficina 1200, Bogotá, Colombia Los Leones 2255 - Providencia, Santiago de Chile Llorente de Tibás, Edif. La Nación - San José, Costa Rica Inmuable Le Periscope, 83-87 Av d'Italie - Paris, France Inmuable Le Periscope, 83-87 Av d'Italie - Paris, France (USA) 2100 Coral Way - Miami 33145 - Florida, USA Calle 54 Obarrio N° 4, Ciudad de Panamá - Panama Corporation Trust Center, 1209, Orange Street - New Cattle, USA Gran Vía, 32 - Madrid 5300 First Union Finacial Centre, Miami, Florida, USA Carrera, 39-A 1581 - Bogotá, Colombia Los Leones 2255 - Providencia, Santiago de Chile Los Leones 2255 - Providencia, Santiago de Chile Rubén Darío n° 158, Guadaluajara - Mexico Inmuable Le Periscope, 83-87 Av d'Italie - Paris, France Rubén Darío n° 158, Guadaluajara - Mexico Carrera, 39-A 1581 - Bogotá, Colombia Rue de Charonne 5, 75011 Paris (France) Rubén Darío n° 158, Guadaluajara - Mexico Los Leones 2255 - Providencia, Santiago de Chile Los Leones 2255 - Providencia, Santiago de Chile Av. Reforma 1270 Mexicali Baja California Norte Inmuable Le Periscope, 83-87 Av d'Italie - Paris, France Av. Vasco de Quiroga 2000, Mexico City Carrera, 39-A 1581 - Bogotá, Colombia 2100 Coral Way - Miami, Florida, USA Rubén Darío n° 158, Guadaluajara - Mexico	Operation of radio broadcasting business Commercial radio broadcasting services Operation of radio broadcasting business Commercial radio broadcasting services Commercial radio broadcasting services Development of Latin-American radio market Operation of radio broadcasting businesses Operation of radio broadcasting businesses Commercial radio broadcasting services Development of Latin-American radio market in USA Commercial radio broadcasting services Radio broadcasting Advertising sales Operation of radio broadcasting businesses Radio broadcasting Radio broadcasting Provision of services to radio broadcasting businesses Provision of services to radio broadcasting businesses Development of Latin-American radio market in Panama Development of Latin-American radio market in USA Ownership of foreign shareholdings Management of businesses in USA and North America Commercial radio broadcasting services Radio broadcasting Operation of radio broadcasting businesses Operation of radio broadcasting businesses Radio broadcasting Operation of radio broadcasting businesses Commercial radio broadcasting services Commercial radio broadcasting services Operation of radio broadcasting businesses Operation of radio broadcasting businesses Operation of radio broadcasting businesses Operation of radio broadcasting businesses Development of Latin-American radio market in France Retail and wholesale trade Radio broadcasting Operation of radio broadcasting businesses	50.00% 77.05% 100.00% 77.04% 77.00% 77.01% 100.00% 100.00% 100.00% 100.00% 76.89% 25.00% 75.72% 100.00% 100.00% 50.00% 100.00% 60.00% 100.00% 100.00% 34.95% 100.00% 73.42% 100.00% 100.00% 77.04% 100.00% 100.00% 50.00% 80.00% 50.00% 72.21% 20.00% 50.00% 100.00% 100.00% 50.00% 80.00% 50.00% 70.17% 25.00% 50.00%	1,464 10 215 3 343 25 346 82 12,266 18 196 2 88 11,806 2,501 8 40 1 6 3,022 0 21 771 1 51 0 818 383 299 12 100 11 3,783 813 24,921 0 587 50	894 20,566 2,006 7 344 1,559 975 (919) 15,437 9 402 193 184 510 446 15,997 514 (478) (36) (1) 5 2,524 (21) (13,283) (108) 159 (5,674) 0 1,069 465 195 150 - 163 (1,449) 87 483 1,481 27,354 (2) 583 68
INTERNATIONAL PRESS BUSINESS UNIT Comunicaciones El País, S.A. (*) Editorial Amanecer, S.A. (*) Información Extra, S.A. (*) INTERNATIONAL TELEVISION BUSINESS UNIT ATB Illimani de Comunicaciones y Asociados del Valle, S.A. (*) ATB Santa Cruz Televisión, S.A. (*) Illimani de Comunicaciones, S.A. (*)	Colinas de Santa Rita, La Paz, Bolivia Cristo Redentor 3355, Santa Cruz - Bolivia Avda. Argentina 2057, La Paz, Bolivia Tupiza, 1140 - Recoleta, San Benito - Bolivia Avda. Cristo Redentor, 33-55 - Santa Cruz, Bolivia Avda. Argentina, 2057 - La Paz, Bolivia	Publishing Publishing Publishing Operation of TV and radio programs Operation of TV and radio programs Operation of TV and radio programs	94.81% 94.98% 99.97% 100.00% 15.00% 18.63% 18.75%	2,012 410 79 1,162 3,044 8,170	1,192 (2,246) (872) 657 404 1,857

(*) Company data in thousands of US dollars.

INDIRECT HOLDINGS

EXHIBIT II

INVESTEE	ADDRESS	LINE OF BUSINESS	12/31/04 (Thousands of Euros)		SHAREHOLDERS' EQUITY
			% CAPITAL	CAPITAL STOCK	
SOGEACABLE BUSINESS UNIT					
Audiovisual Sport, S.L.	Ganduser, 117 - Barcelona	Management and distribution of audiovisual rights	18.40%	6,220	(53,603)
Cable Antena, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of theme channels	23.00%	1,953	4,664
Canal Club de Distribución de Ocio y Cultura, S.A.	C/ Hermosilla, 112 - Madrid	Catalog sales	5.75%	3,907	5,144
Canal + Investments, Inc.	Beverly Hills, California, USA	Film production	13.80%	111,751	34,338
Canal Satélite Digital, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Television services	19.15%	159,196	158,842
Centro de Asistencia Telefónica, S.A.	C/ Albasanz, 75 28037 Madrid	Provision of services	23.00%	3,077	4,354
Compañía Independiente de Noticias de TV, S.L.	C/ Albasanz, 75 28037 Madrid	Development of Latin-American radio market	11.50%	1,442	(5,348)
Compañía Independiente de Televisión, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Management and operation of audiovisual rights	23.00%	601	(2,264)
Cinemanía, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of theme channels	20.70%	601	3
DTS, Distribuidora de Televisión Digital, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Television services	23.00%	346,169	285,397
Euroleague Marketing, S.L.	-	Television services	11.50%	562	(5,613)
Fox Kids España, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of theme channels	11.50%	301	2,029
Gestión de Derechos Audiovisuales y Deportivos, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Distribution of sporting rights	23.00%	19,232	(82,015)
Plataforma Logística de Usuarios de Sogetable, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Internet service provider	23.00%	600	(506)
Servicios Técnicos de Sogetable, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of television, cinema and multimedia services.	23.00%	12,621	6,518
Sogetable Fútbol, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of theme channels	23.00%	601	4,083
Sociedad General de Cine, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Production and management of audiovisual rights	23.00%	6,010	20,298
Sogetapay, S.A.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Management and distribution of audiovisual rights	23.00%	18,030	15,323
Studio Canal Spain, S.L.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Management and operation of audiovisual rights	23.00%	2,300	2,539
Via Atención Comunicación, S.L.	Alcalá, 506 - Madrid	Internet service provider	23.00%	4	-654
Via Interactiva, S.L.	Virgilio, 2 - Pozuelo de Alarcón - Madrid	Provision of digital television services	23.00%	3	325
Warner Lusomundo Cines de España, S.A.	Azalea I, Alcobendas - Madrid	Movie screening business	7.67%	29,360	22,810
Warner Sogetfilms, A.I.E.	Cardenal Marcelo Spinola, 8 - Madrid	Movie distribution	11.50%	60	60

VARIATIONS IN EQUITY ACCOUNTS IN 2004
(Thousands of Euros)

EXHIBIT III

	Capital Stock	Additional Paid-in Capital	1983 Revaluation Reserves	Revaluation Reserves RDL 7/1996	Legal Reserve	Reserves for Treasury Stock	Bylaw Reserves	Reserve for Retired Capital	Other Reserves	Income for the Year	Total Shareholders' Equity
Balance at December 31, 2003	21,881	108,369	3,289	10,650	4,376	29,365	10,941	1,373	339,791	77,622	607,657
<i>Transfer - reserves due to delivery of treasury stock</i>						(79)			79		
<i>Transfer - reserves due to the acquisition of treasury stock</i>						420			(420)		
<i>Distribution of 2003 income:</i>											
- Directors' compensation										(1,382)	(1,382)
- Dividends										(21,264)	(21,264)
- Reserves									54,976	(54,976)	
<i>Income for the year</i>										62,434	62,434
Balance at December 31, 2004	21,881	108,369	3,289	10,650	4,376	29,706	10,941	1,373	394,426	62,434	647,445

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

2004 Individual 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)
2004 MANAGEMENT REPORT**

1. Business performance

Promotora de Informaciones, S.A. (PRISA) is the company which heads the Prisa Group. Its function within the Group is to develop central corporate services, act as the Group's financing center in Spain, receive dividends from its companies and engage in other activities relating to the development and expansion of the Group.

In 2004 the Prisa Group's growth once again outperformed the market. This was directly reflected in the results obtained. Compared with 2003, the Group's net income grew by 70%, revenues increased by 9.3% and operating income (EBIT) by 39.8%. These excellent levels of growth in results were strengthened by an improvement in profitability operating margins of around 3%, which clearly reflects the stringency in the efficient management of resources in all the businesses.

In 2004 PRISA's investment activity focused mainly on the acquisition of an additional 3.29% of Sogecable, S.A. for €125,886 thousand and on the purchase of a 13.24% holding in Grupo Latino de Radio, S.L., as a result of which the Group now owns all the shares of this company.

In December, PRISA assigned the assets of its real estate line of business to the Group company Prisa División Inmobiliaria, S.L., so that this company would continue to operate the properties transferred, together with those already owned by it.

2. Subsequent events

Subsequent to year end, 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%.

3. Outlook

The various business areas in which PRISA operates are expected to perform positively in 2005. Thus, the outlook for 2005 is one of growth in billings and in PRISA's advertising market share, combined with good growth prospects for the circulation of PRISA's newspapers and magazines and an upturn in the economies of the Latin American countries in which PRISA operates, in particular the Brazilian and Mexican markets. Lastly, PRISA's new businesses are expected to be more efficient and improve their results.

4. Treasury stock

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

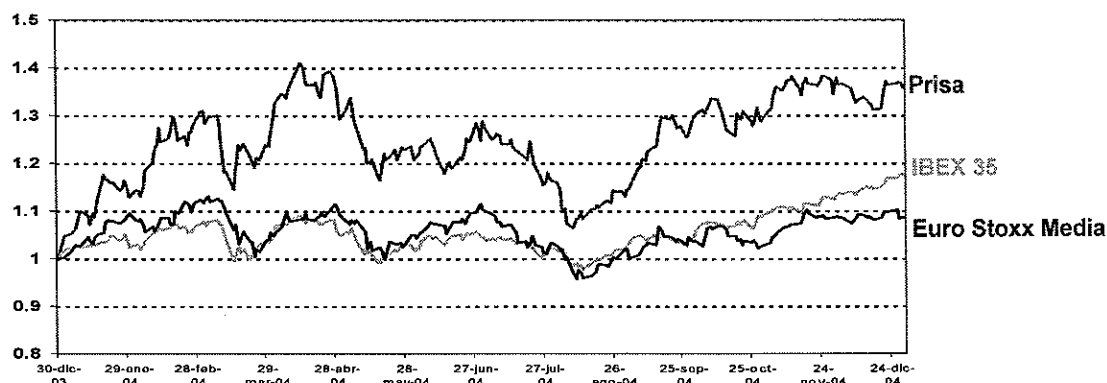
The Company plans to use all the shares of treasury stock held by it to cover the exchangeable bond issue launched in 2003 through its subsidiary Prisa Finance (Netherlands) B.V.

5. Stock market performance

2004 has been the second consecutive year of recovery for the world's main stock markets. The confirmation of the recovery of the international economy, the absence of intense inflationary pressure despite the rise in the price of crude oil and the marked improvement in corporate results in the world's main economies have contributed to consolidating the upward trend in market prices.

The performance of the Spanish Stock Exchange was exceptional, with a revaluation of the Ibx-35 of 17.4%. Prisa closed the year with a market price of €15.62 per share, representing a revaluation in the year of 35.8%, much higher than market and much higher than the industry average: The Eurostoxx average index, representative of the main average values was only revalued by 10%. The strength and soundness of Prisa's businesses contributed to this positive performance.

Prisa Market Price- Ibex 35 - Eurostoxxmedia
From January 1, 2004 to December 31, 2004



Prisa 2004:	+ 35.8%
Ibex-35 2004:	+ 17.4%
EuroStoxxmedia 2004:	+ 10.0%

Prisa's market capitalization as of December 31, 2004, amounted to €3,418 million, with an increase of €902 million in the year. Prisa's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The Company forms part of the Ibex-35 index.

Prisa's share

Number of shares:	218,812,500
Free-float:	30.6%
Treasury stock*:	10,940,625
Earnings per share**:	0.497
Dividend yield***:	0.84%

* Treasury stock guaranteeing the exchangeable bond issue launched in 2003

** Without calculating treasury stock of 10,940,625

*** Calculation based on average price in 2004

2004 share price

Initial (12/30/03):	11.50
Maximum:	16.20
Average:	14.35
Minimum:	12.06
