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Prisa Finance Netherlands, B.V.

2008 Annual Report

Deloitte.

Deloitte Accountants B.V.

For identification purposes.
Related to auditors' report dated :

17/7/2009

To the shareholders of Prisa Finance (Netherlands) B.V.
Amsterdam

Date
July 17, 2009

From
J.Penon

Our reference
3100055197/OP9996/dv

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2008 of Prisa Finance (Netherlands) B.V., Amsterdam, which comprise the balance sheet as at December 31, 2008, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

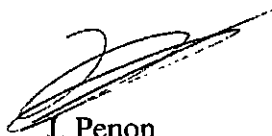
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Prisa Finance (Netherlands) B.V. as at December 31, 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.



J. Penon

PRISA FINANCE NETHERLANDS, B.V.

2008 ANNUAL REPORT

CONTENTS

| | <u>Page</u> |
|--------------------------------------|-------------|
| Management Report | 1 |
| Balance Sheets | 2 |
| Shareholders' Equity and Liabilities | 3 |
| Statements of Operations | 4 |
| Notes to Financial Statements | 5 |
| Other Information | 8 |

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PRISA FINANCE NETHERLANDS, B.V.

MANAGEMENT REPORT

This management report summarizes the performance of the operations of Prisa Finance Netherlands, B.V. ("The Company"), and lists the highlights in 2008 and the important details of its outlook for the future.

A. Highlights in 2008

On December 11, 2003, the Company, wholly-owned by Promotora de Informaciones, S.A., issued a €162,300 thousand Exchangeable Bonds due 2009, guaranteed by, and exchangeable for, ordinary shares of Promotora de Informaciones, S.A. 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.

On December 31, 2008, the Company paid the last fifth annual coupon, which amounted to €2,746 thousand.

As of December 31, 2008, Bondholder has exercised its Exchange Right.

B. Significant events subsequent to year-end

The "Long-term accounts receivable from parent Company" had been given back its main of and theirs interests

C. Future Outlook

Throughout 2009 the Company will not continue with the performance of financial transactions through purchaser of marketable securities and evidence of indebtedness, but it have been decided that the Company will not be closed.

Amsterdam, The Netherlands

July 17, 2009

Promotora de Informaciones, S.A.



Enigo Dago Elorza

Prisa División Internacional, S.L.



Matilde Casado Moreno

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PRISA FINANCE NETHERLANDS, B.V.
BALANCE SHEET AS OF DECEMBER 31, 2008 AND 2007

(Before appropriation of result)

(Amounts in Euros)

ASSETS

| | <u>Note</u> | <u>2008</u> | <u>2007</u> |
|---------------------------------------------------|-------------|-------------|-------------|
| FIXED AND OTHER NONCURRENT ASSETS: | | | |
| Long-term investments- | | | |
| Long-term accounts receivable from parent Company | 4 | 0 | 162.300.000 |
| Total fixed and other noncurrent assets | | 0 | 162.300.000 |
| CURRENT ASSETS: | | | |
| Accounts receivable- | | | |
| Parent companies | | 0 | 77.147 |
| Cash | | 127.091 | 86.217 |
| Total current assets | | 127.091 | 163.364 |
| Total assets | | 127.091 | 162.463.364 |

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SHAREHOLDERS' EQUITY AND LIABILITIES

(Before appropriation of result)

| | <u>Note</u> | <u>2008</u> | <u>2007</u> |
|--------------------------------------------|-------------|----------------|--------------------|
| SHAREHOLDERS' EQUITY: | 5 | | |
| Capital stock | | 18.000 | 18.000 |
| Reserves | | 96 | 15 |
| Net Income for the year | | 977 | 81 |
| Total shareholders' equity | | <u>19.073</u> | <u>18.097</u> |
| LONG-TERM DEBT | | | |
| Exchangeable bonds | 4 | <u>-</u> | <u>162.300.000</u> |
| CURRENT LIABILITIES: | | | |
| Group companies | | 17.528 | 6 |
| Accrued taxes payable | | 90.491 | 15.843 |
| Other payables | | <u>0</u> | <u>129.419</u> |
| Total current liabilities | | <u>108.018</u> | <u>145.268</u> |
| Total shareholders' equity and liabilities | | <u>127.091</u> | <u>162.463.364</u> |

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PRISA FINANCE NETHERLANDS, B.V.
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007

(Amounts in Euros)

| | <u>Note</u> | <u>2008</u> | <u>2007</u> |
|--------------------------------|-------------|-------------|-------------|
| REVENUES: | | | |
| Operating revenues | | - | - |
| COST OF SALES: | | | |
| Other operating expenses | | (27) | (1.310) |
| | | (27) | (1.310) |
| Operating losses | | (27) | (1.310) |
| FINANCIAL INCOME AND EXPENSES: | | | |
| Interest income | 4 | 2.746.973 | 2.841.671 |
| Interest expenses | 4 | (2.745.575) | (2.840.250) |
| | | 1.398 | 1.421 |
| Results before taxes | | 1.371 | 111 |
| Corporate income tax | | (394) | (30) |
| NET INCOME / (LOSS) | | <u>977</u> | <u>81</u> |

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PRISA FINANCE NETHERLANDS, B.V.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2008

(Amounts in Euros)

1. General

Prisa Finance Netherlands, B.V. ("the Company"), is a company incorporated on October 31, 2003, under the laws of the Netherlands and its official commercial register of commerce under number 34197663. Its registered office is at De Boelelaan 7 in Amsterdam, the Netherlands, and it has its statutory seat in Madrid, Spain, and its place of business at Gran Vía, 32, Madrid, Spain.

The Company, whose shareholder is Promotora de Informaciones, S.A., engages mainly in the performance of financial transactions through purchaser of marketable securities and evidence of indebtedness, and the participation in the managing, supervision and promotion of companies.

2. Basis of presentation of the financial statements

True and fair view—

The 2008 financial statements, which were prepared from the accounting records of Prisa Finance Netherlands, B.V., are presented in accordance with generally accepted accounting principles in The Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of The Netherlands Civil Code, and, accordingly, give a true and fair view of the Company's net worth, financial position and results for 2008. The financial statements for 2008, 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 2007 financial statements were approved by the Shareholders Meeting on June 1, 2008.

3. Accounting principles

(a) General

Assets and liabilities are stated at face value unless specifically indicated otherwise.

(b) Long-term investments

The "Long-term accounts receivable from parent Company" caption don't include €162,300 thousand transferred to Promotora de Informaciones, S.A. as a deposit this year, because the "Long-term accounts receivable from parent Company" have been payable on the same terms and conditions as those had been established for the issued bonds (see Note 4). It had been given back main of the loan and the interests.

(c) Corporate income tax

The expense for corporate income tax for each year is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences from taxable income, net of tax relief and tax credits.

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PRISA DIVISIÓN INMOBILIARIA,S.L.
CASH FLOW STATEMENTS FOR THE YEARS CLOSED AT 31 DECEMBER 2008 AND 2007
(euros)

| | 2008 | 2007 (*) |
|---------------------------------------------------------------------|-------------|-------------|
| A) CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 1. Profit/Loss for the year before tax | 1.355 | 91 |
| 2. Adjustments for: | (1.793) | (1.451) |
| a) Finance income (-) | (2.746.973) | (2.841.671) |
| b) Finance costs (+) | 2.745.575 | 2.840.250 |
| c) Income tax | (394) | (30) |
| 3. Changes in working capital | 39.898 | 34.889 |
| a) Trade and other receivables (+/-) | 77.147 | 411.867 |
| b) Trade and other payables (+/-) | (37.249) | (376.978) |
| 4. Other cash flows from operating activities | 1.414 | 1.441 |
| a) Interest paid(-) | (2.840.250) | (2.840.250) |
| b) Interest received (+) | 2.841.648 | 2.841.671 |
| c) Other proceeds / payments relating to operating activities (+/-) | 16 | 20 |
| 5. Cash flows from operating activities (+/-1+/-2+/-3+/-4) | 40.874 | 34.970 |
| B) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A) | 40.874 | 34.970 |
| Cash and cash equivalents at beginning of year | 86.217 | 51.246 |
| Cash and cash equivalents at end of year | 127.091 | 86.217 |
| Cash and cash equivalents at end of year | 127.091 | 86.217 |

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For identification purposes.
Related to auditors' report dated :

17/12/2009

(d) Recognition of revenues and expenses

Revenues and expenses are recognized when the actual flow of the related goods and services occurs, 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.

4. Long-term accounts receivable from parent Company - Exchangeable bonds

On December 11, 2003, the Company, wholly-owned by Promotora de Informaciones, S.A., issued a €162,300 thousand Exchangeable Bonds due 2009, guaranteed by, and exchangeable for, ordinary shares of Promotora de Informaciones, S.A. 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 account of "Interest Expenses" relates to the interest beared by the Bonds at the rate of 1.75% per annum of the principal amount. As of December 31, 2008, it amounts to €2,746 thousand.

The maturity date of the bonds was established at five years from the issue date.

As of December 31, 2008, Bondholder has exercised its Exchange Right.

In the context of this issue, on December 19, 2003, the Company entered into an escrow deposit agreement with Promotora de Informaciones, S.A., whereby Promotora de Informaciones, S.A. guarantees bondholders that it will fulfill all its obligations.

Also, the proceeds from the issue of the Bonds, amounting to €162,300 thousand, were transferred to Promotora de Informaciones, S.A. as a deposit, and the interest thereon was 1.75% per annum of the principal amount, payable on the same terms and conditions as those established for the issue. As of December 31, 2008 the total amount of interest added up to €2,747 thousand and it is recorded in the "Interest Income" account.

Promotora de Informaciones, S.A. plans, through the company, to cover the exchangeable bond issue through all the shares of treasury stock held by it.

In addition to the foregoing, Promotora de Informaciones, S.A. 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, 2008, the number of shares thus loaned was 0. The loan earned interest of five basis points, payable monthly, calculated on the basis of the market value of the loaned shares. Also, Promotora de Informaciones, S.A. could have been 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, but the term of the loan have finished this year.

On the other hand, this exchangeable bond issue made by the Company meets the requirements with generally accepted accounting standards in the Netherlands for being considered to be an "Equity instrument". The liability component which represents the fair value of the option included in this instrument, of the net amount received since the Bond issue that could be separated from the equity component amount to €9,541 thousand. The fair value of the liability component was determined as the sum of all future cash payments using the prevailing market rate of interest for a Netherlands bond without the exchangeable option.
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17/12/09

5. Shareholders' equity

| | Issued and paid in shares | Reserves | Net Income for the year Shares | Total |
|---------------------------------|---------------------------------|----------|--------------------------------------|--------|
| | EUR | EUR | EUR | EUR |
| Balance as of December, 31 2007 | 18.000 | 15 | 81 | 18.097 |
| Appropriation of net | - | 81 | (81) | - |
| Income for the year | - | | 977 | 977 |
| Balance as of December, 31 2008 | 18.000 | 96 | 977 | 19.073 |

As of December 31, 2008, the capital stock of the Company consisted of 18 shares of €1.000 par value each.

As of December 31, 2008, the only shareholder of the Company is Promotora de Informaciones, S.A.

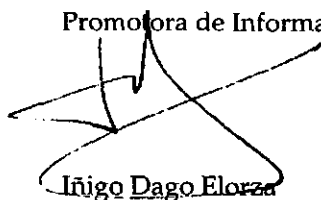
6. Directors' remuneration and other benefits

Neither in 2008 nor in 2007 there have been compensations for the Company's Board of Directors. Also, no credits, advances or loans have been granted to the members of the Board of Directors, and there are no pension commitments to them.

Amsterdam, The Netherlands

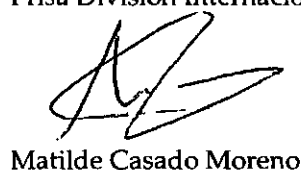
July 17, 2009

Promotora de Informaciones, S.A.



Iñigo Dago Elorza

Prisa División Internacional, S.L.



Matilde Casado Moreno

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17/7 12000

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Other Information

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PRISA FINANCE NETHERLANDS, B.V.

OTHER INFORMATION

1. Auditors' report

The auditors' report is on the next page.

2. Allocation of result

In accordance with Article 22, paragraph 1 of the Articles of Association the Shareholders's Body will determine the allocation of result.

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Related to auditors' report dated :

17/7 2009

Date
July 17, 2009

Reference
J. Penon

Auditors' report

Introduction

We have audited the financial statements of Prisa Finance Netherlands, B.V., Amsterdam, The Netherlands, for the year ended December 31, 2008 as set out on pages 2 to 7. These financial statements are the responsibility of Company management. Our responsibility is to express an opinion on these financial statements based on our audit work.

Scope

We conducted our audit in accordance with generally accepted auditing standards in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes an examination, by means of selective tests, of the documentation supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements of Prisa Finance Netherlands, B.V. give a true and fair view of the financial position of the Company as at December 31, 2008, and of the results for the year then ended, in accordance with generally accepted accounting principles in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, we have established to the extent of our competence that the annual report is consistent with the company financial statements.

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