



REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. ON THE PROPOSED AGREEMENT TO AMEND THE BYLAWS INCLUDED IN POINT 5 OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING CALLED TO BE HELD ON JUNE 29, 2017 AND JUNE 30, 2017, AT FIRST AND SECOND CALL, RESPECTIVELY.

I. Purpose of Report:

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. ("**PRISA**" or the "**Company**") following a report from the Corporate Governance Committee and in compliance with the provisions of article 286 of the Capital Companies Act, prepares this report to explain the proposed amendment to Article 25 of the Bylaws, included as point 5 of the Agenda for the next Ordinary General Shareholders Meeting called for June 29, 2017 on first call or, if the necessary quorum is not achieved on that call, on June 30, 2017, in the same place, on second call.

II. Objective and justification for the proposal

The purpose of the amendment of article 25 of the Bylaws, the approval of which is proposed to the Ordinary Shareholders Meeting, is to adapt the composition of the Audit Committee to the wording of article 529 quaterdecies of the Capital Companies Act, as provided by Law 22/2015, of July 20, on Audit of Accounts, which came into force on June 17, 2016.

Under the new legal regime, the Audit Committee must be composed of a majority of independent directors, rather than a minimum of 2 independent directors, which is currently established in the Bylaws. Likewise members of the Committee, as a whole, must have the relevant technical knowledge in relation to the sector of activity of the Company.

III. Proposed resolution to be submitted for approval at the shareholders meeting

Amendment of article 25 (1) (Audit Committee) of the Bylaws regarding the composition of the Audit Committee so that the wording of this article is as follows:

“Article 25.- Audit Committee.

- 1. The Board of Directors will establish an Audit Committee. The Audit Committee will have the functions corresponding to it pursuant to applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be given to it by the Board of Directors.*

(Free translation from the original in Spanish language)

2. *The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members. All members of the Audit Committee will be non-executive Directors. They further must comply with the other requirements established by law. The majority of the members of the Audit Committee shall be independent directors and at least one of them will be appointed considering his accounting and/or audit knowledge and experience.*

As a whole, members of the Committee will have the relevant technical knowledge in relation to the sector of activity of the Company.

The members of the Committee will be appointed by the Board of Directors on proposal of the Chairman, and will leave office when they do so in respect of their status as Directors, or when so resolved by the Board of Directors.

3. *The Chairman will be elected by the Board of Directors, from among the members of the Committee having the status of independent Directors, and further must satisfy the other legal requirements. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.*
4. *The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
5. *The Committee will meet periodically based on need, and at least four (4) times per year, after call by its Chairman.*
6. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Audit Committee, provided that they are compatible with the nature and functions of this Committee.”*

May 26, 2017