

**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSED RESOLUTION APPEARING AS ITEM THREE ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS MEETING TO BE INITIALLY HELD IN MADRID ON DECEMBER 5, 2008 OR, IF A SUFFICIENT QUORUM IS NOT PRESENT AT THAT TIME, ON DECEMBER 6, 2008, AT THE SAME PLACE**

---

This report is issued to justify the proposed resolution appearing as Item Three on the Agenda at the Shareholders Meeting to be initially held on December 5, 2008 or, if a sufficient quorum is not present at that time, on the next day at the same place and time. It concerns the delegation of powers to the Board of Directors to implement one or several issues of debentures, bonds and other similar fixed-interest securities, whether simple or convertible and/or exchangeable for shares in Promotora de Informaciones, S.A. (“Prisa” or the “Company”) or, in the case of exchangeable securities, for shares of another company (whether of the Group, or not), as well as warrants. This delegation of powers may likewise be used to issued promissory notes or preference participations.

The Board of Directors considers it highly desirable to be able to use the delegated powers envisioned in current legislation to enable it to be capable at any time of acting on the primary securities markets to raise the funds necessary to adequately manage the Company’s interests. This is even more desirable at this time within the framework of the present financial restructuring process initiated by Grupo Prisa, which will be carried out considering market conditions and the advisability of effecting disinvestments and/or capturing market resources. Thus, the purpose of this delegation of powers is to provide the Company’s management body with the scope of action and capacity to respond which the competitive environment in which it operates demands, and in which the success of a given transaction or strategic initiative depends on the possibility of acting immediately and without the delays and costs that calling and holding a new shareholders meeting would entail.

For that purpose and in accordance with the general rules governing the issue of debentures contained in Articles 282 ff. of the Corporations Law, pursuant to Article 319 of the Companies Registry Regulation, and applying by analogy the provisions of Article 153.1.b) of the Corporations Law, the proposed resolution appearing below as Item Three on the Agenda will be submitted at the Shareholders Meeting to obtain a delegation of powers in favor of the Board of Directors to implement one or several issues of simple, convertible and/or exchangeable fixed-interest securities, as well as warrants (options to subscribe new shares in the Company or to acquire outstanding stock in the Company or in another company, whether within the Group or not, which may be liquidated by the physical delivery of the shares or, if applicable, by the difference), within a term of five years and through cash contributions. The powers delegated likewise include the possibility of issuing promissory notes and preference participations. The warrants may, if applicable, be linked or in some way related to each issue of debentures, bonds and other similar fixed-interest securities implemented under the delegated powers to which this report refers, or with other loans or financial instruments that the Company recognizes and which constitute debt. The proposed resolution would revoke any unexercised powers granted under the resolution appearing under Item Seven on the Agenda of the Annual Shareholders Meeting of March 17, 2005 regarding the delegation of powers to issue convertible and/or exchangeable bonds, as well as warrants and other similar securities.

The proposed resolution specifies that the maximum total amount of the securities issue or issues implemented under these delegated powers will be Two Thousand Million Euro (2,000,000,000 €) or its equivalent in another currency, an amount deemed adequate in view of the dimension of the Company and the present financial and market conditions.

In the event that the Board of Directors decides to issue bonds convertible into newly-issued shares in the Company itself (or warrants on newly-issued shares), the proposed resolution also envisions authorizing the Board to implement any capital increase needed to cover the conversion, provided that this capital increase plus any other capital increases implemented pursuant to powers granted at the shareholders meeting, do not exceed half of the Company's share capital, as stipulated in Article 153.1.b) of the Corporations Law. In that regard, any capital increases considered necessary to cover the conversion of the bonds shall always be deemed included within the limit granted the Board under Item Six on the Agenda of the Shareholders Meeting held on March 17, 2005 authorizing a capital increase of up to half of the total share capital pursuant to the aforementioned provisions or, if approved, by an equivalent authorization to be proposed at the next Shareholders Meeting as Item Two on the Agenda or any future resolution that may replace it. With respect to warrants, it is specifically provided that, whenever compatible, the legal provisions governing convertible bonds shall apply.

In addition, in the event that convertible and/or exchangeable bonds or debentures, or warrants are issued, the resolution includes the criteria for determining the basis and types of conversion and/or exchange and exercise, although in the event that the Board of Directors makes use of the shareholders' authorization, the Board shall be empowered to determine some of the bases and types of each issue within the limits and following the criteria set forth at the Shareholders Meeting. In that regard, pursuant to the authorization granted at the Shareholders Meeting, the Board of Directors shall determine the specific rate of conversion and, to that end, when approving an issue of convertible bonds (or warrants on newly-issued shares) it shall issue a directors' report detailing the specific bases and types of conversion applicable to the issue in question, which shall likewise be subject to a report issued by the company auditors, as provided in Article 292 of the Corporations Law.

Specifically, and with regard to the issue of exchangeable and/or convertible bonds or debentures, the resolution that the Board is submitting at the Shareholders Meeting provides that the fixed-interest securities issued shall be convertible into new shares and/or exchangeable for outstanding shares at a determined or determinable conversion and/or exchange rate. For that purpose, the fixed-interest securities shall be valued at their face value and shares at the rate determined in the corresponding resolution at the meeting of the Board of Directors in which use of these delegated powers is made, or at a rate determinable on the date or dates indicated in the Board's resolution, based on the quotation of Prisa's shares on the stock market shares on the date(s) or for the period(s) used as a reference in the resolution and, if warranted, with a premium or discount applied to that price. In any event, the minimum shall be the greater of either (a) the average of the average weighted prices of Prisa stock on the continuous market of the Spanish stock exchanges during the period to be determined by the Board of Directors, which shall not exceed three months nor be less than 15 calendar days prior to the date that the Board adopts the issue resolution, or (b) the closing price of Prisa stock on the same continuous market on the trading day prior to adopting the aforementioned issue resolution. The Board may determine that the valuation of the stock for the purpose of conversion and/or exchange may be different for each conversion and/or

exchange date. In the case of exchanges for shares in another company (whether a Group company or not), if warranted and with the necessary adjustments, the same rules shall apply with regard to the quotation of those shares on the corresponding market.

With regard to warrants, the exercise price may be either determined or variable, depending on when the warrant is exercised, but in any case the price of the shares in question shall not be lower than greater of the values indicated above with respect to the issue of convertible debentures or bonds. In the case of call options on already-existing shares in another company (whether a Group company or not), if warranted and with the necessary adjustments, the same rules shall apply with regard to the quotation of the shares of that company.

In this manner, the Board deems that it has a sufficient margin of flexibility to determine the value of the shares to be converted and/or exchanged, based on market conditions and other applicable considerations, although this value should be at least substantially equivalent to its market value when the Board resolves to issue the fixed-interest securities or warrants.

Moreover, and pursuant to Article 292.3 of the Corporations Law, with respect to the conversion of debentures the resolution provides that their face value shall not be less than the face value of shares. Likewise, in the case of warrants issued, the resolution provides that the sum of the premium paid on each warrant and its exercise price shall not be less than the quotation value of the underlying share in the circumstances set forth above, nor lower than the face value of the shares at the moment the issue is implemented.

In other respects, in applying the provisions of Article 159.2 of the Corporations Law by analogy and with regard to issues of convertible debentures and/or warrants on newly-issued shares, it should be underscored that authorization to issue fixed-interest securities includes attributing to the Board of Directors the power to totally or partially exclude the preemptive rights of the holders of shares, convertible debentures and warrants on newly-issued shares, when this is required in order to capture financial resources on the markets or is otherwise justified in the interests of the Company. The Board of Directors deems that this additional possibility, which notably increases the scope of action and capacity for response afforded by the simple delegation of the power to issue convertible debentures and/or warrants, is justified by the flexibility and agility with which it is often necessary to act on current financial markets, in order to take advantage of those moments when market conditions are most favorable. This justification is also warranted when financial resources are sought on international markets where the large quantity of resources traded and the agility and speed with which this is done allows large volumes of funds to be obtained in very favorable conditions, provided that issues can be launched on those markets at the most opportune time, which often cannot be predetermined. Likewise, the exclusion of preemptive rights may be necessary when bookbuilding techniques are used. In other respects, if deemed necessary or advisable, exclusion may be used when placing convertible debentures and/or warrants or newly-issued shares with one or several qualified investors (such as institutional investors) or, if applicable, to facilitate the entry in Prisa of one or more industrial or financial shareholders who may contribute to creating value and meeting the Group's strategic objectives. Finally, the exclusion of preemptive rights somewhat lowers the financial costs of securities or warrants, as well as transaction costs (particularly commissions charged by the financial entities participating in the issue) when compared to issues with preemptive rights, while at the same time having less of a distorting effect on the trading of Company shares during the issue period.

In any event, the exclusion of preemptive rights is a power that the shareholders grant to the Board of Directors and, under specific circumstances and considering the legal requisites, the Board will decide in each case whether or not to exclude those rights. In that regard, if the Board decides to exclude preemptive rights with respect to a specific issue of convertible debentures and/or warrants on newly-issued shares that it may decide to approve by virtue of the authorization granted at the Shareholders Meeting, when approving the issue the Board will present a report explaining the specific corporate interests justifying that measure, which shall likewise be subject to a report from the company auditors, required under Article 159.2 of the Corporations Law. Both reports shall be made available to shareholders and holders of debentures and other convertible securities and announced at the first Shareholders Meeting held after adopting the resolution to implement the issue.

In addition, it is proposed to adopt any resolutions required to ensure that the securities issued by virtue of these delegated powers are admitted to trading on any secondary market, whether organized or not, official or non-official, or national or international.

The proposal likewise includes authorizing the Board to guarantee any fixed-interest securities issues, whether they be convertible and/or exchangeable or warrants, including promissory notes and preference participations, that may be made by companies belonging to Grupo Prisa.

Lastly, the proposal envisions expressly empowering the Board of Directors to grant to the Executive Committee, the Chairman, or the Chief Executive Officer any delegable powers received from the shareholders.

**PROPOSED RESOLUTION TO BE SUBMITTED AT THE SHAREHOLDERS MEETING AS ITEM THREE ON THE AGENDA:**

“I) To revoke any unexercised powers granted in the resolution passed as Item Seven on the Agenda at the Annual Shareholders Meeting of March 17, 2005, concerning the delegation of powers to issue convertible and/or exchangeable debentures, as well as warrants and other similar securities.

II) To delegate to the Board of Directors, in accordance with the general rules governing the issue of debentures, and pursuant to Article 319 of the Companies Registry Regulation and applying by analogy the provisions of Article 153.1.b) of the Corporations Law, the power to issue simple or convertible and/or exchangeable fixed-income securities and warrants, as well as promissory notes and preference participations in the following conditions:

1. Securities included in the issue. The securities envisioned in these delegated powers may be debentures, bonds and similar fixed-income securities, whether simple or convertible into newly-issued shares in the Company and/or outstanding Company shares. These delegated powers may likewise be used to issue debentures exchangeable for outstanding shares in another company, whether a Group company or not, to issue warrants (options to subscribe new shares in the Company or to acquire outstanding shares in the Company or in another company, whether a Group company or not, which may be liquidated by the physical delivery of the shares or, if applicable, by the

difference) that may, if applicable, be linked or in some way related to each issue of debentures, bonds and other similar simple fixed-interest securities implemented under these delegated powers or with other securities or financial instruments that the Company recognizes and which constitute debt. The delegated powers may likewise be used to issue promissory notes or preference participations.

2. Term. One or several securities issues may be implemented at any time within a maximum term of five (5) years from the date of the adoption of this resolution.
3. Maximum value. The total maximum value of the securities issue or issues envisioned under these delegated powers shall be Two Thousand Million Euro (2,000,000,000 €) or its equivalent in another currency.

To calculate the limit specified above, in the case of warrants, the sum of the premiums and exercise price of the warrants in each issue approved under these delegated powers will be taken into account. In the case of promissory notes, with respect to the aforementioned limit the current balance of the promissory notes issued pursuant to these delegated powers will be computed.

It should be noted that pursuant to the provisions of Article 111 of Law 24/1988, of July 28 on the Securities Market, the limit set forth in Article 282.1 of the Corporations Law does not apply to Prisa.

4. Extent of the Delegated Powers. The powers delegated to the Board of Directors herein include, but are not limited to, determining the value of each issue (within the total maximum limit); the place of the issue (national or foreign); the currency and, in the case of foreign issues, the equivalence in euros; the type of securities whether they be bonds or debentures (including subordinated bonds), warrants (which may likewise be liquidated by means of the physical delivery of shares or, if applicable, by differences), promissory notes, preference participations or any other lawful securities; the issue date or dates; the number of securities and their face value; the interest rate, the dates and procedures for coupon payments; whether they are perpetual or redeemable and, with respect to the latter, the redemption term and maturity date; the type of reimbursement, premiums and lots, guarantees; how the securities will be represented, whether with certificates or as book entries; preemptive rights and, if applicable, subscription procedures; anti-dilution clauses; the ranking system and, if applicable, subordination; the applicable legislation; application to have the securities issued admitted to trading on secondary markets, whether official or non-official, organized or not, national or international, complying with the current legal requisites in each case; and, in general, any other condition of current or future legislation, as well as, if applicable, appointing a trustee and approving the basic rules governing the legal relations between the Company and the syndicate of the holders of the securities issued, in the event deemed necessary or it is decided to form a syndicate. With regard to each specific issue implemented by virtue of these delegated powers, the Board of Directors may determine any matter not addressed in this resolution.
5. Bases and types of conversion and/or exchange. In the event of issuing convertible and/or exchangeable debentures or bonds, the following criteria shall be used in determining the bases and types of conversion and/or exchange:

- (i) The securities issued by virtue of this resolution shall be convertible into new shares in Prisa and/or exchangeable for outstanding shares in the Company, in any of the Group companies, or in any other company, at a determined or determinable conversion and/or exchange rate, the Board of Directors being empowered to determine whether they are convertible and/or exchangeable, as well as deciding whether conversion and/or exchange is mandatory or voluntary, and if voluntary, whether it is at the option of the holder or issuer, and the intervals and term set forth in the resolution implementing the issue, which may not exceed fifteen (15) years from the date of issue.
- (ii) For convertible or exchangeable issues, the Board may determine that the issuer reserves the right at any time to choose between converting the securities into new shares or exchanging them for outstanding shares, defining the characteristics of the shares upon effecting the conversion or exchange, and being able to choose to deliver a combination of newly-issued and pre-existing shares or an amount in cash. In any case, the issuer shall afford equal treatment to all of the holders of fixed-interest securities that are converted and/or exchanged on the same date.
- (iii) For the purposes of conversion and/or exchange, the fixed-interest securities shall be valued at their face value and shares at the exchange rate determined in the resolution passed at the meeting of the Board of Directors in which use of these delegated powers is made, or at an exchange rate determinable on the date or dates indicated in the Board's resolution, based on the quotation of Prisa's shares on the stock market on the date(s) or for the period(s) used as a reference in that same resolution, if warranted, with a premium or discount applied to that price, and in any event, the minimum shall be the greater of either (a) the average of the average weighted prices of Prisa stock on the continuous market of the Spanish stock exchanges during the period to be determined by the Board of Directors, which shall not exceed three months nor be less than 15 calendar days prior to the date the Board adopts the resolution to issue the fixed-interest securities, or (b) the closing price of Prisa stock on the same continuous market on the trading day prior to adopting the aforementioned issue resolution. The Board may determine that the valuation of the stock for the purpose of conversion and/or exchange may be different for each conversion and/or exchange date. In the case of exchanges for shares in another company (whether a Group company or not), if warranted and with the necessary adjustments, the same rules shall apply with regard to the quotation of those shares on the corresponding market.
- (iv) In the conversions and/or exchanges, fractions of shares to be delivered to securities holders shall by default be rounded down to the nearest whole number, and each holder will receive any difference in cash.
- (v) In converting debentures into shares, in no event may the value of the share be less than its face value. Pursuant to Article 292.3 of the Corporations Law, debentures may not be converted into shares when the value of the former is less than the value of the latter. Neither may convertible debentures be issued for an amount less than their face value.

When approving an issue of convertible debentures pursuant to the powers conferred upon the Board of Directors at the shareholders meeting, based on the aforementioned criteria the Board shall issue a directors' report detailing the specific bases and types of conversion applicable to the issue in question. This report shall be accompanied by a corresponding report issued by the company auditors, as provided in Article 292 of the Corporations Law.

6. Bases and types of exercise applying to warrants. In the event of issuing warrants convertible and/or exchangeable for shares, to which by analogy the provisions of the Corporations Law governing convertible debentures shall apply, the following criteria shall be used to determine the bases and types of exercise:

- (i) Warrants issued by virtue of this resolution may grant the right to subscribe new shares issued by the Company or to acquire outstanding stock in Prisa or in another company, whether a member of the Group or not, or a combination of any of the above. In any event, when the warrants are exercised the Company may reserve the right to deliver new shares, outstanding shares, or a combination of the two, as well as liquidating any differences.
- (ii) The term for exercising warrants shall be determined by the Board of Directors, and may not exceed fifteen (15) years from the date of issue.
- (iii) The exercise price for warrants may be fixed or variable, depending on the date(s) or period(s) taken as a reference. In that regard, the price shall be determined by the Board of Directors at the time of issue or shall be determinable at a subsequent time based on criteria set forth in the resolution itself. In any event, the share price in question may not be less than the greater of either (i) the average of the average weighted prices of Prisa stock on the Spanish stock exchanges during the period to be determined by the Board of Directors, which shall not exceed three months nor be less than fifteen calendar days prior to the Board's adoption of the issue resolution, or (ii) the closing price of Prisa stock on the same continuous market on the trading day prior to adopting the aforementioned issue resolution. In the case of call options on already-existing shares in another company (whether a Group company or not), if warranted and with the necessary adjustments, the same rules shall apply with regard to the quotation of shares in that company on the corresponding market.
- (iv) When warrants are issued at a simple or at an at par exchange (one share per warrant), the sum of the premium or premiums paid for each warrant and its exercise price may never be less than the value of the underlying share considered in accordance with the provisions of section (iii) above, nor less than its face value.

When warrants are issued with a multiple exchange (at a rate other than one share per warrant), the sum of the premium or premiums paid for all warrants issued and their aggregate exercise price may never be less than the result of multiplying the number of shares underlying the total number of warrants issued by the value of the underlying share considered in accordance with the provisions of section (iii) above, nor less than their total face value at the time of the issue.

When approving an issue of warrants pursuant to the powers conferred herein, based on the criteria set forth above the Board of Directors shall issue a report detailing the bases and types of exercise specifically applicable to the issue in question. This report shall be accompanied by a corresponding report issued by the company auditors, as provided in Article 292.2 of the Corporations Law.

7. Rights of the holders of convertible securities. Until it is possible to convert and/or exchange the fixed-interest securities issued for shares or to exercise of warrants, their holders shall have all rights recognized them in current legislation and particularly, where applicable, those concerning preemptive rights (in the case of convertible debentures or warrants on newly-issued shares) and anti-dilution clauses where legally provided, unless the shareholders or the Board of Directors decide, pursuant to the terms and requisites of Article 159 of the current Corporations Law, to totally or partially exclude the preemptive rights of the shareholders and the holders of convertible debentures and warrants on newly-issued shares.
8. Capital increases and the exclusion of preemptive rights with respect to convertible securities. The powers conferred on the Board of Directors likewise include, but are not limited to, the following:
  - (i) Pursuant to Article 159 of the Corporations Law, the power of the Board of Directors to totally or partially exclude the preemptive rights of shareholders and of holders of convertible debentures and, if applicable, holders of warrants on newly-issued shares when, within the framework of a new issue this becomes advisable in order to capture financial resources on international markets, to use bookbuilding techniques, to facilitate the entry of industrial or financial investors who may contribute to creating value and meeting the Groups strategic objectives, or for any other reason justified in the interests of the Company. In any event, if the Board decides to exclude preemption rights with respect to a specific issue of convertible debentures or warrants that it may issue by virtue of these delegated powers, upon approving the issue and pursuant to applicable legislation the Board shall issue a report explaining the specific company interests that justify that measure, which shall likewise be the object of a corresponding report from the company auditors to which Article 159.2 of the Corporations Law refers. Those reports shall be made available to shareholders and to the holders of convertible debentures and warrants on newly-issued shares and announced at the first shareholders meeting held subsequent to the issue resolution.
  - (ii) The power to increase capital as necessary to cover applications for conversion of the exercise of warrants on newly-issued shares. The Board may only exercise this power if the capital increases passed to cover the issue of convertible debentures or the exercise of warrants and any other capital increases that may have been approved by virtue of powers granted by the shareholders do not exceed the limit of one half of the amount of the Company's total share capital, pursuant to Article 153.1 b) of the Corporations Law. This authorization to increase share capital includes the power to implement one or several share issues necessary to cover the conversion or exercise of warrants, as well as to amend the company bylaws concerning share capital and, if required, the power to revoke any part of the capital increase not needed for the conversion into shares or exercise of warrants.



- (iii) The power to specify and determine the bases and types of conversion and/or exchange, taking into account the criteria set forth in sections 5 and 6 above including, among others, determining the time for conversion and/or exchange or the exercise of warrants and, in general and in the broadest of terms, establishing any details or conditions necessary or advisable for each issue.

At subsequent Shareholders Meetings the Board of Directors shall inform shareholders of any powers delegated herein that it may have exercised at that time.

- 9. Admission to trading. Where applicable, the Company shall apply to have the debentures, bonds, preference participations, warrants and any other securities issued by virtue of these delegated powers admitted to trading on secondary markets, whether organized or not, official or nonofficial, national or international, the Board being authorized to take any measures necessary with the competent national and international securities markets authorities to ensure that they are admitted to trading.
- 10. Guarantee of fixed-interest securities. Within a term of five years the Board of Directors is equally authorized to guarantee on behalf of the Company and within the limit set forth above, issues of fixed-interest securities, whether convertible and/or exchangeable, including warrants, as well as promissory notes and preference participations that may be made by companies belonging to Grupo Prisa.
- 11. Sustitution: The Board of Directors is expressly authorized to grant to the Executive Committee, the Chairman, or the Chief Executive Officer any delegable powers granted the Board herein.”

Madrid, October 3, 2008