



REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSED AMENDMENT TO THE BYLAWS REFERRED TO AS ITEM SIX ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 27, 2014 AND APRIL 28, 2014, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.

I. Object of the Report

Item six on the Agenda of the next Ordinary General Meeting of Shareholders of Promotora de Informaciones, S.A. (hereinafter **Prisa** or the **Company**) refers to a draft resolution relating to the distribution of the minimum annual dividend for the non voting convertible Class B shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares, which will take place, in accordance with the provisions of article 6.2 (b) of the Bylaws, after forty-two (42) months from their issue date, by means of the delivery of common Class A shares, pursuant to article 6.2 (a) of the Bylaws. The proposed resolution will be submitted for the approval of the Ordinary General Meeting of Shareholders to be held on April 27, 2014 on the initial call or, in the event that a sufficient quorum is not obtained, on April 28, 2014 in the same place on the second call.

The Board of Directors makes this report in compliance with the provisions of articles 286 and 296 of the Capital Companies Act, given that the proposed resolution requires the approval by the General Meeting of Shareholders of a capital increase in order to meet the payment of the aforementioned dividend by means of the delivery of newly-issued common Class A shares, and the consequent modification of article 6 of the Bylaws.

2. Purpose of and justification for the proposal

2.1. Justification for the proposal:

Pursuant to article 6.2 a) of the Bylaws, in the context of the current economic situation and the situation of the financial markets, bearing in mind the lack of distributable profits in the 2013 financial year, and as was decided in the Ordinary General Meetings held on 30 June 2012 and 22 June 2013, for the distribution of the dividend corresponding to the 2011 and 2012 financial years respectively, it is considered advisable to pay the minimum annual dividend on the non voting Class B shares, for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of their the mandatory conversion by means of common Class A shares, in order to improve the Company's cash position.

2.2. Amount of the capital increase for the payment of the minimum dividend on the Class B shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares:

For the purposes of meeting the payment of the minimum annual dividend on the Class B shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares by means of the delivery of newly-issued Class A shares, and given the fact that there are no distributable profits in the aforementioned 2013 financial year, it is proposed that the Company's capital be increased by a charge against the issue premium reserve created on the occasion of the issue of the Class B shares in the sum of 7,735,026.20 euros.

As a result of the said increase, 77,350,262 common Class A shares will be issued and will be allocated to the owners of the Class B shares in accordance with the formula set out in article 6.2 (a) of the Bylaws, pursuant to which each Class B shareholder has the right to be allocated the ordinary Class A shares that result from dividing the product of the number of Class B shares owned by it multiplied by 0.175 Euros by 1, which is the value in euros attributed to the ordinary Class A shares by the Bylaws.

2.3. Adjustment of capital increases by rounding

In the case of capital increases contemplated in sections 2.2 above, the number of Class A shares to be issued will be rounded downward and, therefore, fractional Class A shares will not be issued or allocated. As a result, a Class B shareholder entitled to receive a fraction of a Class A share for that fractional interest will receive only cash compensation equivalent to the dividend corresponding to it in accordance with the calculation formula set forth in the Bylaws. Therefore, it is possible that, even if the Company decides to pay all of the annual minimum dividend for the 2013 financial year or the dividend accrued thereafter by reason of mandatory conversion into Class A shares, by reason of rounding a part of the minimum dividend do not consist of Class A shares, but rather of cash. In this case the amounts of the increases corresponding to the annual dividend and dividend accrued by reason of mandatory conversion automatically will be reduced to the extent resulting from the effect of the aforesaid rounding in accordance with the calculation formula set forth in the Bylaws.

2.4. Balance sheet and reserve against which both increases are made

The balance sheet serving as the basis for the capital increase to be used to cover payment of both the minimum annual dividend on Class B shares for the 2013 financial year and the dividend accrued thereafter by reason of mandatory conversion is the balance sheet at 31 December 2013, which has been audited by Deloitte, S.L. on March 19, 2014, and submitted for approval of the Ordinary General Meeting of shareholders under the first point of the Agenda.

The par value of the shares involved in the issue will be paid by application of the corresponding amount of the positive balance of the issue premium created upon issue of the non-voting convertible Class B shares, established as a reserve restricted except for purposes of payment of minimum dividend and covering payment of the par value of Class A common shares in excess of the number of non-voting Class B shares that are converted on the mandatory conversion date if the conversion rate is other than 1 to 1, as established in the Bylaws.

2.5. Rights of new Class A shares

The new Class A shares issued by virtue of the capital increase contemplated in the preceding section 2.2 will be Class A common shares with a par value of ten cents (0.10) on the euro each, of the same class and series as the Class A common shares currently outstanding, registered in book-entry form with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its Affiliated Participants. The new Class A shares will confer to their holders the same voting and economic rights as the Company's common shares currently outstanding, from the date the capital increases are declared to have been subscribed and paid up.

2.6. Amendment of the Bylaws

It will be necessary to amend article 6 of the Bylaws in order to adapt it to the new share capital figure that results from the proposed capital increase.

3. Voting for the adoption of the resolution that is the object of this report

A reinforced attendance quorum (50% on the initial call and 25% on the second call) will be required and the resolution must be approved with a qualified majority in favour of 69% of the shares present or represented by proxy (on initial or on second call), as provided in article 15 bis of the Bylaws.

4. Delegation of powers

It is proposed to authorise the Board of Directors, with the power of delegation to its Delegated Committee, the President of the Board of Directors and the Chief Executive Officer, to resolve to execute the capital increase and to fix the terms of it to the extent that the resolution that is the object of this report is silent, all in the terms established in the proposed resolution included under the next section.

5. Proposed resolution submitted for the approval of the General Meeting of Shareholders

The proposed resolution submitted for the approval of the General Meeting of Shareholders reads as follows:

“Distribution of the minimum annual dividend on the Class B shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares. Approval of the capital increase by a charge against the issue premium reserve of the Class B shares that is necessary to meet the payment of the minimum annual dividend on the Class B shares in Class A shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares into Class A shares. Request for the listing of the ordinary Class A shares issued by means of the execution of the said capital increase on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. Delegation to the Board of Directors of the necessary powers to execute the capital increase.”

“1. Payment of the minimum annual dividend on the Class B shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares into common Class A shares.

In accordance with the provisions of article 6.2 (a) of the Bylaws, it is resolved to meet, by the delivery of newly-issued Class A Shares, the preferential minimum annual dividend on the Class B shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares, which will take place, in accordance with the provisions of article 6.2 (b) of the Bylaws, after forty-two (42) months from their issue date, for a total amount of 7,735,026.20 euros, by the delivery of 77,350,262 newly-issued Class A Shares.

The said amount, calculated on the basis that all the Class B shares in circulation at the date of issue of this proposed resolution by the Board of Directors participate in the mandatory conversion and that the value of the accrued dividend per share in the reference period is 0.175 euros, in accordance with article 6.2 (a) of the Bylaws, will be automatically reduced by reference to the Class B shares that voluntarily participate in the conversion to Class A shares before the end of said period of forty-two (42) months from their issue date.

2. Capital increase for the payment of the minimum annual dividend

In order to meet the payment of the minimum annual dividend on the Class B shares for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares by means of the delivery of newly-issued Class A shares, in accordance with the provisions of the Bylaws and given that there are no distributable profits in the aforementioned 2013 financial year, it is resolved to increase the Company's capital by a charge against the issue premium reserve of the Class B shares in the sum of 7,735,026.20 euros.

As a result of the said increase, 77,350,262 common Class A shares will be issued and will be allocated to the owners of the Class B shares in accordance with the formula set out in article 6.2 (a) of the Bylaws, pursuant to which each Class B shareholder has the right to be allocated the ordinary Class A shares that result from dividing the product of the number of Class B shares owned by it multiplied by 0.175 euros by 1, which is the value in euros attributed to the ordinary Class A shares by the Bylaws.

Express provision is made for the partial execution of this capital increase in the event of the voluntary conversion of the Class B shares prior to the date for payment of the aforementioned minimum annual dividend.

3. Adjustment of capital increases by rounding

In the case of capital increases contemplated in section 2, the number of Class A shares to be issued will be rounded downward and, therefore, fractional Class A shares will not be issued or allocated. As a result, a Class B shareholder entitled to receive a fraction of a Class A share for that fractional interest will receive only cash compensation equivalent to the dividend corresponding to it in accordance with the calculation formula set forth in the Bylaws. Therefore, it is possible that, even if the Company decides to pay all of the annual

minimum dividend for the 2013 financial year or the dividend accrued thereafter by reason of mandatory conversion into Class A shares, by reason of rounding a part of the minimum dividend do not consist of Class A shares, but rather of cash. In this case the amounts of the increases corresponding to the annual dividend and dividend accrued by reason of mandatory conversion automatically will be reduced to the extent resulting from the effect of the aforesaid rounding in accordance with the calculation formula set forth in the Bylaws.

4. Balance sheet and reserve against which both increases are made

The balance sheet serving as the basis for the capital increase to be used to cover payment of both the minimum annual dividend on Class B shares for the 2013 financial year and the dividend accrued thereafter by reason of mandatory conversion is the balance sheet at 31 December 2013, which has been audited by Deloitte, S.L. on March 19, 2014, and submitted for approval of the Ordinary General Meeting of shareholders under the first point of the Agenda.

The par value of the shares involved in the issue will be paid by application of the corresponding amount of the positive balance of the issue premium created upon issue of the non-voting convertible Class B shares, established as a reserve restricted except for purposes of payment of minimum dividend and covering payment of the par value of Class A common shares in excess of the number of non-voting Class B shares that are converted on the mandatory conversion date if the conversion rate is other than 1 to 1, as established in the Bylaws.

5. Rights of new Class A shares

The new Class A shares issued by virtue of the capital increase contemplated in the preceding section 2 will be Class A common shares with a par value of ten cents (0.10) on the euro each, of the same class and series as the Class A common shares currently outstanding, registered in book-entry form with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its Affiliated Participants. The new Class A shares will confer to their holders the same voting and economic rights as the Company's common shares currently outstanding, from the date the capital increases are declared to have been subscribed and paid up.

Each of the public deeds documenting the issue of the new Class A shares having been executed, it will be registered in the Madrid Commercial Registry and the deed will be delivered to the National Securities Market Commission (CNMV), the corresponding stock exchange markets and Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). The latter will enter the issued shares in its central registry. The Affiliated Participants will make the corresponding book entries in favour of the owners of the allocated shares, after which time the owners may request the certificates showing ownership of the issued shares from the Affiliated Participants.

6. Admission to trading of the new Class A shares

It is resolved to request admission to trading of the new Class A shares issued by virtue of this capital increases resolution on the Madrid, Barcelona, Bilbao and Valencia stock exchange

markets, through the Exchange Interconnection (Continuous Market) System, and to take such steps and actions as may be necessary and present such documents as may be required by the competent authorities for admission to trading of the newly-issued Class A shares corresponding to the resolved capital increases, it being expressly noted that the Company is subject to such rules as may exist or be issued regarding stock exchange markets and, in particular, regarding listing, maintenance of listing and delisting.

It is expressly noted that, if delisting of the Company's shares subsequently is requested, it will be adopted with the same formalities that are applicable and, in that case, the interests of shareholders opposing or not voting on the delisting resolution will be guaranteed.

If it deems it to be appropriate, the Board of Directors is authorised to request admission to trading of the Class A shares issued by virtue of this resolution on the New York Stock Exchange, by way of issue of the appropriate "American Depositary Shares" or on any other foreign secondary markets it deems to be appropriate.

In compliance with the provisions of sections 1 and 3 of article 35 bis of Securities Market Act 24/1988 of 28 July 1988, the Company, by means of the corresponding material disclosure to the CNMV, will make all documentation related to the transaction available to the public, including the corporate resolutions, the report of the administrators and the auditor's report.

7. Delegation of authority to implement capital increase resolutions

It is resolved to authorise the Board of Directors, under the provisions of article 297(1)(a) of the Capital Companies Act, as broadly as required by law, with express authority to delegate to its Delegated Committee, President of the Board of Directors or Chief Executive Officer so that, on a non-exhaustive basis, rather merely by way of illustration and not limitation, it may:

- (i) Resolve to execute the capital increase corresponding to the payment by means of the delivery in common class A shares of the annual dividend for the 2013 financial year and the pro rata part of the minimum annual dividend on the Class B shares for the 2013 financial year and the pro rata part of the dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares into Class A shares, determine the date of issue and delivery of the new shares and fix the terms of the capital increase to the extent that this resolution is silent. In particular the Board of Directors is instructed and authorised to: (i) execute the capital increase to meet the payment of the minimum annual dividend for the 2013 financial year and the pro rata part of that dividend accruing during 2014 up to the time of the mandatory conversion of the Class B shares into Class A shares; (ii) to determine the definitive amount of the capital increase intended for the payment of the aforementioned dividend by reference to any corresponding reduction or reductions according to the number of Class B shares that have requested voluntary conversion; and (iii) determine the definitive amount of the capital increase intended to meet the payment of the aforementioned dividend once the rounding has been done in accordance with the process explained in section 3 above.*

- (ii) *To declare the corresponding capital increase to have been closed and implemented.*
- (iii) *To redraft section 1 of article 6 of the Bylaws related to capital to adjust it to the new amount of share capital that results of implementation of the capital increase.*
- (iv) *To execute the public deed reflecting the foregoing resolutions, and such others as may be necessary or appropriate for purposes of implementing the capital increase referred to above, determining the number of shares to be issued, and redrafting article 6 of the Bylaws to adapt it to the number of shares resulting.*
- (v) *To exercise any rights and obligations deriving from the aforesaid public deeds.*
- (vi) *To draft and prepare such prospectuses and notices as may be required by applicable legislation, in particular those requested by the CNMV or any other public agency, and to agree to such subsequent amendments thereof as it deems to be appropriate, filing them with the authorities competent for that purpose.*
- (vii) *If applicable, to appoint the company assuming the functions of agent for the capital increase and for that purpose to sign such agreements and documents as may be necessary.*
- (viii) *To apply for admission to trading of the newly-issued Class A shares on the Madrid, Barcelona, Bilbao and Valencia stock exchange markets and their inclusion within the Exchange Interconnection (Continuous Market) System, with all the powers that are necessary for that purpose under the applicable legislation, taking whatever steps are necessary and executing whatever documents are required to do so, and to appoint the entity responsible for maintaining the accounting records for the shares and, if applicable, the custodians responsible for issuing the deposit certificates to represent the shares, executing whatever documents are necessary for that purpose.*
- (ix) *To apply for admission to trading of the new Class A shares issued by virtue of capital increase resolutions on the New York Stock Exchange, by way of issuance of the appropriate "American Depositary Shares" or on any other foreign secondary markets it deems to be appropriate.*
- (x) *To take such actions as may be necessary and approve and formalise such public or private documents as may be necessary or appropriate for full effectiveness of the capital increase resolutions as regards any of their aspects and content; to apply for such entries or annotations as may be necessary in respect of the aforesaid capital increases, or any other question related thereto, appearing before the Commercial Registry or any other entity required for such purposes.*
- (xi) *If applicable, to correct and complete the errors, defects and omissions in the documents formalised as a result of exercise of the authority granted herein, that prevent or interfere with their full effectiveness, in particular those that may prevent their entry in the public registries, for that purpose having authority to introduce such modifications as may be required to adapt them to the verbal or written review of the Registrar.*

(xii) *And, in order to exercise the foregoing authority, to take any actions or sign and execute any other documents, whether public or private, they deem to be necessary or useful for implementation of the authority conferred herein.”*

24 February 2014