



REPORT OF THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. (“Prisa” or the “Company”) REQUESTED BY THE SHAREHOLDER PROMOTORA DE PUBLICACIONES, S.L. REGARDING THE PROPOSED RESOLUTION TO BE INCLUDED UNDER THE EIGHTH POINT OF THE AGENDA FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS CALLED TO BE HELD ON 29 JUNE 2012, ON FIRST CALL, AND ON 30 JUNE 2012 ON SECOND CALL.

1. INTRODUCTION

Pursuant to article 519.1 of the Capital Companies Law, the last 2 June 2012 Promotora de Publicaciones, S.L., shareholder of Prisa, holding over 5% of the share capital of the Company (the “**Applicant Shareholder**”) requested to be included, among other, a proposed resolution related to the distribution of the annual minimum dividend on Class B shares for the 2011 financial year and the payment of such proportional part of the minimum dividend as may accrue by reason of conversion of the Class B shares into Class A common shares over the twelve months following this General Meeting. The aforesaid resolution proposal will be submitted for approval under point Eighth of the Agenda of the Ordinary General Meeting of Shareholders called for **29 June 2012**, at **12:30**, on first call, or if a sufficient quorum is not achieved on that call, on **30 June 2012**, at **12:30** in the same place, on second call.

Approval of the resolution covered by this Report will require prior approval of the resolution covered by point seventh of the Agenda regarding amendment of the scheme for payment of the minimum dividend on Class B shares in cash, as well as the resolutions upon which that amendment is conditioned, that is, amendment of article 15 of the Bylaws on the majority required for approval of certain matters by the General Meeting, the issue of mandatorily convertible bonds that will be subscribed by certain creditors of the Company and other subscribing entities. The aforesaid resolutions will be submitted to the approval of the General Shareholders Meeting at the request of the Applicant Shareholder under points Ninth and Tenth of the Agenda, respectively. The referred proposed resolutions have been covered by reports of the Board of Directors at the request of the Applicant Shareholder. It is recommended that all of them be read together.

Assuming that the aforesaid resolutions are approved, it is believed that it is appropriate to resolve to pay the minimum dividend corresponding to the Class B shares for the 2011 financial year by delivering newly-issued Class A common shares and provide for the possibility of also paying such dividends as may accrue as a result of early conversion of the Class B shares over the 12 months following the holding of this General Shareholders Meeting in Class A common shares. As a result of the foregoing, there being no distributable profits for the aforesaid 2011 financial year, it is proposed that the General Shareholders Meeting approve two capital increases to cover payment of the aforesaid preferred dividends.

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In order for the aforesaid capital increase resolutions to be submitted for approval of the Ordinary General Meeting of Shareholders, it is mandatory that the Board of Directors of the Company prepare, at the request of the Applicant Shareholder, this report in compliance with the provisions of articles 286 and 296 of the Capital Companies Act.

Set forth below for the shareholders is an explanation of the proposed capital increases necessary to cover payment of the annual preferred minimum dividend on Class B shares for the 2011 financial year and allow for payment of such dividends as may accrue by reason of early conversion of the Class B shares over the twelve months following the holding of this General Shareholders Meeting, and the related Bylaws amendment.

1. EXPLANATION OF CAPITAL INCREASE FOR PAYMENT OF PREFERRED MINIMUM DIVIDEND ON CLASS B SHARES FOR THE 2011 FINANCIAL YEAR AND CAPITAL INCREASES FOR PAYMENT OF SUCH DIVIDENDS AS MAY ACCRUE BY REASON OF EARLY CONVERSION OF CLASS B SHARES

2.1. Background

As has been indicated, the capital increases covered by this Report necessarily depend on approval of point Seventh of the Agenda, for which reason it is proposed to the General Shareholders Meeting to amend the scheme for the minimum preferred minimum dividend on the non-voting Class B shares, so that the Company may freely determine whether payment of that minimum dividend is to be made in cash, in Class A shares or using a combination of the two.

If the amendment of the scheme for the preferred minimum dividend is approved by the General Shareholders Meeting, it is believed that it is appropriate to propose to the General Shareholders Meeting that the minimum dividend corresponding to the 2011 financial year be paid by delivery of Class A shares and that provision be made for payment in Class A shares of such minimum dividend as may accrue by reason of early conversion of the Class B shares.

2.2. Justification of the proposal

In the context of the current economic situation and the status of the financial markets, and taking account of the fact that there were no profits for the 2011 financial year, it is believed that it is appropriate to pay the full amount of the annual minimum dividend for the 2011 financial year in Class A Shares, and establish a mechanism also to pay such dividends as may accrue by reason of voluntary conversion of Class B shares by delivery of Class A shares, all in order to improve an appropriate level of cash savings for the Company and to improve its own funds.

2.2.1. Amount of capital increase to pay preferred minimum dividend on Class B shares

For purposes of covering payment of the annual minimum dividend on Class B shares for the 2011 financial year by delivery of Class A common shares, there not being distributable profits in the aforesaid 2011 financial year, it is proposed to increase the Company's capital

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against the issue premium created upon issue of the Class B shares, to the extent allocated to this purpose, in the amount of € 6,594,777.60.

As a result of the aforesaid increase, 65,947,776 Class A common shares will be issued, and allocated to the holders of Class B shares using the formula contemplated in article 6.2(a) of the Bylaws, pursuant to which each Class B shareholder is entitled to allocation to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares held by it and €0.175 by 1, which is the euro value given by the Bylaws to Class A common shares.

2.2.2. Amount of capital increase by reason of early conversion of Class B shares

In order to be in a position to pay such minimum dividends as may accrue by reason of early conversion of the Class B shares in Class A shares, the Board of Directors proposes to increase capital against the issue premium reserve created upon issue of the Class B shares, to the extent allocated to this purpose, in twelve tranches corresponding to each of the periods during which the minimum dividend may accrue by reason of conversion, each of them in the amount indicated in the proposed resolution included in section 5 below.

The amount of the capital increase corresponding to each of the 12 tranches will be automatically reduced if (and to the extent that) the Company's Board of Directors, in view of the conversions requested, decides, based on the liquidity position of the Company and the evolution of the share price, to pay such dividend as may accrue during each of the conversion periods in cash. The reduction of the amount of the increase will be equivalent to the par value of the number of Class A shares that would have been required to pay the cash dividend in shares in accordance with the formula set forth in the Bylaws.

2.2.3. Adjustment of capital increases by rounding

In the capital increases contemplated in sections 2.2.1 and 2.2.2 above, the number of shares to be issued will be rounded downward. 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 use Class A shares to pay the entire annual minimum dividend corresponding to the 2011 financial year, or such dividends as may accrue thereafter by reason of 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 such dividends as may accrue by reason of 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.

2.2.4. Balance sheet and reserve against which the capital increases are made

The balance sheet serving as the basis for a capital increase to cover payment of either the minimum annual dividend on Class B shares for the 2011 financial year or such dividends as may accrue thereafter by reason of conversion is the balance sheet at 31 December 2011,

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audited by Deloitte, S.L. on 26 April 2012, which has been submitted for approval of the Ordinary General Meeting of shareholders under point first of the agenda.

The par value of the shares involved in the issue (which are issued at par) 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 dividends 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 Articles of Association.

2.2.5. Rights of new Class A shares

The new shares issued by virtue of the capital increases covered by this Report will be 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 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.

2.2.6. Articles amendment

Finally, it would be necessary to amend article 6 of the Bylaws to adapt it to the new capital figure resulting from the proposed capital increases.

3. VOTING FOR ADOPTION OF THE RESOLUTION COVERED BY THIS REPORT

It is required a qualified attendance quorum (50% on first call and 25% on second call), and the resolution must be approved by a favourable qualified majority of 75% of the shares present or represented (on first or second call), as contemplated in article 15 bis of the .

4. DELEGATION OF AUTHORITY

It is proposed to authorise the Board of Directors, with authority to delegate to its Delegated Committee, President and Chief Executive Officer to resolve to implement the capital increase corresponding to the annual dividend for the 2011 financial year, and such corresponding dividends as may accrue by reason of conversion over the twelve months following the General Meeting, and set the conditions thereof in all respects not contemplated in the resolution covered by this Report, all on the terms established in the proposed resolution included in the following section.

5. CONDITION PRECEDENT

The effectiveness of the aforesaid resolution is subject to the condition precedent that the resolutions constituting points Seventh, Ninth and Tenth of the Agenda for this Ordinary

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General Meeting of Shareholders be adopted. Thus, if the General Meeting does not adopt each and every one of the aforesaid resolutions, this resolution will be of no legal effect whatever.

6. PROPOSED RESOLUTIONS

Based on all of the foregoing, on the request of the Applicant Shareholder, the following proposal is presented to the General Shareholders' Meeting under point eight of the Agenda:

***“Payment of the Class B shares annual minimum dividend corresponding to the 2011 financial year and the proportional part of that dividend accrued for the conversion of Class B shares into Class A common shares during the following twelve months. Approval of capital increases against the Class B share issue premium reserve required to pay the Class B preferred dividends with Class A common shares. Request for admission to trading of the Class A common shares issued through the capital increases on the Stock Exchanges Markets of Madrid, Barcelona, Bilbao and Valencia. Delegation of powers to the Board of Directors to execute the capital increases and verify compliance with the conditions of this resolution.*”**

1. *Payment of the annual minimum dividend for the 2011 financial year, and the dividend accrued by reason of voluntary conversion of Class B shares during the following twelve months*

In accordance with the provisions of article 6.2(a) of the Company's Bylaws, it is resolved to pay the preferred minimum annual dividend on the Class B shares for the 2011 financial year, in a total amount of 65,947,776 euros, by way of delivery of 65,947,776 newly-issued Class A shares.

Also, and equally in compliance with the provisions of the referred article, it is resolved to consider the possibility of payment in Class A shares of the dividend accrued by reason of voluntary conversion of Class B shares during the 12 months following adoption of this resolution.

2. *Increase of capital for payment of annual minimum dividend*

For purposes of covering payment of the annual minimum dividend on Class B shares for the 2011 financial year, in accordance with the provisions of the Bylaws, there not being distributable profits in the aforesaid 2011 financial year, it is resolved to increase the Company's capital against the issue premium created upon issue of the Class B shares in the amount of euros 6.594.777.60. As a result of the aforesaid increase, 65,947,776 Class A common shares will be issued, and allocated to the holders of Class B shares using the formula contemplated in article 6.2(a) of the Bylaws, pursuant to which each class B shareholder is entitled to allocation to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares held by it and €0.175 by 1 which is the euro value given by the Bylaws to Class A common shares.

It is expressly envisioned the partial execution of this capital increase in the event of voluntary conversion of Class B shares before the payment's date of the 2011 annual minimum dividend.

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3. Increase of capital for payment of dividend accrued as a result of conversion

For purposes of allowing for payment in the form of Class A shares of the minimum dividend accrued by reason of voluntary conversion of Class B shares into Class A shares during the 12 months following this date, in accordance with the provisions of the Bylaws, it is resolved to increase capital of the Company against the issue premium reserve created upon issue of the Class B shares, to the extent allocated to this purpose, in twelve tranches corresponding to each of the periods during which the minimum dividend may accrue by reason of conversion, each of them in the amount indicated below:

- (i) *During the first tranche (corresponding to the shares that are converted in the month of July 2012), the amount of the increase will be 4,408,563.70 euros, divided into 44,085,637 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted and the value of the dividend accrued per share during the reference period is 0.116986301 euros, will be automatically reduced based on the Class B shares not converted. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (ii) *During the second tranche (corresponding to the shares that are converted in the month of August 2012), the amount of the increase will be 4,950,600.20 euros, divided into 49,506,002 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior period, and that the value of the dividend accrued per share is 0.131369863 euros, will be automatically reduced based on the Class B shares converted during the prior period and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (iii) *During the third tranche (corresponding to the shares that are converted in the month of September 2012, the amount of the increase will be 5,510,704.60 euros, divided into 55,107,046 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.146232877 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common*

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shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.

- (iv) *During the fourth tranche (corresponding to the shares that are converted in the month of October 2012), the amount of the increase will be 6,052,741.10 euros, divided into 60,527,411 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.160616438 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (v) *During the fifth tranche (corresponding to the shares that are converted in the month of November 2012), the amount of the increase will be 6,612,845.50 euros, divided into 66,128,455 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.175479452 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (vi) *During the sixth tranche (corresponding to the shares that are converted in the month of December 2012), the amount of the increase will be 7,172,949.90 euros, divided into 71,729,499 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.190342466 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the*

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number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.

- (vii) *During the seventh tranche (corresponding to the shares that are converted in the month of January 2013), the amount of the increase will be 7,678,850.70 euros, divided into 76,788,507 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.203767123 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (viii) *During the eighth tranche (corresponding to the shares that are converted in the month of February 2012), the amount of the increase will be 8,238,955.10 euros, divided into 82,389,551 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.218630137 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (ix) *During the ninth tranche (corresponding to the shares that are converted in the month of March 2013), the amount of the increase will be 8,780,991.60 euros, divided into 87,809,916 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.233013699 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*

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- (x) *During the tenth tranche (corresponding to the shares that are converted in the month of April 2013, the amount of the increase will be 9,341,096.00 euros, divided into 93,410,960 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.247876712 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (xi) *During the eleventh tranche (corresponding to the shares that are converted in the month of May 2013), the amount of the increase will be 9,883,132.50 euros, divided into 98,831,325 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.262260274 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*
- (xii) *During the twelfth tranche (corresponding to the shares that are converted in the month of June 2013), the amount of the increase will be 10,443,236.90 euros, divided into 104,432,369 Class A common shares. That amount, calculated assuming that all of the Class B shares are to be converted during the period in question and, therefore, that none were converted in the prior periods, and that the value of the dividend accrued per share is 0.277123288 euros, will be automatically reduced based on the Class B shares converted during prior periods and those not converted during the current period. As a result of the increase made during that tranche, the Class A common shares issued will be allocated to the Class B shares that have sought conversion in accordance with the formula contemplated in article 6 of the Bylaws. Pursuant to which the each class B shareholder is entitled to assignment to it of the number of Class A common shares resulting from dividing the product of the number of Class B shares converted and the accrued part of the minimum dividend between 1 which is the euro value given by the Bylaws to Class A common shares.*

The amount of the capital increase corresponding to each of the tranches established above also will be automatically reduced if – and to the extent that – the Company's Board of

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Directors, in view of the conversions requested, decides, based on the liquidity position of the Company and the evolution of the share price, to pay the dividend accrued during each of the conversion periods in cash. The reduction of the amount of the increase will be equivalent to the par value of the number of Class A shares that would have been required to pay the cash dividend in shares in accordance with the formula set forth in the Bylaws.

4. Adjustment of capital increases by rounding

In the case of capital increases contemplated in both sections 2 and 3 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 2011 financial year or the dividend accrued thereafter by reason of 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 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.

5. 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 2011 financial year and the dividend accrued thereafter by reason of conversion is the balance sheet at 31 December 2011, which has been audited by Deloitte, S.L. on 26 April 2012, 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.

6. Rights of new Class A shares

The new Class A shares issued by virtue of the capital increases contemplated in the preceding sections 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.

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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 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.

7. 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 National Securities Market Commission, 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.

8. 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 or Chief Executive Officer so that, on a non-exhaustive basis, rather merely by way of illustration and not limitation, for a term of one year from the holding this General Meeting, it may:

- (i) Resolve to implement the capital increase corresponding to the annual dividend for the 2011 financial year and the capital increases corresponding to the dividends accrued by reason of conversion during the twelve following months, fix the issue date and delivery of new shares and fix the terms of the increases to the extent not contemplated in this resolution. In particular, the Board of Directors is instructed and*

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- authorised: (i) to implement the capital increase to cover dividends accrued by reason of conversion in tranches; (ii) to determine the definitive amount of the capital increase for payment of the 2011 annual dividend and the capital increase tranches for payment of dividend accrued by reason of conversion after rounding using the process set forth in section 4 above; (iii) to determine the definitive amount of the 12 tranches corresponding to the dividend accrued by reason of conversion based on the corresponding reduction or reductions as a result of the number of shares requesting conversion and, if applicable, the cash payments that have been decided upon by the management body in accordance with the rules contemplated in section 3 above.*
- (ii) To declare the capital increase corresponding to the 2011 annual dividend, and the subsequent increases corresponding to the capital increase tranches corresponding to the dividend accrued by reason of conversion 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 result of implementation of the successive capital increases.*
 - (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 increases referred to above, determining the number of shares to be issued, redrafting article 6 of the Bylaws to adapt it to the number of shares resulting as they are issued by reason of payment of the annual minimum dividend or within the various monthly windows if the holders of the non-voting Class B shares exercise their conversion rights.*
 - (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 National Securities Market Commission (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 Class A shares issued by virtue of capital increase resolutions on the New York Stock Exchange, by way of issuance of the*

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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.*

9. Qualified attendance quorum and majority

This resolution will require the constitution of the General Shareholders with a qualified attendance quorum will be required (50% on first call and 25% on second call), and the approval by a favourable qualified majority of 75% of the shares present or represented (on first or second call), as contemplated in article 15 bis of the Bylaws.

10. Condition precedent

The effectiveness of the aforesaid resolution is subject to the condition precedent that the resolutions constituting points Seventh, Ninth and Tenth of the Agenda for this Ordinary General Meeting of Shareholders be adopted. Thus, if the General Meeting does not adopt each and every one of the aforesaid resolutions, this resolution will be of no legal effect whatever."

Based on the foregoing, the shareholders are asked to approve the proposal made.

Madrid, 13 June 2012