

ANNUAL REPORT ON CORPORATE GOVERNANCE

LISTED COMPANIES

DATA IDENTIFYING ISSUER

FINANCIAL YEAR 31.12.2011

TAX ID CODE: A-28297059

Corporate Name:

PROMOTORA DE INFORMACIONES, S.A.

(Free translation from the original in Spanish language)

A OWNERSHIP STRUCTURE

A.1. Complete the following table concerning the company's share capital:

Date Last Modified	Share Capital (€)	Number of Shares	Number of Voting Rights
29/12/2011	84,786,115.80	847,861,158	459,650,730

Indicate whether there are different classes of shares having different rights:

YES

Class	Number of Shares	Unit par value	Unit number of voting rights	Different Rights
Class A	459,650,730	0.10	1	Ordinary Shares
Class B	388,210,428	0.10	0	Convertible non-voting shares (See section G)

A.2. Indicate the direct or indirect owners of significant holdings in your organization at the end of the financial year, excluding Board Members:

Shareholder's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights (*)	Total % of Voting Rights
RUCANDIO, S.A.	0	148,859,840	32.385
PROMOTORA DE PUBLICACIONES, S.L.	87,443,838	0	19.024
ASGARD INVERSIONES, SLU	35,487,164	0	7.720
DAIWA SECURITIES GROUP INC	0	28,000,000	6.092
BH STORES IV, B.V	16,719,416	0	3.637
BNP PARIBAS, SOCIETE ANONYME	15,143,403	0	3.295
INMOBILIARIA CARSO, S.A. DE C.V	8,665,000	6,030,000	3.197
BANK OF AMERICA CORPORATION	0	13,482,068	2.933
ASSET VALUE INVESTORS LIMITED	0	13,425,564	2.921

Indirect Shareholder's Name	Through: direct Shareholder's Name	Number of direct Voting Rights	Total % of Voting Rights
RUCANDIO, S.A.	ASGARD INVERSIONES, SLU	35,487,164	7.720
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	87,443,838	19.024
RUCANDIO, S.A.	RUCANDIO INVERSIONES SICAV, S.A.	339,094	0.074
RUCANDIO, S.A.	TIMON, S.A.	7,928,140	1.725
DAIWA SECURITIES GROUP INC	DAIWA CAPITAL MARKETS EUROPE	28,000,000	6.092

(Free translation from the original in Spanish language)

Indicate the most significant changes in shareholder structure during the financial year:

Shareholder's Name	Date of Transaction	Description of Transaction
MARLIN EQUITIES II, LLC	28/02/2011	dropped from 3% of share capital
BERGGRUEN ACQUISITION HOLDINGS LTD	21/12/2011	dropped from 3% of share capital
HSBC HOLDINGS PLC	19/01/2011	reached 3% of share capital
HSBC HOLDINGS PLC	07/02/2011	dropped from 3% of share capital
HSBC HOLDINGS PLC	23/03/2011	reached 3% of share capital
HSBC HOLDINGS PLC	14/11/2011	dropped from 3% of share capital
ASSET VALUE INVESTORS LIMITED	28/01/2011	reached 3% of share capital
BH STORES IV, B.V	21/12/2011	reached 3% of share capital
BNP PARIBAS, SOCIETE ANONYME	31/01/2011	reached 3% of share capital
BNP PARIBAS, SOCIETE ANONYME	11/05/2011	dropped from 3% of share capital
BNP PARIBAS, SOCIETE ANONYME	25/05/2011	reached 3% of share capital
BNP PARIBAS, SOCIETE ANONYME	16/06/2011	dropped from 3% of share capital
BNP PARIBAS, SOCIETE ANONYME	18/11/2011	reached 3% of share capital
BNP PARIBAS, SOCIETE ANONYME	19/12/2011	reached 3% of share capital
DAIWA SECURITIES GROUP INC	12/08/2011	reached 3% of share capital
DAIWA SECURITIES GROUP INC	17/08/2011	reached 5% of share capital
INMOBILIARIA CARSO, S.A. DE C.V	09/11/2011	reached 3% of share capital
UBS AG	31/01/2011	dropped from 5% of share capital
UBS AG	30/03/2011	dropped from 3% of share capital
UBS AG	23/06/2011	reached 3% of share capital
UBS AG	01/07/2011	dropped from 3% of share capital
UBS AG	04/07/2011	reached 3% of share capital
UBS AG	12/07/2011	dropped from 3% of share capital
UBS AG	18/07/2011	reached 3% of share capital
UBS AG	19/07/2011	dropped from 3% of share capital
UBS AG	20/07/2011	reached 3% of share capital
UBS AG	10/08/2011	dropped from 3% of share capital
UBS AG	11/08/2011	reached 3% of share capital
UBS AG	12/08/2011	dropped from 3% of share capital
UBS AG	18/08/2011	reached 3% of share capital
UBS AG	19/08/2011	dropped from 3% of share capital
DEUTSCHE BANK AG	04/05/2011	dropped from 3% of share capital
RUCANDIO, S.A.	18/02/2011	dropped from 35% of share capital

(Free translation from the original in Spanish language)

A.3. Complete the following tables concerning members of the Board of Directors who hold voting rights in the Company:

Director's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights (*)	Total % of Voting Rights
IGNACIO POLANCO MORENO	153,041	39,012	0.042
JUAN LUIS CEBRIÁN ECHARRI	2,057,307	1,242,257	0.718
AGNES NOGUERA BOREL	16,536	500	0.004
ALAIN MINC	44,563	0	0.010
BORJA JESÚS PÉREZ ARAUNA	24,436	40,350	0.014
DIEGO HIDALGO SCHNUR	16,586	0	0.004
EMMANUEL ROMAN	17,893	0	0.004
ERNESTO ZEDILLO PONCE DE LEON	0	0	0.000
FERNANDO ABRIL-MARTORELL	0	0	0.000
GREGORIO MARAÑÓN BERTRÁN DE LIS	16,511	493,088	0.111
HARRY SLOAN	67,893	0	0.015
JUAN ARENA DE LA MORA	31,435	0	0.007
MANUEL POLANCO MORENO	27,863	65,266	0.020
MARTIN FRANKLIN	10,174,937	0	2.214
MATÍAS CORTÉS DOMÍNGUEZ	16,511	0	0.004
NICOLAS BERGGRUEN	17,893	16,719,416	3.641

(*Through):

Name or Corporate Name of the indirect holder	Name or Corporate Name of the direct holder	Number of Direct Voting Rights	Total % of Voting Rights
NICOLAS BERGGRUEN	BH STORES IV, B.V	16,719,416	3.637

Total % of Voting Rights controlled by the Board of Directors	6.806
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Complete the following table concerning Members of the Board of Directors holding stock options in the Company:

Director's Name	Number of Direct Stock Options	Number of Indirect Stock Options	Number of Equivalent Shares	Total % of Voting Rights
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(Free translation from the original in Spanish language)

IGNACIO POLANCO MORENO	168,372	42,913	211,285	0.046
JUAN LUIS CEBRIÁN ECHARRI	18,752	1,366,482	1,385,234	0.301
JUAN ARENA DE LA MORA	16,498	0	16,498	0.004
NICOLAS BERGGRUEN	0	33,438,840	33,438,840	7.275
MATIAS CORTES DOMINGUEZ	82	0	82	0.000
MARTIN FRANKLIN	20,314,092	0	20,314,092	4.419
DIEGO HIDALGO SCHNUR	165	0	165	0.000
GREGORIO MARAÑON Y BERTRAN DE LIS	82	130,047	130,129	0.028
AGNES NOGUERA BOREL	110	550	660	0.000
MANUEL POLANCO MORENO	30,676	71,792	102,468	0.022
BORJA PEREZ ARAUNA	8,800	44,385	53,185	0.012

A.4. Indicate, if applicable, any family, commercial, contractual or corporate relationships existing between the owners of significant shareholdings that are known to the Company, unless they are irrelevant or derive from ordinary commercial transactions:

Type of Relationship

Corporate

Brief Description:

Timón, S.A. directly controls 100% of Asgard Inversiones, S.L.U.

Names of the Related Persons or Entities

ASGARD INVERSIONES, SLU

Type of Relationship

Corporate

Brief Description:

Timón, S.A. controls directly 69.15% and Rucandio, S.A. controls directly 6.94% of the share capital of Promotora de Publicaciones, S.L. Consequently, Rucandio, S.A. controls direct and indirectly 76.09% of the share capital of Promotora de Publicaciones, S.L.

Names of the Related Persons or Entities

PROMOTORA DE PUBLICACIONES, S.L.

Type of Relationship

Contractual

Brief Description:

On 22/12/2011 Promotora de Publicaciones, S.L. executed some corporate arrangements that allow its shareholders to replace an indirect shareholding into a direct shareholding in PRISA. Some shareholders who acquired the direct shareholding, entered into a shareholders agreement by virtue of which they maintain the syndicated right to vote in PRISA. Rucandio, S.A. controls the majority of the voting rights in the shareholders' agreement. .

Names of the Related Persons or Entities

PROMOTORA DE PUBLICACIONES, S.L.

(Free translation from the original in Spanish language)

Type of Relationship

Contractual

Brief Description:

In order to facilitate the refinancing of the financial debt of PRISA, Timón, S.A., Promotora de Publicaciones, S.L., Asgard Inversiones, S.L.U, Berggruen Acquisition Holdings S.A.R.L and Mr. Martin Franklin, reached an agreement and set up a company named as OTNAS INVERSIONES, S.L., indirectly controlled by Rucandio, destined to convert 75,000,000 warrants, amounting 150,000,000 euros, into PRISA shares. The transaction has been executed in January 2012.

Names of the Related Persons or Entities

RUCANDIO, S.A.

Type of Relationship

Corporate

Brief Description:

Rucandio, S.A. controls directly 56.53% of the share capital of Timón, S.A.

Names of the Related Persons or Entities

TIMON, S.A.

A.5. Indicate, if applicable, any commercial, contractual or corporate relationships existing between significant shareholders and the Company and/or its Group, unless they are of little relevance or derive from ordinary commercial transactions:

A.6. Indicate whether any shareholders' agreement have been communicated to the Company pursuant to articles 112 LMV. If applicable, describe them briefly and list the shareholders bound by those agreements:

YES

% of share capital

32.385

Brief Description of the Agreement

Shareholders' Agreement in Rucandio, S.A. (See the note in section G)

Parties to the Shareholders' Agreement
IGNACIO POLANCO MORENO
ISABEL MORENO PUNCEL
MARIA JESÚS POLANCO MORENO
MARTA LOPEZ POLANCO
ISABEL LOPEZ POLANCO
MANUEL POLANCO MORENO
JAIME LOPEZ POLANCO
LUCIA LOPEZ POLANCO

% of share capital

19.024

Brief Description of the Agreement

Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section G)

(Free translation from the original in Spanish language)

Parties to the Shareholders' Agreement
EVIEND SARL
RUCANDIO, S.A.
TIMÓN, S.A.

% of share capital
3.856

Brief Description of the Agreement
Shareholders' Agreement in PRISA (See the note in section G)

Parties to the Shareholders' Agreement
MANUEL VARELA UÑA
ELISA ESCRÍÑA DE SALAS
BELEN CEBRIAN ECHARRI
REBECA CEBRIAN TORALLAS
MARIA DEL MAR CORTES BOHIGAS
MANUEL VARELA ENTRECANALES
PALOMA GARCIA-AÑOVEROS ESCRÍÑA
ELISA GARCIA-AÑOVEROS ESCRÍÑA
JOSE BUENAVENTURA TERCEIRO LOMBA
ISABEL VARELA ENTRECANALES
JOSE MARIA ARANAZ CORTEZO
MARTA VARELA ENTRECANALES
Mª CRUZ VARELA ENTRECANALES
RAFAEL CEBRIAN ARANDA
ANDRÉS VARELA ENTRECANALES
JUAN LUIS CEBRIAN ECHARRI
ANA VARELA ENTRECANALES
JESUS DE LA SERNA GUTIERREZ REPIDE
TIMON, S.A.
LIBERTAS 7, S.A.
PROMOTORA DE PUBLICACIONES, S.L.
ASESORAMIENTO BRUCH, S.L.
EDICIONES MONTE ANETO, S.L.
ASGARD INVERSIONES, SLU
INVERSIONES MENDOZA SOLANO, S.L.

Indicate, if applicable, any concerted actions among company shareholders that are known to the Company:

NO

Expressly indicate any change or breach of those agreements or concerted actions during the financial year.

Changes made in the aforementioned shareholders agreements are explained in section G.

A.7. Indicate whether any individual or corporate entity controls or may control the Company pursuant to Article 4 of the Securities Market Law:

YES

(Free translation from the original in Spanish language)

Name
RUCANDIO, S.A.

Observations

A.8. Complete the following tables concerning the Company's treasury stock:

At year's end:

Number of Direct Shares	Number of Indirect Shares (*)	Total % of Share Capital
2,879,503	0	0.339

(*) Through:

Name or Corporate Name of the direct holder	Number of Direct Shares
Total:	0

Indicate any significant variations during the financial year with respect to the provisions of Royal Decree 1362/2007:

Date of notification	Total direct shares acquired	Total indirect shares acquired	Total % of Share Capital
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A.9. Indicate the conditions and terms of any powers conferred upon the Board of Directors at the Shareholders' Meeting to purchase or transfer treasury stock.

The Shareholders' Meeting held on November 27, 2010 passed the following resolution:

The derivative acquisition of the Company's own shares is authorized, directly or through any of its subsidiary companies, by way of purchase and sale or any other "inter vivos" act for consideration, up to 31 December 2013, the ending date of the "2010-2013 Share/Stock Options Delivery Plan".

The limits or requirements of these acquisitions will be as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not exceed the allowable legal maximum.
- The acquired shares must be free of any liens or encumbrances, must be fully paid up and not subject to performance of any kind of obligation.
- A frozen reserve may be established within the liabilities on the company's balance sheet in an amount equivalent to the amount of the treasury shares reflected in assets. This reserve must be maintained until the shares have been disposed of or cancelled or there is been a legislative change so authorising.
- The acquisition price may not be less than par value or more than 20 percent of the quoted value. The transactions for the acquisition of own shares will be accordance with the rules and practices of the securities markets.

All of the foregoing will be understood to be without prejudice to application of the general scheme for derivative acquisitions contemplated in article 146 of the current Companies Act.

Express authorisation is granted for the shares acquired by the Company or its subsidiaries pursuant to this authorisation, and those owned by the Company at the date of holding this General Meeting, to be used, in whole or in part, to facilitate fulfilment of the "2010-2013 Share/Stock Options Delivery Plan".

(Free translation from the original in Spanish language)

Also, it is resolved to revoke the unused part of the authorisation granted by the General Shareholders Meeting of 30 June 2010.

A.10. Indicate, if applicable, any legal restrictions or limitations in the company bylaws on voting rights, or any legal restrictions on the acquisition or transfer of share capital holdings:

NO

Maximum percent of voting rights that a shareholder may exercise pursuant to legal restrictions	0
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Indicate any restrictions in the bylaws on the exercise of voting rights:

NO

Maximum percent of voting rights that a shareholder may exercise pursuant to restrictions in the bylaws	0
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Indicate whether there are legal restrictions on the acquisition or transfer of shares:

NO

A.11 Indicate whether shareholders at the Annual Meeting have resolved to adopt any anti-takeover measures pursuant to Law 6/2007.

NO

If applicable, explain the measures passed and the terms in which restrictions would not apply:

B. COMPANY MANAGEMENT STRUCTURE

B.1 Board of Directors

B.1.1. Indicate the maximum and minimum number of directors provided for in the Bylaws:

Maximum Number of Directors	17
Minimum Number of Directors	3

B.1.2. Complete the following table providing information concerning Board Members:

Director's Name	Representative	Position on the Board	Date of First Appointment	Date of Last Appointment	How Elected
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(Free translation from the original in Spanish language)

IGNACIO POLANCO MORENO		CHAIRMAN	18 March 93	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
JUAN LUIS CEBRIÁN ECHARRI		CEO	15 June 83	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
FERNANDO ABRIL-MARTORELL		DIRECTOR	24 June 11	24 June 11	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
JUAN ARENA DE LA MORA		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
NICOLAS BERGGRUEN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MATÍAS CORTÉS DOMÍNGUEZ		DIRECTOR	25 March 77	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MARTIN FRANKLIN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
DIEGO HIDALGO SCHNUR		DIRECTOR	17 June 82	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
GREGORIO MARAÑÓN BERTRÁN DE LIS		DIRECTOR	15 June 83	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
ALAIN MINC		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
AGNES NOGUERA BOREL		DIRECTOR	20 April 06	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
BORJA JESÚS PÉREZ ARAUNA		DIRECTOR	18 May 00	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MANUEL POLANCO MORENO		DIRECTOR	19 April 01	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
EMMANUEL ROMAN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
HARRY SLOAN		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
ERNESTO ZEDILLO PONCE DE LEON		DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING

(Free translation from the original in Spanish language)

Total Number of Board Members	16
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Indicate any Members retiring from the Board of Directors during the financial year

B.1.3 Complete the following tables concerning the Members of the Board and their functions:

EXECUTIVE DIRECTORS

Director's Name	Committee Proposing His/Her Appointment	Post or Functions
MR. JUAN LUIS CEBRIÁN ECHARRI	NOMINATION AND COMPENSATION COMMITTEE	CEO
MR. FERNANDO ABRIL-MARTORELL	NOMINATION AND COMPENSATION COMMITTEE	DEPUTY CEO AND CHIEF FINANCIAL OFFICER
MR. MANUEL POLANCO MORENO	NOMINATION AND COMPENSATION COMMITTEE	CHAIRMAN OF PRISA TELEVISION

Total Number of Executive Directors	3
% of the Board	18.75

EXTERNAL DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDINGS

Director's Name	Committee that Proposed His/Her Appointment	Name of Significant Shareholder Who He/She Represents or Who Proposed His/Her Appointment
MR. IGNACIO POLANCO MORENO	NOMINATION AND COMPENSATION COMMITTEE	TIMÓN, S.A.
MR. NICOLAS BERGGRUEN	NOMINATION AND COMPENSATION COMMITTEE	BH STORES, B.V
MR. MARTIN FRANKLIN	NOMINATION AND COMPENSATION COMMITTEE	MR. MARTIN FRANKLIN
MRS. AGNES NOGUERA BOREL	NOMINATION AND COMPENSATION COMMITTEE	PROMOTORA DE PUBLICACIONES, S.L.
MR. BORJA JESÚS PÉREZ ARAUNA	NOMINATION AND COMPENSATION COMMITTEE	TIMÓN, S.A.
MR. DIEGO HIDALGO SCHNUR	NOMINATION AND COMPENSATION COMMITTEE	PROMOTORA DE PUBLICACIONES, S.L.

Total number of external directors representing significant shareholdings	6
% of the Board	37.5

INDEPENDENT EXTERNAL DIRECTORS

Director's Name	Profession
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	LAWYER
MR. EMMANUEL ROMAN	FINANCIAL. Co-CEO OF GLG Partners

(Free translation from the original in Spanish language)

MR. HARRY SLOAN	LAWYER. CHAIRMAN AND CEO –GLOBAL EAGLE ACQUISITION CORPORATION.
MR. ERNESTO ZEDILLO PONCE DE LEON	ECONOMIST. EX PRESIDENT OF MEXICO
MR. ALAIN MINC	ENGINEER, POLITICAL AND ECONOMIC ADVISER. PROFESSOR
MR. JUAN ARENA DE LA MORA	ENGINEER AND FINANCIAL. EX PRESIDENT OF BANKINTER. EX PROFESSOR OF HARVARD BUSINESS SCHOOL.

Total number of independent external directors	6
% of the Board	37.5

OTHER EXTERNAL DIRECTORS

Director's Name	Committee that Proposed His/Her Appointment
MR. MATIAS CORTES DOMINGUEZ	NOMINATION AND COMPENSATION COMMITTEE

Total number of other external directors	1
% of the Board	6.25

Explain why they may not be considered significant shareholders or independent and their relationships with the company, its directors or shareholders:

Director's Name	MR. MATIAS CORTES DOMINGUEZ
Relationships with the company, directors or Shareholders	--
Reasons	Professional relationship held by the Director with the Company.

If applicable, indicate any changes that have occurred during the year in each director's status:

Director's Name	Date	Previous status	Current Status
MR. MANUEL POLANCO	31.12.2011	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDING	EXECUTIVE DIRECTOR

B.1.4. Explain, if applicable, why directors representing significant shareholdings have been appointed at the request of shareholders whose stake is less than 5% of share capital:

Name of Shareholder	Justification

Indicate whether formal requests for representation on the board have been denied shareholders whose stake is equal or higher than others whose requests to appoint a director to represent a significant shareholding was granted. If so, explain why such requests were denied:

(Free translation from the original in Spanish language)

NO

B.1.5 Indicate whether any board member has left his post before the end of his mandate, whether he explained his reasons to the board and by what means, and if expressed in writing to the entire board, provide the reasons given:

NO

B.1.6. If applicable, indicate the powers delegated to members of the Board of Directors:

Board Member's Name	Brief Description
IGNACIO POLANCO MORENO	HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW
JUAN LUIS CEBRIÁN ECHARRI	HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW
FERNANDO ABRIL-MARTORELL	HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW

B.1.7. If applicable, identify board members who hold posts as directors or officers in subsidiary companies within the listed company's group:

Director's Name	Name of the Group Company	Position
IGNACIO POLANCO MORENO	DIARIO EL PAIS, S.L.	DIRECTOR
JUAN LUIS CEBRIAN ECHARRI	DIARIO EL PAIS, S.L.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	DTS DISTRIBUIDORA DE TELEVISION DIGITAL, S.A.	DIRECTOR
JUAN LUIS CEBRIAN ECHARRI	EDICIONES EL PAIS	REPRESENTATIVE OF THE SOLE DIRECTOR DIARIO EL PAIS, S.L.
JUAN LUIS CEBRIAN ECHARRI	GRUPO MEDIA CAPITAL, SGPS, S.A.	DIRECTOR
JUAN LUIS CEBRIAN ECHARRI	PRISA DIVISION INTERNACIONAL, S.L.	REPRESENTATIVE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER PRISA
JUAN LUIS CEBRIAN ECHARRI	PRISA INC	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
JUAN LUIS CEBRIAN ECHARRI	PRISA TELEVISION, S.A.U	DEPUTY CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010 MEXICO, S.A. DE CV.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
FERNANDO ABRIL-MARTORELL HERNANDEZ	DIARIO AS, S.L.	DIRECTOR
GREGORIO MARAÑÓN BERTRÁN DE LIS	PRISA TELEVISION, S.A.U	DIRECTOR
MANUEL POLANCO MORENO	CANAL CLUB DE DISTRIBUCION DE OCIO Y CULTURA, S.A.	DIRECTOR
MANUEL POLANCO MORENO	CHIP AUDIOVISUAL, S.A.	DIRECTOR

(Free translation from the original in Spanish language)

MANUEL POLANCO MORENO	DTS DISTRIBUIDORA DE TELEVISION DIGITAL, S.A.	CHAIRMAN
MANUEL POLANCO MORENO	GRUPO MEDIA CAPITAL, SGPS, S.A.	DIRECTOR
MANUEL POLANCO MORENO	INSTITUTO UNIVERSITARIO DE POSGRADO, S.A.	DIRECTOR
MANUEL POLANCO MORENO	MCP MEDIA CAPITAL PRODUCOES, S.A	CHAIRMAN
MANUEL POLANCO MORENO	MEDIA CAPITAL PRODUCOES INVESTIMENTOS SGPS, S.A.	CHAIRMAN
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT CANARIAS, S.L.U	JOINT AND SEVERAL DIRECTOR
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT ESPAÑA, S.L.U	JOINT AND SEVERAL DIRECTOR
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT PORTUGAL, S.L.U	CHAIRMAN
MANUEL POLANCO MORENO	PLURAL JEMPSA SL	DEPUTY CHAIRMAN AND JOINT CEO
MANUEL POLANCO MORENO	PRISA DIGITAL, S.L.	DIRECTOR
MANUEL POLANCO MORENO	PRISA DIVISION INTERNACIONAL, S.L.	DIRECTOR
MANUEL POLANCO MORENO	PRISA INC	DIRECTOR
MANUEL POLANCO MORENO	PRISA TELEVISION, S.A.U	CHAIRMAN
MANUEL POLANCO MORENO	PRODUCTORA CANARIA DE PROGRAMAS, S.A.	DIRECTOR
MANUEL POLANCO MORENO	SOCIEDAD CANARIA DE TELEVISION REGIONAL, S.A.	DIRECTOR
MANUEL POLANCO MORENO	TESELA PRODUCCIONES CINEMATOGRAFICAS, S.L.	JOINT AND SEVERAL DIRECTOR
MANUEL POLANCO MORENO	TVI - TELEVISÃO INDEPENDENTE, SA	CHAIRMAN
MANUEL POLANCO MORENO	VERTIX, SGPS, S.A.	CHAIRMAN
MATIAS CORTES DOMINGUEZ	DIARIO EL PAIS, S.L.	DIRECTOR

B.1.8. If applicable, indicate the directors of your company who are members of the boards of directors of other companies listed on official Spanish securities markets, other than companies in your own group, which have been reported to the company:

Director's Name	Name of Listed Company	Position
IGNACIO POLANCO MORENO	RUCANDIO INVERSIONES SICAV, S.A.	CHAIRMAN
IGNACIO POLANCO MORENO	NOMIT GLOBAL SICAV, S.A.	CHAIRMAN
FERNANDO ABRIL-MARTORELL	GRUPO EMPRESARIAL ENCE, S.A.	DIRECTOR
AGNES NOGUERA BOREL	LIBERTAS 7, S.A.	CHIEF EXECUTIVE OFFICER
JUAN ARENA DE LA MORA	FERROVIAL, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	ALMIRALL, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	DINAMIA CAPITAL PRIVADO, S.A.	DIRECTOR
JUAN ARENA DE LA MORA	MELIÁ HOTELS INTERNATIONAL, S.A.	DIRECTOR

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ALAIN MINC	CAIXABANK, S.A.	DIRECTOR
BORJA JESUS PEREZ ARAUNA	VALSEL INVERSIONES SICAV, S.A.	CHAIRMAN
BORJA JESUS PEREZ ARAUNA	CARAUNA INVERSIONES SICAV, S.A.	CHAIRMAN
BORJA JESUS PEREZ ARAUNA	NOMIT GLOBAL SICAV	DIRECTOR
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	VISCOFAN, S.A.	DIRECTOR
MATIAS CORTES DOMINGUEZ	SACYR VALLEHERMOSO	DIRECTOR

B.1.9. Indicate, and if applicable explain, whether the company has established rules regarding the number of boards on which its directors may sit:

NO

B.1.10. In accordance with Recommendation 8 of the Unified Code, indicate the general company policies and strategies that must be approved by the board in full:

Investment and financing policy	YES
Definition of group company structure	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plan, as well as management goals and annual budgets	YES
Remuneration policy and assessment of performance of senior management	YES
Risk management and control policy, as well as periodic monitoring of internal information and control systems	YES
Dividends policy, and treasury stock policy, particularly with regard to limitations thereon	YES

B.1.11. Complete the following tables concerning the aggregate remuneration of directors paid during the financial year:

a) In the Company that is the subject of this report:

Payments	Euros 000
Fixed Salaries	2,838
Variable Salaries	6,575
Allowances	540
Remuneration Stipulated in the Bylaws	1,950
Stock Options and/or Options in Other Financial Instruments	0
Others	917

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Total:	12,820
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Other Benefits	Euros 000
Advances	0
Loans	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Obligations Assumed	0
Life Insurance Premiums	21
Guarantees assumed by the Company in the benefit of Directors	0

b) To Company Board Members for serving on the boards of directors and/or exercising management functions in the Group's subsidiary companies:

Payments	Euros 000
Fixed Salaries	495
Variable Salaries	261
Allowances	21
Remuneration Stipulated in the Bylaws	50
Stock Options and/or Options in Other Financial Instruments	0
Others	12
Total:	839

Other Benefits	Euros 000
Advances	0
Loans	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Obligations Assumed	0
Life Insurance Premiums	2
Guarantees assumed by the Company to benefit the Directors	0

c) Total Remuneration for Each Category of Director:

Category	By Company	By Group
Executive Directors	8,647	768
External Directors Representing Significant Shareholdings	2,550	0
Independent External Directors	1,365	71
Other External Directors	258	0
Total Euros 000	12,820	839

d) In relation to Profits Attributed to the Parent Company:

Total Directors' Remunerations (in Euros 000)	13,659
Total Directors' Remunerations/Profits Attributed to the Parent Company (in %)	0.0

B.1.12. Identify members of senior management who are not executive directors and indicate the total remunerations paid in their favor during the financial year:

Name	Position
MIGUEL ANGEL CAYUELA SEBASTIAN	CHIEF EXECUTIVE OFFICER OF GRUPO SANTILLANA
IGNACIO SANTILLANA DEL BARRIO	GENERAL MANAGER

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IÑIGO DAGO ELORZA	SECRETARY GENERAL
PEDRO GARCÍA GUILLÉN	CHIEF EXECUTIVE OFFICER OF PRISA TELEVISION
AUGUSTO DELKADER TEIG	PRESIDENT OF PRISA RADIO
JAVIER PONS TUBIO	CHIEF EXECUTIVE OFFICER OF PRISA RADIO
FERNANDO MARTINEZ ALBACETE	DIRECTOR OF CORPORATE DEVELOPMENT
BARBARA MANRIQUE DE LARA	DIRECTOR OF COMMUNICATIONS AND CORPORATE IMAGE
VIRGINIA FERNANDEZ IRIBARNEGARAY	INTERNAL AUDIT DIRECTOR
KAMAL BHERWANI	CHIEF DIGITAL OFFICER
ANDRES CARDÓ SORIA	DIRECTOR OF TRANSVERSAL OPERATIONS AND MARKETING
JOSE LUIS SAINZ DIAZ	EXECUTIVE PRESIDENT OF PRISA NOTICIAS AND CHIEF EXECUTIVE OFFICER OF EL PAIS

Total Senior Management Salaries (in Euros 000)	6,784
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B.1.13. Indicate in general terms if there are any guarantee or “golden parachute” clauses benefiting senior managers (including executive directors) of the Company and its Group in the event of dismissal or changes in control. Indicate whether such contracts must be reported and/or approved by the governing bodies of the Company or Group:

Number of Beneficiaries	11
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	Board of Directors	Shareholders’ Meeting
Body authorizing these clauses	YES	NO

Are the participants at the Shareholders’ Meeting informed of these clauses?	YES
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B.1.14. Indicate the process for determining the remuneration of members of the Board of Directors and any relevant clauses in the bylaws.

In accordance with the provisions of Article 19 of the Company Bylaws, Directors’ compensation shall consist of an annual amount provided for in the terms set forth by the board of directors, within limits established by shareholders at the annual shareholders meeting. The remuneration of individual directors may differ depending on the offices they hold and their service on board committees, and shall be compatible with per diem expenses paid for attendance at meetings. When approving the annual accounts at the annual shareholders meeting, shareholders may amend the limit set on directors’ remuneration and, if not amended, the current limit shall automatically be revised at the beginning of the fiscal year, based on any variation in the total national Consumer Price Index.

The board shall determine the exact amount of per diem expenses and individual compensation to be paid to each director, within the limit set at the annual shareholders meeting.

Without prejudice to the remuneration set forth above, directors’ compensation may also include stock or stock options, or amounts pegged to share value. Such compensation shall require the approval of shareholders at the annual meeting, indicating the number of shares to be awarded, the exercise price for stock options, the value of shares taken as a reference, and the duration of this compensation system. Likewise, the company may subscribe a civil liability insurance policy for its directors.

According to the provisions of Article 28 of the Company Bylaws, the Chairman’s remuneration and, if applicable, the remuneration of the Deputy Chairmen and Chief Executive Officer shall be determined by the Board of Directors, without prejudice to any amounts that may be due them pursuant to Article 19 of the Company Bylaws.

Likewise and as set forth in Article 25 of the Company Bylaws, the remuneration for directors provided for in the bylaws is compatible with and independent of any salaries, payments, indemnification, pensions or compensation of any nature established either generally or individually for members of the Board of Directors who hold a paid post or position of

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responsibility (whether under a contract of employment or otherwise) in the Company or the companies within its Group, i.e., those defined as such within the scope of Article 42 of the Commercial Code.

Indicate whether the full board has reserved the right to approve the following decisions:

At the proposal of the chief executive officer of the company, the appointment and possible termination of senior managers, as well as their compensation clauses.	NO
Remuneration of directors as well as in the case of executive directors, additional remuneration for those duties and other conditions provided for in their contracts.	YES

B.1.15 Indicate whether the board of directors approves a detailed remuneration policy and specify the matters on which it issues an opinion:

YES

Amount of fixed remuneration with a breakdown, if applicable, of per diem allowances for serving on the board and board committees, and an estimate of the resulting fixed annual remuneration	YES
Variable remuneration	YES
Main features of benefits system, with an estimate of its annual cost or equivalent	NO
Conditions that must be respected in the contracts of executive directors who perform senior management duties	YES

B.1.16. Indicate whether the board submits to a non-binding vote at the shareholders meeting and as a separate item on the agenda, a report on the remuneration policy of directors. If so, explain aspects of the report describing the remuneration policy approved by the board for the following years, the most significant changes in that policy vis-à-vis the policy applied this year, and a summary of how this year's policy was applied. Describe the role played by the Compensations Committee and, if external advice was sought, the names of the external consultants who provided such advice:

YES

Issues Addressed in the Remuneration Policy Report
The remuneration policy report, that shall be submitted to a non-binding vote at the next Ordinary Shareholders Meeting, as a separate item on the agenda, addresses the following issues: 1.-Remuneration policy of directors (Article 19 of the Bylaws); 2.- 2012 Management Team remuneration policy: 2.1. Compensation system of the CEO and Chairman of the Delegated Committee D. Juan Luis Cebrian Echarri; 2.2. Compensation system of the Deputy CEO D. Fernando Abril-Martorell Hernandez; 2.3. Compensation system of the rest of the management team; 2.4. Fixed remuneration of the Management Team; 2.5. Short-term variable remuneration (annual); 2.6. Variable Multiannual Compensation; 2.7. In-kind remuneration Plan; 2.8. Share delivery and option plans; 3.- Other aspects relating to the remuneration of the management team: guarantee clauses; 4.-Overview of the remuneration policy applied in 2011; 5.- Individual Compensation accrued by the Directors in 2011, and 6.- Most significant changes in the 2012 remuneration policy with respect to that applied in 2011.

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Sections 4 and 6 include:

Overview of the remuneration policy applied in 2011:

	2011 Remuneration Team	Projected Management	Fix Management Team	2011 Actual Management Team
Directors and members of senior management	6,066,386 €			6,537,569 €

	2011 Management Team	Reference Management Team	Bonus	2011 Actual Management Team
Directors and members of senior management	3,386,186 €			8,094,412 €

Differences between forecast in the Compensation Policy Report for 2011 and carried out in the Compensation Policy Report for 2012 is due to the different perimeter considered. At the Compensation Policy Report for 2011, for the calculation of both the fixed compensation of the management team in 2011 (€ 6,066,386) and the target bonus for the management team for 2011 (€ 3,386,186), it was expected one executive director and 14 managers who then made up the top management. However, at the effective fixed salary and cash bonus paid for 2011, which are recorded in the two tables above, there are included 3 directors of the Company with executive functions within the PRISA Group (Mr Juan Luis Cebrian Echarri, Mr Fernando Abril-Martorell Hernandez and Mr Manuel Polanco Moreno), and 12 directors who are current members of senior management.

Most significant changes in the 2012 remuneration policy with respect to that applied in 2011:

	2011	2012
Directors' remuneration	1,950,000 €	1,900,000 €
Directors' attendance fees	540,000 €	462,000 €
	2,490,000 €	2,362,000 €

	2011 Actual Management Team	Fix Remuneration	2012 Management Team	Fix Remuneration Management Team
Directors	2,332,743 €		2,366,920 €	
Members of senior management	4,204,826 €		4,166,640 €	
	6,537,569 €		6,533,560 €	

	2011 Actual Management Team	Bonus Management	Reference management Team	Bonus 2012 management Team
Directors	6,174,612 €		8,200,000 €	
Members of senior management	1,919,800 €		2,375,622 €	
	8,094,412 €		10,575,622 €	

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Role of the Compensations Committee
The committee prepared the remuneration policy and proposed the corresponding resolutions to the board of directors in all cases in which this is required under the Bylaws and Board of Directors' Regulation.

Was outside advice sought?	YES
Name of external consultants	Spencer Stuart

B.1.17. If applicable, identify the members of the Board of Directors who are likewise members of the boards of directors, managers or employees of companies that have significant shareholdings in the listed company and/or in companies within its group:

Director's Name	Significant Shareholder's Corporate Name	Position
IGNACIO POLANCO MORENO	RUCANDIO, S.A.	CHAIRMAN
IGNACIO POLANCO MORENO	PROMOTORA DE PUBLICACIONES, S.L.	CHAIRMAN
IGNACIO POLANCO MORENO	ASGARD INVERSIONES, SLU	JOINT AND SEVERAL DIRECTOR
IGNACIO POLANCO MORENO	TIMÓN, S.A.	CHAIRMAN
JUAN LUIS CEBRIÁN ECHARRI	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR
AGNES NOGUERA BOREL	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR (REPRESENTATIVE OF LIBERTAS 7, S.A.)
BORJA PÉREZ ARAUNA	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR
BORJA PÉREZ ARAUNA	ASGARD INVERSIONES, SLU	JOINT AND SEVERAL DIRECTOR
BORJA PÉREZ ARAUNA	TIMÓN, S.A.	DEPUTY CHAIRMAN
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR
MANUEL POLANCO MORENO	RUCANDIO, S.A.	DIRECTOR
MANUEL POLANCO MORENO	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR
MANUEL POLANCO MORENO	TIMÓN, S.A.	DEPUTY CHAIRMAN

If applicable, indicate the relevant relationships (other than those listed in the previous table) existing between members of the Board of Directors and significant shareholders and/or companies in the group:

Director's Name	Significant Shareholder's Name	Description of the Relationship
IGNACIO POLANCO MORENO	RUCANDIO, S.A.	THE DIRECTOR OWNS 13.55% OUTRIGHT AND IS THE NAKED OWNER OF 11.45% OF THE SHARE CAPITAL OF RUCANDIO, S.A.
JUAN LUIS CEBRIÁN ECHARRI	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS A 0.25% INDIRECT HOLDING IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
NICOLAS BERGGRUEN	BH STORES IV, B.V	BH STORES IV B.V. ("BH IV") IS AN INDIRECT SUBSIDIARY OF BERGGRUEN HOLDINGS LTD. ("BH LTD."), A DIRECT, WHOLLY-OWNED SUBSIDIARY OF THE NICOLAS BERGGRUEN CHARITABLE TRUST (THE "TRUST"). THE ULTIMATE OWNER OF THE SHARES HELD BY BH IV IS THE TRUST. MR. BERGGRUEN IS A

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		DIRECTOR OF BERGGRUEN HOLDINGS LTD
BORJA JESÚS PÉREZ ARAUNA	PROMOTORA DE PUBLICACIONES, S.L. DE	THE DIRECTOR HAS DIRECT HOLDINGS (0.0048%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
BORJA JESÚS PÉREZ ARAUNA	TIMÓN, S.A.	THE DIRECTOR HAS AN EMPLOYMENT RELATIONSHIP WITH TIMÓN, S.A.
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS INDIRECT HOLDINGS (11.569%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR CONTROLS EVIEND SARL, A COMPANY BOUND BY THE SHAREHOLDERS AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L. DESCRIBED IN SECTION A.6.
MANUEL POLANCO MORENO	RUCANDIO, S.A.	THE DIRECTOR OWNS 13.55% OUTRIGHT AND IS THE NAKED OWNER OF 11.45% OF THE SHARE CAPITAL OF RUCANDIO, S.A.
MATÍAS CORTÉS DOMINGUEZ	PROMOTORA DE PUBLICACIONES, S.L. DE	THE DIRECTOR HAS DIRECT HOLDINGS (0.06%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.

B.1.18. Indicate if the Board Regulation has been amended during the year.

YES

Description of Amendments
<p>The Board of Directors Regulation has been amended by resolution of the Board held on June 24, 2011, primarily in order to:</p> <ol style="list-style-type: none"> i. Regarding the qualification of the different types of Directors, refers to the definitions settled in the Unified Code of Good Governance, and additionally, to the extent that the Company's Shares are listed, directly or indirectly, through other financial instruments in the New York Stock Exchange (NYSE), provides that the Company will adjust the definitions of the type of directors to the definitions approved by that Stock Exchange. ii. Develop the powers of the President, in the context of its functions of organizing the Board. iii. Modify the denomination of the Executive Commission to Delegated Commission and to carry out certain modifications in its composition. iv. Develop standards relating to attendance in person or by proxy, at meetings of the Board. v. Delete the figure of the Honorary Director vi. Modify some aspects of the composition and powers of the Audit Committee. vii. Split the Corporate Governance, Nomination and Compensation Committee into two different Committees: one on Corporate Governance and another on Nomination and Compensation with the corresponding split of powers, to its adaptation to the modifications of the Bylaws approved by the General Shareholders Meeting.

B.1.19. Indicate the procedures for the appointment, reelection, evaluation and removal of directors. Describe the bodies empowered to do so, the steps to be taken and the criteria to be applied in each of those procedures.

According to Article 17 of the Company Bylaws, the Board shall have a minimum of three and a maximum of seventeen members, who shall be appointed by and whose number shall be determined at the Shareholders' Meeting. In that regard, the shareholders may expressly determine the number at a Meeting, or may do so indirectly by choosing to fill or not to

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fill vacancies or to appoint or not to appoint new Directors within the aforementioned minimum and maximum number of members.

The Board of Directors shall appoint a Chairman from among its members and may likewise appoint one or several deputy chairmen. It may also appoint an Executive Committee from one of its members, or one or several Chief Executive Officers, to whom the Board may grant joint or joint and several powers to represent the Company. The Board shall also appoint a secretary, who need not be a board member, and may appoint a deputy secretary, who likewise need not be a board member.

As provided in article 15 bis of the Bylaws, a favorable vote of 75% percent of the shares having voting rights, present or represented by proxy at a General Meeting shall be required to adopt resolutions concerning changes in the Board of Directors and a appointment of members of the Board at the Shareholders' Meeting, except for candidates proposed by the Board of Directors.

Likewise in accordance with article 17 bis of the Bylaws, shall be considered as:

a) Executive Directors: Those who perform executive functions or who are senior managers of the Company. In any case, those directors who have been delegated permanent general powers by the Board and/or are under senior management contracts or contracts to provide full-time executive services to the Company shall be deemed executive directors.

b) External Directors Representing Significant Shareholdings: Directors who (i) hold shares equal or superior to those legally considered significant shareholdings at any time or who have been appointed due to their position as shareholders, although their holdings may be less than those considered significant; (ii) or whose appointments were proposed by shareholders falling under section (b) (i) above.

c) Independent External Directors: Those not included in the previous categories, appointed based on their recognized personal and professional prestige and their experience and knowledge for the exercise of their functions, without ties to the executive team or significant shareholders.

d) Other External Directors: external directors who do not qualify as either significant shareholders or independent.

The Board of Directors Regulation may further define and develop these concepts.

Article 17 bis of the Bylaws also provides that the composition of the Board of Directors shall be such that external directors or non-executive directors represent a majority with respect to executive directors, with the presence of independent directors.

Chapter VI of the Board Regulations provides for the following procedures for appointing, reelection, evaluating and removing Directors:

- Appointment of Directors: Directors shall be appointed by the participants at the Shareholders' Meeting or, provisionally, by the Board of Directors in accordance with the provisions of the Companies Law and the Company Bylaws.

Proposals for the appointment of directors submitted by the Board of Directors for consideration at shareholders meetings and resolutions appointing directors that the Board adopts by virtue of its legally-attributed powers of co-optation must conform to the provisions of this Regulation, and must be accompanied by a non-binding proposal or advisory opinion issued by the Nomination and Compensation Committee or of the Corporate Governance Committee, as the case may be.

- Appointment of External Directors: The Board of Directors and the Nomination and Compensation Committee shall seek to ensure, within the scope of their respective powers, that the candidates selected are persons of acknowledged competence and experience.

The Corporate Governance Committee shall evaluate the skills, knowledge and experience on the Board, and therefore, define functions and capabilities required of candidates to fill each vacancy and evaluate dedication necessary to properly perform their duties.

- Re-appointment of Directors: Motions for re-appointment of directors submitted by the Board of Directors at a shareholders meeting shall be subject to a formal drafting process. A necessary part of this process is an opinion issued by the Nomination and Compensation Committee in which the performance and commitment of the directors proposed during the previous mandate shall be evaluated.

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- Tenure of Service: Directors shall be appointed for a term of five (5) years, and may be re-appointed. Directors appointed by co-optation may be ratified in office by resolution of the first shareholders meeting following his appointment.

- Termination of Tenure: Directors shall leave their posts when the period for which they were appointed has expired, or when so decided by shareholders at a shareholders meeting in the exercise of the powers that are conferred upon them by statute or in the bylaws. Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in cases provided in article 21.2 of the Board of Directors Regulation, which are described in section B.1.20 below.

The Board of Directors shall not propose the removal of any independent director before completing the term of office set forth in the bylaws for which he was appointed, unless the Board deems that there is just cause for doing so and after seeking the opinion of the Corporate Governance Committee. In that regard, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post.

Committee members shall leave their posts when they cease to be directors.

- Voting Objectivity and Secrecy: Directors affected by motions for re-appointment or termination shall absent themselves from the meeting during deliberations and voting on such matters.

If any director so requests, Board of Director votes involving the appointment, re-appointment or termination of directors shall be by secret ballot, without prejudice to the right of any director to have his vote recorded in the minutes.

-Evaluation: As provided in the Board of Directors Regulation, periodic evaluation of the performance and composition of the Board of Directors shall be submitted to Board approval with the previous report by the Corporate Governance Committee.

B.1.20. Indicate under what circumstances Directors are obliged to resign.

As set forth in Article 21.2 of the Board Regulations, Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in the following cases:

- 1) When they are subject to any of the legally-established prohibitions or grounds for disqualification or cease.
- 2) When based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanor proceeding.
- 3) When they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors.
- 4) When the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director loses his respective status as such.
- 5) When in the course of a year they fail to attend physically to more than two meetings of the Board of Directors, of the Delegated Commission or to the Committees which they participate, which one of them must be necessarily of the Board, without just cause, in the opinion of the Board, the delegated Committee or the Committees to whom he/she participates.
- 6) When the belonging to the Board for lack of fitness, in the manner described in Article 31.5 of these Regulations, may jeopardize directly, indirectly or through persons connected with him/her, the loyal and diligent exercise of his/her functions under the corporate interest.

Article 33.5 of the Board of Director Regulations provides that in cases where the conflict of interest is, or reasonably expected to be, of such nature as to constitute a structural and permanent conflict between the Director (or a person related to him/her, or in the case of a proprietary Director, the shareholder or shareholders who proposed or made the appointment or persons directly or indirectly related thereto) and the Company and the companies in its group, it is understood that the Director has no, or no longer has, the required qualifications for the performance of duties for the purposes of Article 21 of this Regulation.

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B.1.21. Indicate whether the functions of Chief Executive Officer of the Company are also performed by the Chairman of the Board of Directors. If so, explain the measures adopted to limit the risks of conferring those powers upon a single person:

NO

Risk-Limiting Measures
The CEO bears ultimate responsibility for the management of the company and chairs the Delegated Committee. The Chairman of the Board organizes, monitors and supervises management, defining strategies and promoting corporate governance. The Chairman likewise has the power to propose appointments and changes in board membership, including the chief executive.

Indicate, and if so explain, whether rules have been passed to enable an independent director to request that a board meeting be held or that new items be included on the agenda, to coordinate and reflect the concerns of external directors and to direct assessment by the board of directors.

NO

B.1.22. Are reinforced majorities required for taking certain types of decisions, other than those required by law?

NO

Describe how board decisions are taken, indicating at least the minimum attendance quorum required and the types of majorities required to pass resolutions:

Type of Resolution:

Any type

Quorum	%
Attendance at the meeting, either in person or by proxy, of half plus one of the board members	56.25

Majority Required	%
An absolute majority of the votes of all directors in attendance or represented by proxy, unless a reinforced majority is required by law.	56.25

B.1.23. Indicate whether the requirements for being elected Chairman differ from those required for election to the Board:

NO

B.1.24. Indicate whether the Chairman may exercise a casting vote:

YES

Matters in which the Chairman has a Casting Vote
Pursuant to Article 23 of the Company Bylaws and Article 16.2 of the Board Regulations, the Chairman may exercise a casting vote to break any possible ties that may arise concerning any matter.

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B.1.25. Indicate whether the Bylaws of the Board Regulations set an age limit for Directors:

NO

Age limit for the Chairman	0
Age limit for the Chief Executive Officer	0
Age limit for Directors	0

B.1.26. Indicate whether the Bylaws or Board Regulations limit the term of office of independent directors:

NO

Maximum Term of Office	0
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B.1.27. If there are few or no female directors, explain the reasons and the measures adopted to correct this situation.

Explanation of reasons and measures
Article 8.1 of the Board Regulation provides that in the composition of the Board of Directors the external, independents and ownership directors, will represent a majority with respect of the executive directors.

Specifically indicate whether the Nominations and Compensations Committee has established procedures to ensure that selection processes are not implicitly biased against the selection of female directors and that they deliberately seek female candidates that meet the required profile:

YES

Description of the principal procedures
The selection process is based solely on the suitability and prestige of the candidates. No ad hoc procedure for selecting female directors has been implemented, precisely due to the non-sexist nature of the company's procedures. Nevertheless, within the competences of the Corporate Governance Committee has been included "report to the Board on issues of gender diversity in relation to the composition of the Board".

B.1.28. Indicate whether there are formal procedures for delegating votes on the Board of Directors. If so, describe them briefly:

Article 23 of the Company Bylaws and Article 16 of the Board Regulations provide that directors may delegate their votes to another director. In that regard, proxies must be in writing, specifically for the meeting in question and instructing to the representative about the sense of any vote.

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B.1.29. Indicate the number of meetings that were held by the Board of Directors during the financial year. Likewise indicate, if applicable, the number of meetings held in the absence of the Board's President:

Number of Board Meetings	5
Number of Meetings That the President Did Not Attend	0

Indicate the number of meetings held by the Board's committees:

Number of meetings of the Executive or Delegated Committee	8
Number of meetings of the Audit Committee	7
Number of meetings of the Compensations and Nominations Committee	6

B.1.30. Indicate the number of meetings held by the Board of Directors during the financial year in which all members were not in attendance. Proxies in attendance without specific instructions should be counted as absent:

Number of absences of board members during the year	3
% of absences with respect to the total number of votes during the year	3.84

B.1.31. Indicate whether the individual and consolidated annual accounts submitted to the Board for its approval are previously certified:

NO

Identify, if applicable, the person or persons who certified the individual and consolidated annual accounts of the Company, for submission to the Board:

B.1.32. Explain, if they exist, the mechanisms established by the Board of Directors to prevent the annual and consolidated accounts from being submitted at the Shareholders' Meeting with provisos in the Auditor's Report.

Pursuant to article 24.4.b) of the Board of Directors Regulation, the Audit Committee has the following competences in connection with the preparation and publication of the Company's financial information

- i. Review legal compliance requirements and monitor proper application of generally accepted accounting principles, and report on the proposed changes to accounting principles and criteria suggested by management.
- ii. Know and oversee the effectiveness of internal control systems of the Company, and risk management systems, and discuss with the auditors or audit firms significant weaknesses in internal control, identified in the development of audit
- iii. Oversee the preparation and presentation of financial information regulated.

Likewise, article 40 of the Board of Directors Regulation provides that_

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1. The Board of Directors shall refrain from proposing the appointment or renewal of an auditing firm when the fees to be paid to that firm by the Company for all of its services exceed five percent of the auditing firm's annual earnings, based on an average for the last five years.

2.- The Board of Directors shall disclose the total amount of fees that the Company has paid to the auditing firm, distinguishing between auditing fees and payments for other services. The Annual Report on annual accounts shall further contain a breakdown of amounts paid to the auditors, to companies in the auditor's group, or to any other company that the auditor may be associated with through common ownership, management or control.

B.1.33. Is the Secretary of the Board of Directors likewise a Director?

NO

B.1.34 Explain the procedures for the appointment and removal of the Secretary to the Board, indicating whether the Nominations Committee issued an opinion and the Board approved his appointment and removal.

Procedure for appointment and removal
Pursuant to Article 13 of the Board of Directors Regulation, the Board of Directors appoints a secretary, who must be a lawyer and need not be a member of the Board. The Board of Directors may appoint a Deputy Secretary, who need not be a director, to assist the Secretary to the Board of Directors. Likewise, and in accordance with Article 25.3 of the Board of Directors Regulation, one of the main responsibilities of the Nomination and Compensation Committee is to issue an opinion concerning the Board of Directors' proposal for the appointment of the secretary and deputy secretary of the board.

Does the Nomination Committee issue an opinion concerning the appointment?	YES
Does the Nomination Committee issue an opinion concerning the removal?	NO
Is the appointment approved by the full Board?	YES
Is the removal approved by the full Board?	YES

Is the Secretary to the Board specifically responsible for overseeing compliance with good governance recommendations?

YES

Observations
Yes, with regard to the recommendations accepted by the Company and including in its internal regulations.

B.1.35. Indicate, if applicable, the mechanisms established by the Company to preserve the independence of auditors, financial analysts, investment banks and rating agencies.

Pursuant to article 24.4.c) of the Board of Directors Regulation, the Audit Committee has the following competences in connection with the external Auditor of the Company

- i. To propose to the Board of Directors the appointment of external account auditors pursuant to Section 263 of the Companies Act, to be submitted at the annual shareholders meeting.
- ii. To report and propose to the Board the external Auditor engagement conditions, the scope of its charge, and, if is the case, the removal or not renewal of the Auditor, and the oversight of the engagement fulfillment.

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- iii. To maintain contact with the external auditors in order to receive information on those issues related to the accounts auditing process, together with any other communication provided for in accounts auditing legislation and rules.
- iv. To receive from the external auditors any information about all the issues that may compromise the Auditor's independence. In any event, the Committee shall receive every year written confirmation from the Auditor of its independence from the entity or entities linked to auditors, directly or indirectly, and information of any additional services provided to these entities by external auditors, or by persons or entities linked to them in accordance with the provisions of Law 19/1988 of July 12, Audit of Accounts.
- v. Pre-approve, before its execution, any engagement with the Company's Auditor, for any works related with audit services or any other kind of services rendered by the Auditor.
- vi. To issue every year, prior to the issuance of the Audit Report, a report expressing an opinion on the independence of external auditors. This report shall, in any case, make reference on the provisions of additional services rendered by the Auditor.

Likewise, article 40 of the Board Regulations stipulates that:

1. The Board of Directors shall refrain from proposing the appointment or renewal of a firm of auditors when the fees paid by the Company for all of its services represent more than 5% of the annual income of that auditing firm, based on the average for the last five years.

2. The Board of Directors shall publicize the total fees that the Company has paid to the auditors, differentiating between fees for auditing company accounts and those paid for other services rendered. The Annual Report of company accounts must likewise include a breakdown of the fees paid to auditors, as well as those paid to any company belonging to the firm of auditor's corporate group or to any company sharing common property, management or control with the Company's auditors.

B.1.36 Indicate whether during the financial year the company has changed external auditors. If so, specify the former and present auditors:

NO

Former auditor	Current auditor

In the event there were discrepancies with the former auditor, explain the nature of those discrepancies:

NO

B.1.37. Indicate whether the auditing firm renders other non-auditing services to the Company and/or its corporate group and, if so, state the amount of fees paid for those services and the percent that this represents of the total fees invoiced to the Company and/or its group.

YES

	Company	Group	Total
Amount paid for non-auditing services (Euros 000)	381	752	1,133
Amount paid for non-auditing services / Total amount invoiced by the auditing firm (%)	44.1	27.7	31.7

(Free translation from the original in Spanish language)

B.1.38. Indicate whether the report on the audit of the annual accounts for the previous year contained any reservations or qualifications. If so, indicate the reasons provided by the chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

NO

B.1.39. Indicate the number of consecutive years that the present auditing firm has audited the annual accounts of the Company and/or its group. Likewise indicate the percent that the number of years with this auditing firm represents with respect to the total number of years that the annual accounts have actually been audited.

	Company	Group
Number of consecutive years	21	20

	Company	Group
Number of years audited by the present auditing firm / Number of years that the Company has been audited (%)	100.00	100.00

B.1.40. Indicate the shareholdings that members of the Board of Directors of the Company have in entities engaged in the same, similar or complementary activities as those comprising the Company or the Company's group's corporate purpose, of which the Company has been informed. Likewise indicate the positions that they hold or functions that they perform in those entities:

Director's Name	Name of the entity in question	% Share	Position or functions
JUAN LUIS CEBRIAN ECHARRI	MEDIASET ESPAÑA COMUNICACIÓN, S.L.	0.000	DIRECTOR
JUAN LUIS CEBRIÁN ECHARRI	LE MONDE LIBRE	0.000	DIRECTOR
JUAN LUIS CEBRIÁN ECHARRI	SOCIÉTÉ EDITRICE DU MONDE	0.000	DIRECTOR
NICOLAS BERGGRUEN	SOCIÉTÉ EDITRICE DU MONDE	0.000	DIRECTOR
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	UNIVERSAL MUSIC SPAIN, S.L.	0.000	CHAIRMAN
MANUEL POLANCO MORENO	MEDIASET ESPAÑA COMUNICACIÓN, S.L.	0.000	DEPUTY CHAIRMAN
HARRY SLOAN	ZENIMAX MEDIA INC	0.000	DIRECTOR

B.1.41. Indicate whether there is a procedure for Directors to obtain outside counsel and, if so, describe that procedure.

YES

Description of the Procedure
The Board Regulations incorporate this principle in the following terms: "Directors shall have broad powers to obtain information and counsel that they may need with regard to any aspect of the Company, provided that it is required in

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the fulfillment of their duties.” (Article 27).

Likewise, article 28 establish that in order to be assisted in exercising their functions, any Director may request the hiring, under the Company cost, legal, accounting, technical, financial, commercial or other experts. The engagement must deal with specific problems of certain importance and complexity that arise in the performance of their duties. The application for hire will be channeled through the President or Secretary of the Board of Directors, who may subject to prior approval of the Board of Directors, which may be denied when there are reasons that justify it.

Articles 14 and 23 of said Regulation respectively establish that the Delegated Commission and the Committees may seek outside advice when they deem it necessary for the fulfillment of their obligations.

B.1.42. Indicate whether there is a procedure for Directors to obtain the information they need in sufficient time to enable them to prepare for the meetings of the governing bodies and, if so, describe that procedure:

YES

Description of the Procedure

Pursuant to article 13 of the Board of Directors Regulation the Secretary shall ensure the proper functioning of the Board.

Likewise, article 15 of the Board of Directors Regulation provides the call for meetings of the Board of Directors, which shall be sent a minimum of seven (7) days in advance of the meeting, shall always include the agenda for the meeting and that the Chairman shall ensure that the Chief Executive Officer prepares and provides the rest of the directors with information concerning the progress of the Company and those matters necessary for adopting the items proposed on the agenda at each meeting of the Board of Directors.

Article 27 of the Board of Directors Regulation provides that Directors may request, with the broadest powers, any information and advice they require concerning any aspect of the Company, provided that this is needed in the fulfillment of their functions. This right to information is extended to subsidiary companies, whether national or foreign, and shall be channeled through the Chairman, who shall answer requests from directors, providing them with the information directly, directing them to the appropriate sources, or taking any measures necessary for the inspection requested. Furthermore, the Chairman of the Board shall ensure that all directors receive all documentation to be distributed at meetings of the Delegated Committee and the various committees and their respective minutes.

Article 32 of the Board of Directors Regulation includes within the general obligations of the Directors, that of being informed about and adequately prepare for the meetings of the Board and the committees on which they serve (including, if applicable, the Delegated Commission).

B.1.43. Indicate whether the company has rules (and if so, describe those rules) compelling directors to inform and, if warranted, resign in circumstances that may damage the prestige and reputation of the company:

YES

Description of the Procedure

(Free translation from the original in Spanish language)

As established in section 21.2. of the Rules of the Board of Directors, Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in the following cases:

- 1) When they are subject to any of the legally-established prohibitions or grounds for disqualification or cease.
- 2) When based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanor proceeding.
- 3) When they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors.
- 4) When the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director loses his respective status as such.
- 5) When in the course of a year they fail to attend physically to more than two meetings of the Board of Directors, of the Delegated Commission or to the Committees which they participate, which one of them must be necessarily of the Board, without just cause, in the opinion of the Board, the delegated Committee or the Committees to whom he/she participates.
- 6) When the belonging to the Board for lack of fitness, in the manner described in Article 33.5 of these Regulations, may jeopardize directly, indirectly or through persons connected with him/her, the loyal and diligent exercise of his/her functions under the corporate interest.

B.1.44. Indicate whether any member of the Board of Directors has informed the company that he has been prosecuted or that proceedings have been brought against him for any of the offenses listed in Article 124 of the Corporations Law:

NO

Indicate whether the Board of Directors has analyzed the case. If so, explain the grounds for the decision as to whether the director should continue in his post.

NO

Decision adopted	Grounds for the decision

B.2. Committees of the Board of Directors

B.2.1. List all Committees of the Board of Directors and their members:

DELEGATED COMMITTEE

Name	Position	Classification
MR. JUAN LUIS CEBRIÁN ECHARRI	CHAIRMAN	EXECUTIVE DIRECTOR
MR. MATIAS CORTES DOMINGUEZ	MEMBER	OTHER EXTERNAL DIRECTOR
MR. GREGORIO MARAÑON Y BERTRAN DE LIS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. MANUEL POLANCO MORENO	MEMBER	EXECUTIVE DIRECTOR
MR. MARTIN FRANKLIN	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

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MR. EMMANUEL ROMAN	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. ALAIN MINC	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

AUDIT COMMITTEE

Name	Position	Classification
MR. JUAN ARENA DE LA MORA	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MRS. AGNES NOGUERA BOREL	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. ALAIN MINC	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. EMMANUEL ROMAN	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

NOMINATION AND COMPENSATION COMMITTEE

Name	Position	Classification
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MR. BORJA PEREZ ARAUNA	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. DIEGO HIDALGO SCHNUR	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. HARRY SLOAN	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

CORPORATE GOVERNANCE COMMITTEE

Name	Position	Classification
MR. ERNESTO ZEDILLO	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MR. MATIAS CORTES DOMINGUEZ	MEMBER	OTHER EXTERNAL DIRECTOR
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MRS AGNES NOGUERA BOREL	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

B.2.2 Indicate whether the Audit Committee performs the following duties:

Supervision of the preparation and integrity of the company's, and if applicable, the group's financial information, monitoring compliance with regulatory requirements, the appropriate composition of the	YES
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consolidation perimeter and the correct application of accounting rules	YES
Periodic review of internal control and risk management systems, so that the main risks are adequately identified, managed and notified	YES
Ensuring the independence and accuracy of the operations of the internal audit department; proposing the selection, appointment, reelection and removal of the head of the internal audit department; receiving periodic information concerning audit activities; and verifying that senior managers take into account the conclusions and recommendations contained its reports	YES
Setting up and supervising a mechanism whereby employees may confidentially and, if deemed appropriate, anonymously notify the company of any potentially relevant irregularities within the company, particularly financial or accounting irregularities, of which they may be aware	YES
Submission to the Board of Directors of proposals for the selection, appointment, reelection and substitution of the external auditor, as well as the conditions of its contract	YES
Receiving regularly from the external auditor information concerning the audit plan and the results of its application, and verifying that senior managers take its recommendations into account	YES
Ensuring the independence of the external auditor	YES
In the case of group companies, encouraging the group auditor to assume responsibility for auditing group companies.	YES

B.2.3. Describe the rules governing the organization and functions, as well as the responsibilities attributed to each of the board committees.

DELEGATED COMMITTEE

The rules governing the organization and operations of the Delegated Committee that are described below are contained in articles 5 and 14 of the Board of Directors Regulations:

The Board of Directors shall appoint a Delegated Committee comprising no more than eight board members and the Delegated Committee shall be presided by the Chief Executive Officer. Appointment of the other members of the Delegated Committee shall be made upon a proposal from the Chairman of the Board of Directors and a two-thirds favorable vote of board members.

The composition of the Delegated Committee with regard to the type of directors shall be similar to that of the Board of Directors.

Members of the Delegated Committee shall cease in their functions when they cease to be board members or upon a decision of the Board of Directors.

The Secretary of the Board shall act as Secretary of this Committee.

Without prejudice to the powers vested in the Chairman of the Board and the Chief Executive Officer, and under the provisions of Art. 5 of this Rules, all powers of the Board of Directors that may legally be delegated shall be delegated to the Delegated Committee. As provided for in that rule, the decisions that must be submitted to the Board of Directors and that may be legally delegated to the Delegated Committee may be taken by it for urgency reasons, which must be justified in the next Board meeting to be held. Said decisions are the following: i) Financial information related to listed securities that the Company must disclose periodically; ii) The undertaking of investments, assumption of financial obligations or the granting of any financial commitments that derive, among others, from loans, credits, sureties or other guarantees, as well as entering into contracts that are of significant importance to the Company or its subsidiary and/or controlled companies, except for cases of extreme urgency in which it is impossible for the Board of Directors to meet; iii) Any transfer or encumbrance of assets relating to the Company or its subsidiary or controlled companies, iv) Motions or resolutions for capital increases or reductions. Any other changes in capital structure; v) Strategic alliances of the

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Company or its controlled companies; vi) The creation or acquisition of interests in entities domiciled in countries or territories considered tax havens; vii) Mergers, spin-offs and any other relevant decision regarding the position of the Company as a listed company; viii) The remuneration of directors as well as, in the case of executive directors, any additional remuneration for their executive functions and other conditions set forth in their contracts; ix) Authorization of linked transactions in the terms provide for in this Regulation; x) Periodic evaluation of the performance and composition of the Board of Directors and the senior management.

The Delegated Committee shall meet at least six times a year and at any time that, in the opinion of the Chief Executive Officer, company interests warrant a meeting or when two or more members of the Delegated Committee request that a meeting be called, the Chairman being obliged to give notice of meetings sufficiently in advance.

A Committee meeting may be validly held when a majority of the directors on the committee are present or represented by proxy, and members not in attendance may give their proxies to another director who is a committee member.

Resolutions shall be passed by an absolute majority vote of the Delegated Committee members present or represented by proxy.

When there are no specific procedures, those set forth in this Regulation for the Board of Directors shall apply to the Delegated Committee, provided that they are compatible with the Committee's nature and functions.

When requested to do so by the Chairman of the Committee, other directors who are not committee members, as well as managers whose reports are necessary for company operations, may attend committee meetings, having voice but no vote

The Delegated Committee shall keep minutes of its meetings in the terms provided for the Board of Directors.

The Delegated Committee shall report on its activities at the first full board meeting following its sessions, and shall be accountable for the work it undertakes. The Board shall always be informed of all matters discussed and all resolutions adopted by the Delegated Committee. All board members shall receive a copy of the minutes of the Delegated Committee's meetings.

The Delegated Committee may seek outside expert advice when it is deemed necessary for the fulfillment of its functions.

CORPORATE GOVERNANCE COMMITTEE:

The rules governing the organization and operations of the Corporate Governance Committee that are described below are contained in Article 21 ter of the Bylaws and Article 26 of the Board Regulations:

The Corporate Governance Committee shall consist of a minimum of three (3) and a maximum of five (5) external or non executive directors. The appointment and removal of Committee members will be made by the Board of Directors upon a motion from the Chairman of the Board. Members of the Corporate Governance Committee will cease when they do so in their capacity as Directors or as otherwise agreed by the Board of Directors.

The Chairman of the Committee shall be elected by the Board of Directors from among its independent directors.

The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, if any, shall act as Secretary of the Committee and in case of absence, any member of the Committee.

The Corporate Governance Committee shall have the following competences:

- a) Regarding the composition of the Board of Directors and Board Committees:
 - i. Propose the appointment of independent directors.
 - ii. Propose the qualification of directors into the categories of executive, external proprietary, external independent and other directors, when the appointment or renewal of the directors is going to be executed by the General Shareholders Meeting or when that classification is revised annually in the Corporate Governance Report.
 - iii. Inform on the removal of executive and independent directors, when the Board of Directors propose the decision to the Shareholders Meeting or when occurs *justa causa* due to a breach of the director of the duties inherent to his/her position and when is carrying out a disciplinary procedure that could mean the removal of the director.
 - iv. Report, together with the Nomination and Compensation Committee, on proposals for the appointment of the Chairman and Vice Chairman, Chief Executive Officer, and members of the Delegated Committee and other committees of the Board of Directors.
 - v. Evaluate the skills, knowledge and experience on the Board, and therefore, define functions and capabilities required of candidates to fill each vacancy and evaluate dedication necessary to properly perform their duties.
 - vi. Report to the Board on issues of gender diversity in relation to the composition of the Board.

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- vii. Submit to the Board of Directors, a report evaluating the performance and composition of the Board and the performance of their duties by the Chairman and the Chief Executive of the Company.
- b) In connection with the strategy of corporate governance and corporate social responsibility of the Company:
 - i. Promoting corporate governance strategy of the Company.
 - ii. Know, promote, guide and monitor the performance of the Company regarding corporate social responsibility and sustainability and corporate reputation and to report thereon to the Board and Delegated Committee as appropriate.
 - iii. Inform and propose to the Board the approval of the Corporate Governance Report.
 - iv. Inform and propose to the Board the approval of the annual corporate social responsibility report and, in general, issue reports and develop actions in the field of corporate social responsibility and sustainability, in addition, in accordance with corporate governance of the Company and when being asked by the Board of Directors or its Chairman.
 - c) In connection with the internal rules of the Company:
 - i. Propose to the Board the approval of a Code of Ethics
 - ii. Propose to the Board the approval of a Code of Conduct of the employees.
 - iii. Report on proposals for amending the Bylaws, Rules of the Board, Rules of the Shareholders Meetings, Rules of Operation of the Shareholders Electronic Forum, the Internal Rules of Conduct, the Code of Ethics and Code of Conduct of the employees and any other rules of governance of the Company.
 - iv. Review the implementation of the Board Rules, the Internal Rules of Conduct, the Code of Conduct of the employees and, in general, the rules of governance of the Company and to make proposals for their improvement.
 - d) In connection to transactions with related parties to the Company and companies of the Group:
 - i. Report of transactions of the company with a significant shareholder, prior to its approval by the Board.
 - ii. Report professional or commercial transactions of directors, prior to its approval by the Board.
 - iii. Authorize transactions by persons related to directors under the terms provided for in Article 33 of this Regulation.
 - e) Other competences:
 - i. Review compliance policies and propose all necessary measures for its strengthening.
 - ii. Approve annually a report on the performance of the Committee and propose to the Board of Directors its publication, when the Annual General Meeting is called.
 - iii. Exercise all other powers granted to the Committee in this Regulation.

The Committee shall meet whenever the Board of Directors of the Company or the Delegated Committee requests the issuance of a report or the approval of proposals within the scope of its competencies and when, in the opinion of the Chairman, be appropriate for the proper performance of its functions.

Any member of the company management team or staff who may be required for such purpose shall be compelled to attend committee meetings and to provide it with assistance and access to any information at its disposal.

NOMINATION AND COMPENSATION COMMITTEE

The rules governing the organization and operations of the Nomination and Compensation Committee that are described below are contained in Article 21 quater of the Bylaws and Article 25 of the Board Regulations:

The Nomination and Compensation Committee shall have a minimum of three (3) and a maximum of five (5) external directors. The appointment and removal of the Committee members will be determine by resolution of the Board of Directors upon a motion from the Chairman.

The Nomination and Compensation Committee may request the attendance of the company's Chief Executive Officer or any other officer or employee of the Company at its meetings.

The members of the Nomination and Compensation Committee shall leave their posts when they do so in their capacity as directors or when so resolved by the Board of Directors.

The Chairman of the Committee shall be selected by the Board of Directors from among its independent directors.

The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, if any, shall act as Secretary of the Committee and in case of absence, any member of the Committee.

The Nomination and Compensation Committee shall have the following core competencies:

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- a) Regarding the composition of the Board of Directors and Board Committees of PRISA and management bodies of its subsidiaries:
 - i. Report on proposals for appointment, reappointment and removal of directors.
 - ii. Report, together with the Corporate Governance Committee, on proposals for appointment of Chairman and Vice Chairman, Chief Executive Officer, members of the Delegated Committee and other committees of the Board of Directors.
 - iii. Report on the nomination of the Secretary and Deputy Secretary.
 - iv. Review and organize the succession of the chairman and chief executive of the Company and make recommendations to the Board of Directors to facilitate that such succession occurs in an orderly and well planned.
 - v. Report on proposals for appointment of representatives of the Society in the managing bodies of its subsidiaries.
- b) In connection with the senior management of the Group:
 - i. Propose the definition of senior management.
 - ii. Report the appointment and removal of senior management.
 - iii. Approve contracts for senior management.
 - iv. Information and, where appropriate, issue reports on disciplinary action to senior management of the Company.
- c) In relation to the compensation policy:
 - i. Propose to the Board of Directors: i) the Compensation Plan for directors, ii) the amounts and/or compensation limits that apply to directors, based on their dedication to the Board and the Committees thereof, iii) the individual remuneration of executive directors and other conditions of their contracts and iv) a statement of compensation policy for Directors and senior management.
 - ii. Approve the key objectives linked with the variable compensation for executive directors and/or the management.
 - iii. Propose to the Board of Directors the compensation system for senior managers of PRISA and its subsidiaries and report to the Board about the liquidation of the variable compensation for them and to establish other incentive plans for them.
 - iv. Ensure compliance with the remuneration policy set by the Company.
- d) Other competences
 - i. Approve annually a report on the performance of the Committee and propose to the Board of Directors its publication, when the Annual General Meeting is called.
 - ii. Exercise all other powers granted to the Committee in this Regulation.

The Committee shall meet whenever the Board of Directors of the Company or the Delegated Committee requests the issuance of a report or the approval of proposals within the scope of its competencies and when, in the opinion of the Chairman, be appropriate for the proper performance of its functions.

Any member of the company management team or staff who may be required for such purpose shall be compelled to attend committee meetings and to provide it with assistance and access to any information at its disposal.

AUDIT COMMITTEE:

The rules governing the organization and operations of the Audit Committee that are described below are contained in article 21bis of the Company Bylaws and Article 24 of the Board of Directors Regulations:

The Audit Committee shall have the number of members that is determined by the Board of Directors from time to time, with a minimum of three (3) and a maximum of five (5) members. It shall have a majority of non-executive directors who shall not have a contractual relationship with the Company other than the position to which they are appointed. The composition of the committee shall provide appropriate representation to independent directors. At least one member of the Committee shall be independent and shall be appointed taking into account his/her knowledge and experience in accounting, auditing or both.

Additionally, to the extent that the Company's securities are listed, directly or indirectly through other financial instruments, in the New York Stock Exchange (NYSE), the Company will adjust the composition of the Committee to the rules established by United States of America laws and the NYSE.

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The appointment and termination of committee members shall be made by the Board of Directors on a motion from the Chairman.

Committee members shall leave their posts when they cease to be directors or when so agreed by the Board of Directors.

The Chairman of the committee shall be elected by the Board of Directors from among its members who are independent directors, and may not maintain a contractual relation with the Company other than the position for which he is appointed. The committee chairman shall be replaced every four years, and may be re-appointed one year after having left the post.

The Secretary of the Board of Directors and, in his absence, the Deputy Secretary or any member of the Committee, shall act as Secretary of the Committee.

The primary function of the Audit Committee is to assist the Board of Directors in its tasks of overseeing the management of the company.

The Audit Committee shall have the following competences:

- b) To report at annual shareholders meetings on issues raised by shareholders, pursuant to the provisions of the Law and the Shareholders Meeting Regulation.
- c) In connection with the preparation and publication of the Company's financial information
 - i. Review legal compliance requirements and monitor proper application of generally accepted accounting principles, and report on the proposed changes to accounting principles and criteria suggested by management.
 - ii. Know and oversee the effectiveness of internal control systems of the Company, and risk management systems, and discuss with the auditors or audit firms significant weaknesses in internal control, identified in the development of audit
 - iii. Oversee the preparation and presentation of financial information regulated.
 - iv. Review any admission or trading prospectus, and the information on the financial statements to be filed by the Board to the markets and to the Regulators.
- d) In connection with the external Auditor of the Company
 - i. To propose to the Board of Directors the appointment of external account auditors pursuant to Section 263 of the Companies Act, to be submitted at the annual shareholders meeting.
 - ii. To report and propose to the Board the external Auditor engagement conditions, the scope of its charge, and, if is the case, the removal or not renewal of the Auditor, and the oversight of the engagement fulfillment.
 - iii. To maintain contact with the external auditors in order to receive information on those issues related to the accounts auditing process, together with any other communication provided for in accounts auditing legislation and rules.
 - iv. To receive from the external auditors any information about all the issues that may compromise the Auditor's independence. In any event, the Committee shall receive every year written confirmation from the Auditor of its independence from the entity or entities linked to auditors, directly or indirectly, and information of any additional services provided to these entities by external auditors, or by persons or entities linked to them in accordance with the provisions of Law 19/1988 of July 12, Audit of Accounts.
 - v. Pre-approve, before its execution, any engagement with the Company's Auditor, for any works related with audit services or any other kind of services rendered by the Auditor.
 - vi. To issue every year, prior to the issuance of the Audit Report, a report expressing an opinion on the independence of external auditors. This report shall, in any case, make reference on the provisions of additional services rendered by the Auditor.
- e) In connection with the Internal Audit services
 - i. To propose the selection, appointment, reappointment or removal of the person in charge of the company's internal audit service.
 - ii. To oversee internal auditing services and the annual report of the Internal Audit Department.

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f) Other competences

- i. To analyze and issue opinions concerning specific investment transactions when, owing to their importance, the Board so requests
- ii. To issue opinions concerning the creation or acquisition of interests in entities domiciled in countries or territories considered as tax havens.
- iii. To exercise all other powers granted the committee in this Regulation.
- iv. To approve an annual report about the Committee performance and propose to the Board the edition when the Shareholders is called.

The Audit Committee shall establish and oversee a procedure which may allow to communicate to the Company the relevant irregularities, specially financing and accounting, in the Company. When these claims are presented by Company or its Group employees, this mechanism will be confidential, and when appropriate, anonymous.

The Audit Committee shall meet periodically as warranted, and at least four (4) times a year.

Any member of the company management team or staff who may be required for such purpose shall be compelled to attend committee meetings and to provide it with assistance and access to any information at his disposal. The committee may likewise request the attendance of the accounts auditors at its meetings.

B.2.4. Indicate, if applicable, the advisory powers and, if applicable, powers that have been delegated to each of the committees:

Committee Name	Brief Description
DELEGATED COMMITTEE	HAS BEEN DELEGATED ALL BOARD POWERS THAT MAY LEGALLY BE DELEGATED
AUDIT COMMITTEE	FOR ADVISORY POWERS, SEE B.2.3 ABOVE. NO DELEGATED POWERS HAVE BEEN ATTRIBUTED TO THIS COMMITTEE.
CORPORATE GOVERNANCE COMMITTEE	FOR ADVISORY POWERS, SEE B.2.3 ABOVE. NO DELEGATED POWERS HAVE BEEN ATTRIBUTED TO THIS COMMITTEE.
NOMINATION AND COMPENSATION COMMITTEE	FOR ADVISORY POWERS, SEE B.2.3 ABOVE. NO DELEGATED POWERS HAVE BEEN ATTRIBUTED TO THIS COMMITTEE.

B.2.5. Indicate, if applicable, whether there are board committee regulations, and if so, where they are available for consultation and any amendments made to them during the financial year. Likewise indicate whether any non-mandatory annual reports are issued concerning the activities of each committee:

Committee Name

DELEGATED COMMITTEE

Brief Description

Its composition, operations and powers are set forth in the Board of Directors Regulation, which is available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2011 that affect this committee are detailed in section B.1.18 above.

Committee Name

CORPORATE GOVERNANCE COMMITTEE

Brief Description

Its composition, operations and powers are set forth in article 21 quater of the Bylaws and in article 26 of the Board of Directors Regulation, which are available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2011 that affect this committee are detailed in section B.1.18 above.

(Free translation from the original in Spanish language)

On May 2011 the Corporate Governance, Nomination and Compensation Committee (which in June 2011 was splitted into two different committees: Corporate Governance Committee and Nomination and Compensation Committee) published a report on compliance with the company's rules of corporate governance during the 2010 financial year and also concerning the functions and activities of the Committee during said financial year.

Committee Name

NOMINATION AND COMPENSATION COMMITTEE

Brief Description

Its composition, operations and powers are set forth in article 21 ter of the Bylaws and in article 25 of the Board of Directors Regulation, which are available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2011 that affect this committee are detailed in section B.1.18 above.

On May 2011 the Corporate Governance, Nomination and Compensation Committee (which in June 2011 was splitted into two different committees: Corporate Governance Committee and Nomination and Compensation Committee) published a report on compliance with the company's rules of corporate governance during the 2010 financial year and also concerning the functions and activities of the Committee during said financial year.

Committee Name

AUDIT COMMITTEE

Brief Description

Its composition, operations and powers are set forth in article 21 bis of the Bylaws and in article 24 of the Board of Directors Regulation, which are available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2011 that affect this committee are detailed in section B.1.18 above.

On May 2011 the Audit Committee published a report on its functions and activities during the 2010 financial year.

B.2.6. Indicate whether the composition of the Executive Committee reflects the Board Member's holdings within their category:

NO

If not, explain the composition of the Executive Committee

There is a predominance of independent directors in the Delegated Commission (3 of its members have this nature) and likewise it is composed by 2 executive directors, 1 director representing significant shareholdings and 1 other external director. The Board of Directors is composed by 3 executive directors, 6 directors representing significant shareholdings, 6 independent directors and 1 other external director.

C. RELATED-PARTY TRANSACTIONS

C.1 Indicate whether the Board in full has reserved the right to approve the company's transactions with directors, significant shareholders or those represented on the Board, or persons related thereto, after having received the favorable opinion of the Audit Committee or any other committee performing that function:

YES

(Free translation from the original in Spanish language)

C.2. Describe relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries and the Company's significant shareholders:

C.3. Describe relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries and the managers or directors of the Company.

Manager's or Director's Name	Name of the Company or Entity in its Group	Nature of the Relationship	Type of Transaction	Amount (Euros 000)
D. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	PRISA TELEVISION, S.A.U	Contractual	PROVISION OF SERVICES	100
MATIAS CORTES DOMINGUEZ	PRISA TELEVISION, S.A.U	Contractual	PROVISION OF SERVICES	4,896

C.4. Describe any relevant transactions between the Company and other of its group entities that are not compensated in the consolidated financial statements and whose objectives and conditions are not a part of the Company's normal operations:

Name of the Group Entity	Brief Description of the Transaction	Amount (Euros 000)
DTS DISTRIBUIDORA DE TELEVISION DIGITAL, S.A.	DIVIDENDS PAID BY DTS DISTRIBUIDORA DE TELEVISION DIGITAL, S.A. TO ITS SHAREHOLDER MEDIASET ESPAÑA COMUNICACIÓN, S.A.	18,338
DÉDALO GRUPO GRAFICO, S.L.	PRISA PROVIDED A JOINT AND SEVERAL GUARANTEE TO DÉDALO GRUPO GRÁFICO, S.L. WITH RESPECT TO THE BANKING SYNDICATE CREATED BY VIRTUE OF THE SYNDICATED CREDIT AND LOAN AGREEMENT SIGNED ON FEBRUARY 8, 2008, FOR A MAXIMUM OF 105,200,000 EUROS.	105,200
DÉDALO GRUPO GRAFICO, S.L.	PROVISION OF PRINTING SERVICES BY SEVERAL COMPANIES IN WHICH DEDALO GRUPO GRAFICO, S.L. HAS HOLDINGS, TO SEVERAL COMPANIES IN WHICH PRISA HAS HOLDINGS.	18,985

(Free translation from the original in Spanish language)

DÉDALO GRUPO GRAFICO, S.L.	LOANS FOR A TOTAL OF 136,792,000 EUROS, PLUS INTEREST CAPITALIZED, GRANTED BY PRISAPRINT, S.L., A COMPANY IN WHICH PRISA HAS HOLDINGS, TO DEDALO GRUPO GRAFICO, S.L. OR COMPANIES IN WHICH IT HOLDS INTERESTS, AS A RESULT OF DIFFERENT FINANCING OPERATIONS.	136,792
DÉDALO GRUPO GRAFICO, S.L.	LOANS FOR A TOTAL OF 556,000 EUROS, GRANTED BY DIARIO EL PAIS, S.L., A COMPANY IN WHICH PRISA HAS HOLDINGS, TO DISTRIBUCIONES ALIADAS, S.A. AND NORPRENSA, S.A., COMPANIES IN WHICH DEDALO GRUPO GRAFICO, S.L. HOLDS INTERESTS.	556
GELESA GESTION LOGISTICA, S.L.	INCOMES RECEIVED BY PRINT MEDIAS OF PRISA GROUP FOR PURCHASE OF COPIES BY GELESA GESTION LOGISTICA	41,886
GELESA GESTION LOGISTICA, S.L.	DISTRIBUTION, TRANSPORT AND LOGISTICS SERVICES RENDERED BY GELESA GESTION LOGISTICA TO THE PRINT MEDIA OF PRISA GROUP	8,628
LE MONDE LIBRE	PRISA PROVIDED A JOINT AND SEVERAL GUARANTEE TO LE MONDE LIBRE, AMOUNTING TO 36,550,000 EUROS, THAT CORRESPOND TO THE AMOUNT OF THE OBLIGATIONS ACQUIRED BY THE COMPANY FROM SUCH HOLDERS OF OBLIGATIONS REIMBURSABLE BY SHARES, ISSUED AT THE TIME BY LE MONDE	36,550
MEDIASET ESPAÑA COMUNICACIÓN, S.A.	INCOMES RECEIVED BY SEVERAL COMPANIES IN WHICH PRISA HAS HOLDINGS, FOR TECHNICAL AND ADMINISTRATIVE SERVICES RENDERED TO EITHER MEDIASET COMUNICACIONES ESPAÑA, SA AND ITS PARTICIPATED COMPANIES, AS WELL AS FOR SALE OF ADVERTISING SPACE AND RIGHTS TO THESE COMPANIES.	43,940

(Free translation from the original in Spanish language)

MEDIASET ESPAÑA COMUNICACIÓN, S.A.	PURCHASES OF RIGHTS AND ADVERTISING BY SEVERAL COMPANIES IN WHICH PRISA HAS HOLDINGS, TO MEDIASET ESPAÑA COMUNICACION, S.A. AND IST PARTICIPATED COMPANIES, AS WELL AS TECHNICAL AND ADMINISTRATIVE SERVICES RENDERED BY THESE COMPANIES	5,664
PRISA TELEVISION, S.A.U	COSTS RELATED TO THE PARTICIPATION IN THE INCOMES OF THE COMPANY REAL MADRID GESTIÓN DE DERECHOS, S.L. IN WHICH PRISA TELEVISION HOLDS AN INTEREST, FOR SPONSORSHIP AND MERCHANDISING OF CLUB REAL MADRID	2,328
PRISA TELEVISION, S.A.U	DIVIDENDS RECEIVED BY PRISA TELEVISION, S.A.U FOR ITS SHAREHOLDINGS IN MEDIASET ESPAÑA COMUNICACIÓN, S.A.	24,688
PRISA TELEVISION, S.A.U	REVENUE SHARE OF REAL MADRID CLUB SPONSORSHIP AND MERCHANDISING, FROM THE COMPANY REAL MADRID GESTIÓN DE DERECHOS, S.L. IN WHICH PRISA TELEVISION HOLDS AN INTEREST.	9,875
SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	LOANS FOR A TOTAL OF 4,407,000 EUROS, GRANTED BY SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L. TO THE COMPANIES IN WHICH IT HOLDS HOLDINGS, W3COMM CONCESIONARIA, S.A. DE CV AND GREEN EMERALD BUSINESS INC.	4,407

C.5. Identify, if applicable, any circumstances in which company directors are involved that may constitute a conflict of interest, pursuant to the provisions of Article 127ter of the Corporations Law.

YES

Director`s name	Description of the conflict of interest
Matías Cortés Domínguez	Approval of his professional services by the Board of Directors

C.6. Describe the mechanisms in place to detect, determine and resolve possible conflicts of interest between the Company and/or its group and its directors, managers and significant shareholders.

Pursuant to Article 33 of the Board of Directors Regulations:

1.- Directors shall inform the Company of any situation that may involve a conflict of interest as defined in Chapter V of “Promotora de Informaciones, S.A. and its Group Companies’ Internal Code of Conduct Concerning Securities Market Transactions.”

2.- Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or any of its subsidiaries must be authorized by the Board of Directors after it has considered the opinion of the Corporate Governance Committee.

(Free translation from the original in Spanish language)

Transactions carried out by persons related to directors and which do not exceed 60,000 euro must be authorized by the Corporate Governance Committee.

3.- Directors shall refrain from intervening in deliberations concerning matters in which they have direct or indirect interests. In addition to not exercising their voting rights, directors affected by a linked operation must absent themselves from the boardroom during deliberations and voting on such matters.

4.- Authorization of the Board of Directors shall not be required for linked operations that fulfill the following conditions:

- a) Those involving compliance with standard contract conditions applied extensively to multiple customers;
- b) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question;
- c) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

5.- Nonetheless, in cases where the conflict of interest is, or reasonably expected to be, of such nature as to constitute a structural and permanent conflict between the Director (or a person related to him/her, or in the case of a proprietary Director, the shareholder or shareholders who proposed or made the appointment or persons directly or indirectly related thereto) and the Company and the companies in its group, it is understood that the Director has no, or no longer has, the required qualifications for the performance of duties for the purposes of Article 21 of this Regulation.

Likewise, Article 35 of the Board Regulations provides that Directors may not provide their professional services to competitors of the Company, its subsidiaries or companies in which it has holdings. This excludes holding posts in companies that have a significant stable stake in the Company's shareholdings.

In other respects, Article 36 of the Board of Directors Regulations states that:

1. The Board of Directors formally reserves the right to oversee any Company transaction with a significant shareholder.
2. Under no circumstances shall a transaction be authorized if an opinion of the Corporate Governance Committee assessing the operation from the point of view of market conditions has not been issued.
3. Nevertheless, authorization of the Board of Directors shall not be required for those transactions that fulfill all of the conditions set forth in Article 33.4 above.

With respect to the above and to ensure transparency, Article 37 of the Board of Directors Regulations provides that the Board of Directors shall include in its annual public reports a summary of the transactions carried out by the Company with its Directors and significant shareholders. This information shall detail the overall volume of the operations and the nature of the most relevant.

In addition, section V of the "Internal Code of Conduct of Promotora de Informaciones, S.A. and its Corporate Group Concerning Matters Involving Securities Markets" provides the following rules for the conflicts of interest:

5.1. All persons subject to this Internal Code of Conduct must promptly inform the Secretary General of any situations in which a conflict of interests may exist.

In that respect, notification must be made of any situations derived from their activities outside of GRUPO PRISA or those of related persons (to the extent defined in paragraph 5.2. below) that may conflict with the interests of GRUPO PRISA with regard to any specific action, service or operation with

- i) financial intermediaries
- ii) professional investors
- iii) suppliers
- iv) clients
- v) competitors

5.2. With respect to paragraph 5.1 above, the following shall be considered related persons:

- (i) a spouse or any person in a relationship that can be equated to marriage;
- (ii) the ascendants, descendants and siblings of the person subject to this Code of Conduct or of his/her spouse;
- (iii) the spouses of the ascendants, descendants and siblings of the person subject to this Code of Conduct;
- (iv) the companies in which the persons subject to this Code of Conduct, either personally or through an intermediary, fall within any of the categories set forth in article 4 of Law 24/1988, of July 28, governing the Securities Market.

5.3. Those persons affected by a conflict of interest shall refrain from deciding, intervening or influencing decisions taken with respect to those actions, services or operations.

(Free translation from the original in Spanish language)

C.7 Are more than one of the group companies listed in Spain?

NO

Specify the subsidiary companies that are listed:

D. RISK CONTROL SYSTEMS

D.1. General description of the Company and/or its Group's risk policy, detailing and evaluating the risks covered by the system, together with the justification as to why these systems are deemed adequate for each type of risk.

Prisa Group's organizational structure and management processes are designed to compensate for the different risks that are inherent in its activities. Risk analysis and control are framed within the Group's management processes and, as such, involve all of the members of the organization in a supervisory environment that is complemented with preventive measures intended to ensure that Group objectives are fulfilled.

The Group continuously monitors the most significant risks that may affect the principal business units. To do so it uses a Risk Map as a tool that graphically represents the risks inherent in the Group, that is used to identify and assess risks that affect the development of the different business units comprising the Group. The parameters evaluated in each risk to define their location on the risk map are the impact and the probability of occurrence of that risk. The identification of these risks and the operative processes in which each of the risks considered are managed are carried out by the Group's Internal Audit Office, which periodically reports the results of its work to the Audit Committee. The conclusions of the Risk Map of each business unit are reviewed with the respective managements of business.

The principal risks considered within the framework of the Group's risk management policy can be classified in the following categories:

- a. Strategic risks
- b. Business process risks
- c. Financial management risks
- d. Control of Risks Derived from the Reliability of Financial Information
- e. Information, infrastructures and technology risks

Control systems in place to evaluate, mitigate or reduce the principal risks of the Company and its group:

a. Control of Strategic Risks

The CEO is responsible for the day-to-day management of the Group, without prejudice to the general supervisory functions of the Board of Directors and its Executive Committee, to which all powers that may legally be delegated have been granted.

By authority of the CEO, Group management determines the Group's strategic plan, defining the objectives to be met for each business area, developmental goals and growth rates, based on both national and international market conditions, taking into consideration in those plans the appropriate risk levels for each business and market. The Group's general policies and strategies require the Board of Directors' prior authorization, mainly the strategic or business plan, as well as management objectives, the annual budgets and investment policies.

(Free translation from the original in Spanish language)

Compliance with the Strategic Plan and budgets are review periodically, analyzing the degree in which they are being fulfilled, evaluating deviations and proposing corrective measures. Managers from all business units are involved in this process, as well as the general and functional committees that issue their reports to senior group management.

b. Control of Business Process Risks

To develop and supervise business activity, the Group relies on a decentralized organization divided into specialized business units with coordinating entities such as the Management of Business Committee, which carry out analysis and supervisory functions with respect to the evolution of business activities, as well as the operational environment and problems of the business units.

Transactional business risks, as well as operational, commercial, legal, fiscal and other types of risks are monitored by their respective organizations, with supervisory mechanisms in place for each at the corporate level. For example, the Group's fiscal management unit monitors compliance with current tax legislation in each of the geographic and business segments in which it carries out its activity, and manages risks arising from different interpretation of rules that the competent tax authorities may offer in each case. In other respects, risks inherent in radio and television, which are generally regulated activities subject to temporary administrative concessions or licensing, are evaluated by the general management of their respective business units and supervised at the corporate level by the Secretary General.

Likewise, commercial risks related to advertising and matching our offer of services and product to client demands are continuously monitored by the Group's Commercial Management and by a specialized Advertising Committee. In that regard, we should underscore that, in comparison with other companies in the sector, Group revenue is less dependent on advertising commercial cycles due to the Santillana publishing business and, above all, the pay television audiovisual business, which show periodic and recurring fluctuations. In effect, the Group's top-line activities are based on turnover from subscribers to its digital television platform, which generated 32.56% of the Group's operating turnover in 2011. In other respects, the Transversal Business Committee coordinates the different business units that analyze business opportunities as well as joint actions among business units.

c. Control of Financial Management Risks

- Financing Risks

The Group's financial obligations are described in Note 12, "Financial Debt" in Prisa's 2011 Consolidated Annual Report. At 31 December 2011 the Group's bank borrowings amounted to 3.400 million euros.

In that regard, the Group's debt level involves certain payment obligations, interest payments and amortization of principal, as well as, derived from the financing contracts undertaken, compliance with a certain financial ratios and some operational limitations. To meet its financial obligations, during 2011 the Group has signed a refinancing framework agreement with its creditor banks that envisions certain changes in the terms and conditions of its principal financing contracts including, among others, an extension of the syndicated loan until March 19, 2014, and of the bridge loan until January 16, 2015. Both loans, depending on the achievement of certain milestones, will be extended until December 19, 2014 and September 21, 2015 respectively. These mechanisms reduced the Group's debt gearing and increased its working capital.

Concerning the management of its short-term financial obligations, the Group envisions strictly following the maturity schedule for its financial debt, and financial ratios set forth in the financing agreements, as well as maintaining lines of credit and other means of financing that will enable it to cover its short, medium and long-term cash needs. In that regard, the Group maintains a centralized treasury management system and a Treasury Account, Debt and CAPEX Committee that monitors the Group's expenditures weekly, as well as making periodic consolidated financial forecasts that optimize available resources to meet the financial needs of each business and to service the debt.

- Exposure to Interest Rate Risks

The Group is exposed to interest rate fluctuations, since all of its debt with financial entities is at variable interest rates. In that regard, the Company takes out contracts to cover interest rate risk, basically by means of contracts that ensure maximum rates of interest, as far as has lines of credit available to it.

(Free translation from the original in Spanish language)

- Exposure to exchange rate risks

The Group is exposed to exchange rate fluctuations, basically due to financial investments in American companies, as well as income and profit from those investments. During 2011 revenue from the international area and Latin America respectively accounted for 32.22% and 24.26% of the Group's consolidated income.

In that regard, the Group is exposed to potential variations in the exchange rates of the different currencies in which it holds debt with financial institutions and international suppliers of television content for the acquisition of audiovisual rights. At December 31, 2011 the weight of non-euro currencies with respect to total Group financial debt is not significant.

In this context, and with a view to lessening this risk, based on its forecasts and budgets the Group maintains risk-coverage contracts to offset exchange rate variations (basically exchange risk insurance, forwards and currency options).

- Exposure to Risks Related to the Price of Paper

The Group is exposed to the possibility of variations in its results due to fluctuations in the price of paper, the essential raw material in some of its production processes. The Group has set up a strategic coverage program through which, by means of long-term contracts, it can cover the price of a given percentage of the volume of paper to be consumed in the mid-term. In 2011 paper consumption represented 8.7% of the Group's total purchases and consumption.

d. Control of Risks Derived from the Reliability of Financial Information

During fiscal year 2011 the Group has implemented a system of internal control over financial reporting that meet with the requirements established in the section 404 of the Sarbanes-Oxley, mandatory for the Group since that Prisa shares traded in the New York Stock Exchange. The identification of the risks over financial reporting, control activities and monitoring of the control system are described in the Annex to the Annual Corporate Governance Report, in paragraph "Description of the main characteristics of internal control and risk management in relation to the process of issuance of the financial information".

e. Risk control in information systems, infrastructures and technology

The overall security of Prisa Group is managed by three main areas, protection of personal data by the General Secretary, occupational risk prevention and physical security by the Management of Human Resources, and information security and business continuity by Management of Communication and Information Systems. In line with the increased internationalization of the business, global security management includes consulting in the areas of physical and network security and the adoption of coordinated measures to reinforce protection of the confidentiality, integrity and availability of information and information systems, as well as the security of the Group's remaining assets –personnel, processes, installations and content.

In compliance with the Corporate Security Policy, since fiscal year 2008, the Group has been implemented a Corporate Security Management System (CSMS), which provides for controls in the following areas: general policies, security policy, organizational structure security, asset classification and control, personnel security, physical and environmental security, management of communications and operations, management of control centers and externalized security, systems development and maintenance, access control, security incidents management, and business continuity and compliance.

Through this System the Group integrates all security areas of its different business units, establishing general rules and controls to be applied throughout the Group or specific ones for the Business.

The Group periodically carries out projects in communications security, incident management, security auditing, IT contingency plans, vulnerability analysis and alert systems. Regarding physical security has completed the centralization of security management of the different headquarters, strengthening the Comprehensive Corporate Control Center, which coordinates the Group's various Control Centers with respect to any physical or network security incident. It also continues to make progress in studies of optimization of resources in physical security aimed at cost reduction and technological improvements.

In addition, Prisa Group has a Technological Observatory to identify risks and business opportunities afforded the Group as a result of technological developments.

(Free translation from the original in Spanish language)

D.2 Indicate whether during the financial year any of the different types of risks affecting the company or its group (operational, technological, financial, legal, reputational, fiscal ...) have actually materialized:

YES

If so, indicate the circumstances that prompted the risk and whether established control systems were effective.

Risk materialized during fiscal year:

During the fiscal year various financial risks have been materialized, mainly the impairment of the investments in Portugal.

Reasons of materialization:

The adverse macroeconomic situation during 2011 in Portugal has caused an increase in the discount rate in the analysis of the investments in Portugal by the consideration of the country risk, and also, of the decrease in the advertising expenditure in this country during 2011.

Operation of control systems:

The Group performs an ongoing monitoring of the foreign investments and at least annually determines the impairment test of them.

D.3. Indicate whether there is a committee or other governing body in charge of establishing and supervising those control mechanisms:

SI

If so, explain its duties.

Name of committee or body	Description of its duties
Audit Committee	Article 24 of the Board of Directors Regulation includes the following competences of the Audit Committee: <ul style="list-style-type: none"><li data-bbox="781 1413 1369 1549">i. Know and oversee the effectiveness of internal control systems of the Company, and risk management systems, and discuss with the auditors or audit firms significant weaknesses in internal control, identified in the development of audit<li data-bbox="781 1549 1369 1602">ii. Oversee the preparation and presentation of financial information regulated.<li data-bbox="781 1602 1369 1686">iii. Review any admission or trading prospectus, and the information on the financial statements to be filed by the Board to the markets and to the Regulators.

D.4. Identify and describe the compliance processes for the different regulations governing your Company and/or its Group.

(Free translation from the original in Spanish language)

The Board of Directors Regulations state that:

- The Directors and senior management of the Company and its Group, have the obligation to be informed of, and comply with and compel compliance with these Regulations (Article 4).

- In any event, the Secretary of the Board of Directors shall ensure the formal and material lawfulness of all Board activities and that its procedures and rules of governance are obeyed (Article 13).

-Among others, the Audit Committee has the powers to Review legal compliance requirements and monitor proper application of generally accepted accounting principles, and report on the proposed changes to accounting principles and criteria suggested by management (Article 24).

Likewise and as provided for in article 24, the Audit Committee has established and oversees a procedure which allows to communicate to the Company the relevant irregularities, specially financing and accounting, in the Company. When this claims are presented by Company or its Group employees, this mechanism will be confidential, and when appropriate, anonymous.

- Among the powers of the Appointments and Remunerations Committee there is a power to receive information and, when warranted, issue reports to the senior company management concerning any disciplinary measure (Article 25).

- Among the powers of the Corporate Governance Committee there are the following powers in connection with the internal rules of the Company (article 26):

i. Propose to the Board the approval of a Code of Ethics

ii. Propose to the Board the approval of a Code of Conduct of the employees.

iii. Report on proposals for amending the Bylaws, Rules of the Board, Rules of the Shareholders Meetings, Rules of Operation of the Shareholders Electronic Forum, the Internal Rules of Conduct, the Code of Ethics and Code of Conduct of the employees and any other rules of governance of the Company.

iv. Review the implementation of the Board Rules, the Internal Rules of Conduct, the Code of Conduct of the employees and, in general, the rules of governance of the Company and to make proposals for their improvement.

Likewise, the Corporate Governance Committee shall review compliance policies and propose all necessary measures for its strengthening.

Section 10 of the Internal Code of Conduct provides for the following:

10.1. In order to ensure compliance with the provisions of this Code, the Secretary General of GRUPO PRISA will have the following responsibilities and powers:

(i) To maintain, in coordination with the Director of Human Resources, an updated list of those persons subject to this Internal Code.

(ii) To receive and preserve communications reflecting transactions with respect to the Securities and to the securities of other companies included within the accounts consolidation perimeter of Promotora de Informaciones, S.A., from the persons subject to this Internal Code, and to annually request the interested parties to confirm the balances of the securities included in the corresponding file.

(iii) To bring any Relevant Information to the attention of the CNMV, following consultation with the Chairman or Chief Executive Officer.

(iv) To pay particular attention to the quotation of the Securities during the review or negotiation phases of any type of legal or financial transaction that could have a noticeable effect on the quotation of the Securities.

(v) To monitor news that the professional sources of financial information and the media issue and which could affect the evolution on the market of the Securities and, following consultation with the Chairman or Chief Executive Officer, to confirm or deny as the case may be, any public information on circumstances deemed to be relevant information.

(vi) To maintain a Central Register of Privileged Information.

(vii) Following consultation with the Chairman or Chief Executive Officer and pursuant to the provision of sections II and IX herein, to determine those who shall be subject to the Internal Code of Conduct.

10.2. In order to ensure compliance with this Code, the Director of Finances and Administration of GRUPO PRISA shall have the following responsibilities and powers:

(i) To have access to the communications referred to in section 10.1. ii) of this Code.

(ii) To bring any Relevant Information to the attention of the CNMV, following consultation with the Chairman or Chief Executive Officer.

(Free translation from the original in Spanish language)

(iii) To closely monitor the quotation of the Securities during the phases of review or negotiation of any type of legal or financial transaction that could have a noticeable affect on the quotation of the Securities.

(iv) To monitor the news issued by the professional sources of financial information and the media that may affect the evolution of the Securities in the market and, following consultation with the Chairman or Chief Executive Officer thereof, to confirm or deny as the case may be, any public information on circumstances deemed as Relevant Information.

(v) To execute, following consultation with the Chairman or Chief Executive Officer, the specific plans for the acquisition or transfer of its own Securities or those of the dominant company and to order and supervise the development of ordinary transactions on Securities, in accordance with the contents of Internal Code, and to make the official communications on the transactions on Securities undertaken pursuant to provisions currently in force.

(vi) To determine, following consultation with the Chairman or the Chief Executive Officer, those persons that are assigned to the Department of Finances and Administration and should be subject to this Internal Code.

- The Board of Directors shall take the measures necessary to ensure the distribution of the Shareholders' Meeting Regulations to shareholders by making them known to the National Stock Exchange Commission as relevant information, recording them on the Companies Register and publishing them on the Company's webpage (Article 25).

E. SHAREHOLDERS MEETING

E.1 Concerning the quorum required at Shareholders Meetings, indicate whether there are differences with respect to the minimum stipulated in the Corporations Law, and if so, explain.

NO

	% difference vs. quorum required pursuant to Article 102 LSA of the Corporations Law (general)	% difference vs. quorum required pursuant to Article 103 of the Corporations Law (special cases provided in Article 103)
Quorum required at initial meeting	0	0
Quorum required at adjourned meeting	0	0

E.2 Concerning rules for adopting corporate resolutions, explain whether there are differences with respect to those provided in the Corporations Law and, if so, explain:

YES

Description of the resolutions that require qualified majority	Value
See section below with description of the differences	75.000

Description of the differences:

Article 15 bis of the Bylaws provides that except as provided in the Law, a favorable vote of 75% percent of the shares having voting rights, present or represented by proxy at a General Meeting shall be required to adopt resolutions concerning the following matters:

- a) Amendments to the Bylaws including, among others, change of business purpose and capital increases or reductions, unless such operations are required by law.
- b) A corporate conversion, merger or spin-off of any type, as well as the assignment of all corporate assets and liabilities.
- c) Dissolution and liquidation of the Company.
- d) Exclusion of pre-emptive subscription rights in capital increases for cash.
- e) Changes in the Board of Directors.

(Free translation from the original in Spanish language)

f) Appointment of members of the Board at the Shareholders' Meeting, except for candidates proposed by the Board of Directors.

E.3. Describe shareholders' rights with respect to General Meetings that differ from those established in the Corporations Law.

Pursuant to Article 15.b.) of the Company Bylaws, all shareholders holding at least 60 shares recorded in the corresponding share ledger five days prior to the meeting and who obtain the corresponding attendance card may attend the Shareholders' Meeting.

According to Article 15.h.) of the Company Bylaws, each share with voting rights represents one vote.

The Shareholders' Meeting Regulation likewise states that:

Shareholders or their representatives who arrive on the premises late, once admission to the Shareholders' Meeting has been closed in accordance with the time set for the commencement of the meeting, may enter the premises if the Company deems it warranted, but in no case may those shareholders be included in the list of attendees nor may they exercise the right to vote (Article 16.2).

The list of persons in attendance shall be made available to those shareholders who request it at the beginning of the Shareholders' Meeting (Article 16.6)

In order to be included in the minutes of the meeting, the shareholders present may express to the Notary any reservations or objections that they may have concerning whether the meeting is valid as held, or concerning the general numbers of the list of shareholders in attendance after it has been read aloud (Article 17.8).

Shareholders who wish their intervention at the meeting to be recorded verbatim in the minutes must simultaneously deliver it in writing to the Notary, so that he can compare the text to the shareholder's intervention, once it has concluded (Article 18.2).

E.4. Indicate, if applicable, the measures adopted to promote the participation of shareholders at the Shareholders' Meeting.

Those set forth in the Law.

E.5. Indicate whether the Shareholders' Meeting is presided by the Chairman of the Board of Directors. Explain, if applicable, the measures adopted to guarantee the independence and proper conduct of shareholders' meetings:

YES

Description of Measures
As provided in Article 14.2 of the Shareholders' Meeting Regulations, the Chairman of the Board of Directors shall act as chairman at the Shareholders' Meeting or, in his absence, the Vice Chairman, if any, or in the absence of both of them, the Director who is present and has the most seniority or, in the absence of all of the foregoing, a shareholder chosen by the other shareholders in attendance at the Meeting.
In accordance with Article 26 of the Company Bylaws, in the event of the temporary absence or incapacity of the Chairman, the chair shall be assumed by the Deputy Chairman, if there is one, and if not, by a Director appointed by the Board.
Measures to guarantee the independence and proper conduct of shareholders' meetings:
The Shareholders' Meeting held on April 15, 2004 approved the "Regulations Governing the Shareholders' Meetings of Promotora de Informaciones, S.A. (Prisa)", which contains a series of measures to guarantee the independence and proper conduct of shareholders' meetings. These Regulations are available for consultation on the Company's webpage.

(Free translation from the original in Spanish language)

E.6. Indicate, if applicable, any amendments made to the Shareholders' Meeting Regulations during the financial year.

No amendments

E.7. Provide attendance statistics for the general shareholders' meetings held during the year to which the present report refers:

Date of Shareholders' Meeting	Attendance Statistics				Total
	% physically present	% represented by proxy	% distance voting		
			Vote by electronic means	Others	
24 June 2011	36.114	6.657	0.001	0.000	42.771

E.8. Briefly describe the resolutions adopted at the general shareholders' meetings held during the year to which this report refers, providing the percentage of votes cast to pass each resolution.

The following resolutions were adopted at the Shareholders' Meeting held on June 24, 2011:

First.- Approval of the Annual Accounts (Balance Sheet, Profit and Loss Account and Annual Report) and the Management Report, both for the Company and its consolidated group, for the 2010 financial year, as well as the proposal for distribution of profits.

Second.- Approval of the Board of Directors' management of the Company during the 2010 financial year.

Third.- The appointment of DELOITTE S.L. as auditors of the accounts of the Company and its consolidated group was renewed for a term of one (1) year, in order to audit the financial statements that will be closed on December 31, 2011.

Fourth. – Determination of the number of Directors in 16 and appointment of Mr. Mr Fernando Abril- Martorell Hernández as director.

Fifth.- Amendment of the Bylaws in order to break down the Corporate Governance, Nomination and Compensation Committee into two separate committees, one on Corporate Governance and the other on Nomination and Compensation and defining the responsibilities of the Committees.

Sixth.- It was resolved to delegate powers to the Board of Directors, the Chairman of the Board of Directors Mr. Ignacio Polanco Moreno, the Chief Executive Officer Mr. Juan Luis Cebrián Echarri and the Secretary Mr. Iñigo Dago Elorza.

Agenda	Votes in favor		Votes against		Abstaining	
	Votes	%	Votes	%	Votes	%
Item1	189,115,602	99.98358	30,078	0.01590	993	0.00052
Item 2	189,116,278	99.98393	30,340	0.01604	55	0.00003
Item 3	188,910,684	99.87524	234,996	0.12424	993	0.00052
Item 4.1	173,209,806	91.57434	15,934,652	8.42449	2,215	0.00117
Item 4.2	173,784,776	91.87832	15,359,682	8.12051	2,215	0.00117
Item 5.1	189,141,908	99.99749	3,772	0.00199	993	0.00052
Item 5.2	189,140,336	99.99665	5,344	0.00283	993	0.00052
Item 5.3	189,130,588	99.99150	15,092	0.00798	993	0.00052
Item 6	188,893,844	99.86634	251,669	0.13305	1,160	0.00061

(Free translation from the original in Spanish language)

E.9 Indicate whether there are any restrictions in the company bylaws with respect to the minimum number of shares required to attend the Annual Shareholders Meeting:

YES

Number of shares required to attend the Annual Shareholders Meeting	60
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E.10. Indicate and justify the policies followed by the Company with respect to proxy voting in shareholders' meetings.

Article 8 of the Shareholders' Meeting Regulations (which is subject to modification for its adaptation to the Corporates Act) states that:

8.1. Shareholders may authorize another shareholder to act on their behalf as a proxy. Grant of proxy shall be valid for a specific meeting. This requisite shall not apply when the proxy holds a notarized power of attorney to manage all of the shareholder's assets located in Spain. Grant of proxy shall be indicated on the attendance card provided with the notice of meeting, in a letter, and in any case, shall bear the grantor's signature.

8.2. The proxy form shall contain or have annexed thereto the agenda for the meeting, as well as the request for voting instructions and an indication as to how the proxy shall vote, in the event that precise instructions are not provided. If proxy has been validly granted pursuant to the Law and this Regulation but does not include instructions as to how to vote or there are doubts as to the scope of the proxy granted, it will be understood that the proxy's powers (i) extend to all items on the agenda of the General meeting, (ii) the vote is intended to be favorable with respect to all proposals set forth by the Board of Directors and (iii) this shall likewise extend to any off-agenda items that may arise, with respect to which the proxy shall vote in the manner deemed most favorable to the interests of the shareholder he represents.

8.3. Proxy granted to persons ineligible to exercise this right pursuant to the Law shall be invalid and have no effect.

8.4. Proxy may also be granted by electronic means of distance communication according to the procedures set forth in Article 11.2. of this Regulation, provided that they are not incompatible with the type of proxy, and the shareholders' identity shall be verified with the same requisites provided in the aforementioned Article 11.2., the term set forth in Article 11.3. of this Regulation for the valid receipt of the proxy card likewise being applicable.

8.5. Proxy may always be revoked, and will be considered to have been so if a shareholder who has granted proxy attends a meeting in person.

8.6. The Board of Directors is empowered to implement the foregoing provisions, setting forth the appropriate rules, means and procedures according to available technology, in order to enable proxy to be granted electronically, and adjusting them when warranted to any norms that may be issued in that regard.

Specifically, the Board of Directors may (i) regulate the use of guarantees with respect to electronic signatures for granting proxy through electronic correspondence and (ii) set an earlier deadline for receiving proxies granted by mail or electronically.

8.7. The person presiding at the meeting and the secretary of the Shareholder's Meeting shall have broad powers to judge the validity of the documents or means used for authorizing proxies.

Concerning public proxy solicitations, see section B.1.28 of this Report.

E.11. Indicate whether the Company is aware of the policy of institutional investors to participate or not in Company decisions:

NO

E.12. Indicate the address and means for accessing corporate governance content on the company webpage.

www.prisa.com / Shareholders and Investors

(Free translation from the original in Spanish language)

F DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations of the Unified Code of Corporate Governance.

In the event of noncompliance with any of them, explain the recommendations, rules, practices or criteria that the company applies.

- 1. The bylaws of listed companies shall not limit the number of votes cast by a single shareholder nor contain other restrictions that preclude taking control of a company by acquiring its shares on the market.**

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies

- 2. When both the parent company and a subsidiary are listed companies, both shall publicly and accurately define:**

- a) Their respective areas of activity and the business dealings between them, as well the listed subsidiary's business dealings with the other group companies;**
- b) The mechanisms in place to resolve possible conflicts of interest that may arise.**

See sections: C.4 and C.7

Not applicable

- 3. Although not expressly required under company law, operations that result in a modification of company structure shall be submitted for approval at the annual shareholders meeting, especially the following:**

- a) conversion of listed companies into holding companies through "subsidiarization" or reallocating to dependent companies core activities previously carried out by the originating company, even when the latter retains full control of the former;**
- b) acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;**
- c) operations that effectively result in the company's liquidation.**

Complies

- 4. Detailed explanation of the resolutions to be adopted at the Annual Shareholders Meeting, including the information referred to in Recommendation 28 shall be made public when the Notice of Meeting is issued.**

Complies

(Free translation from the original in Spanish language)

5. Separate votes shall be taken at annual shareholders meeting on matters that are materially different, so that shareholders may express their voting preferences separately. This rule is applied specifically to:

- a) Appointment and ratification of directors, which shall be voted on individually;**
- b) With reference to amendments of the bylaws, votes shall be taken on each article or articles that are substantially independent.**

See section: E.8

Complies

6. Companies shall allow split votes so that financial intermediaries who are the shareholders of record acting on behalf of different clients may cast their votes according to their clients' instructions.

See section: E.4

Complies

7. The Board of Directors shall perform its duties with unity of purpose and independent criteria, afford all shareholders equal treatment, and be guided by the best interests of the company, which may be defined as constantly seeking to maximize the company's value over time.

The Board shall ensure that in its relationships with stakeholders, the company abides by all laws and regulations, fulfills its obligations and contracts in good faith, respects the customs and good practices of the sectors and territories in which it does business, and observes any additional principles of social responsibility that it has voluntarily accepted.

Complies

8. The core components of the Board's mission shall be to approve the company's strategy and organize its implementation, as well as to supervise and ensure that management meets its objectives and pursues the company's interests and corporate purpose. In that regard, the Board in full shall approve:

- a) The company's general policies and strategies, and in particular:**
 - i) The strategic or business plan, management targets and annual budgets;**
 - ii) Investment and financing policy;**
 - iii) Design of the structure of the corporate group;**
 - iv) Corporate governance policy;**
 - v) Corporate social responsibility policy;**
 - vi) Remuneration and evaluation of the performance of senior management;**
 - vii) Risk control and management policy, as well as periodic monitoring of internal information and control systems.**

(Free translation from the original in Spanish language)

viii) Policy on dividends and treasury shares, and the limits applied thereto.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

i) At the proposal of the company's chief executive, the appointment and removal of senior managers, as well as their compensation clauses.

See section: B.1.14.

ii) Remuneration of directors, as well as in the case of executive directors, additional compensation for their executive duties and other conditions that must be respected in their contracts.

See section: B.1.14.

iii) Financial information that listed companies must periodically disclose.

iv) Investments or operations of any nature, which due to the amount involved or their characteristics are considered as strategic, unless they require the approval of the shareholders at the annual meeting;

v) The incorporation or acquisition of interest in special-purpose entities or those domiciled in countries or territories considered tax havens, as well as any similar transactions or operations, which due to their complexity may impair the group's transparency.

c) Operations that the company conducts with directors, significant shareholders, shareholders represented on the board, or with persons related thereto ("related-party transactions").

However, board authorization shall not be required for related-party transactions that simultaneously meet the following three conditions:

1. Those governed by standard-form contracts applied equally to a large number of clients;

2. Those made at prices or rates generally set by the supplier of the goods or services in question;

3. Those whose value does not exceed 1% of the company's annual revenue.

It is recommended that the Board approve related-party transactions only after having received a favorable opinion from the Audit Committee or, if applicable, any other committee exercising that function; and that directors affected by the transactions should neither vote nor be present at the meetings in which the Board deliberates and votes thereon.

It is recommended that the Board not be allowed to delegate the powers attributed to it herein, with the exception of those mentioned in sections b) and c), which for reasons of urgency may be exercised by a delegated committee, and subsequently ratified by the board in full.

See sections: C.1 and C.6

Partially complies

The company complies with all points with the exception of b) i). The Nomination and Compensation

(Free translation from the original in Spanish language)

Committee has the authority to report the appointment and removal of senior management.

9. In order to achieve effectiveness and full participation, it is recommended that the Board have no fewer than five and no more than fifteen members.

See section: B.1.1

Explain

The Board of Directors is composed by 16 directors.

10. External directors representing significant shareholdings and independent directors should constitute a broad majority of the Board, while the number of executive directors should be kept at a necessary minimum, taking into account the complexity of the corporate group and the percent of the executive directors' interests in the company's share capital.

See sections: A.2, A.3, B.1.3 and B.1.14.

Complies

11. If there is any external director who cannot be considered as either independent or representing a significant shareholding, the company shall explain that circumstance and his relationships either with the company, management, or its shareholders.

See section: B.1.3

Complies

12. Among external directors, the relationship between the number of directors representing significant shareholdings and independent directors shall reflect the proportion existing between share capital represented by directors representing significant shareholdings and the rest of the company's capital.

This criterion of strict proportionality may be relaxed so that the weight of significant shareholdings may be greater than the percentage of the total capital that they actually represent in the following cases:

- 1. In large cap companies where few or no equity stakes meet the legal threshold to be considered significant shareholdings, but where there are shareholders with share packages having a high absolute value.**
- 2. In companies in which many shareholders are represented on the board, and who are not otherwise related.**

See sections: B.1.3, A.2 and A.3

Complies

13. Independent directors should comprise at least one third of all board members.

See section: B.1.3

Complies

(Free translation from the original in Spanish language)

14. The Board shall explain the nature of each director to the shareholders at the Annual Shareholders Meeting that is to ratify his/her appointment, and confirm or, if applicable, review that status annually in the Annual Report on Corporate Governance, after having verified it with the Nominations Committee. That report should likewise explain the reasons for appointing directors representing significant shareholdings at the request of shareholders holding less than 5% of capital stock; and explain the reasons, if applicable, for having denied formal requests for representation on the board from shareholders whose stake is equal to or higher than the stake of others whose requests to appoint directors representing significant shareholdings were granted.

See sections: B.1.3 and B.1.4

Complies

15. When there are few or no female directors on the Board, explain the reasons and the measures adopted to correct that situation, and, specifically, those that the Nominations Committee takes when filling new vacancies to ensure that:

- a) Selection procedures are not implicitly biased against the selection of female directors; and
- b) The company deliberately seeks and includes among potential candidates women who meet the required profile.

See sections: B.1.2, B.1.27 and B.2.3.

Complies

16. The Chairman, as the person responsible for the efficient operations of the Board, shall ensure that all directors receive in advance sufficient information, stimulate debate and the active participation of board members at board meetings, ensure that they can freely take sides and express their opinions, and organize and coordinate with the chairmen of the relevant committees periodic evaluations of the board, as well as, when applicable, the chief executive officer.

See section: B.1.42

Complies

17. When the Chairman of the Board is also the company's Chief Executive Officer, one of the independent directors should be empowered to request that a meeting of the board be called or that new items be included on the agenda, to coordinate and reflect the concerns of external directors and to direct the board's evaluation of the Chairman.

See section: B.1.21

Not applicable

18. The Secretary to the Board shall take special steps to ensure that the Board's actions:

(Free translation from the original in Spanish language)

- a) Adhere to the spirit and letter of the laws and their implementing regulations, including those issued by regulatory bodies;
- b) Conform to the provisions of the Company Bylaws, Shareholders Meeting Regulation, Board of Directors Regulation and other company regulations;
- c) Take into account the corporate governance recommendations contained in the Unified Code that the company has accepted.

And to ensure the Secretary's independence, impartiality and professionalism, his/her appointment and removal shall be submitted to the Nominations Committee for its opinion and approved at a meeting of the full board; and this procedure for appointment and removal should be set forth in the Board of Directors Regulation.

See section: B.1.34

Partially complies

It is not provided in that the Nomination and Compensation Committee reports with respect to the removal of the Secretary.

- 19. The Board shall meet with the frequency required to enable it to efficiently perform its functions, following a schedule of dates and matters to be determined at the beginning of the year, and each director shall be allowed to propose additional items on the agenda not initially included.**

See section: B.1.29

Complies

- 20. Directors' absences from board meetings shall be kept to a minimum and shall be quantified in the Annual Report on Corporate Governance. Directors who have no choice but to appoint a proxy shall issue proxy voting instructions.**

See sections: B.1.28 and B.1.30

Complies

- 21. When directors or the Secretary express concerns about a given proposal, or in the case of directors, about the performance of the company, and these concerns are not addressed by the Board, the person expressing those concerns may request that they be recorded in the minutes.**

Complies

- 22. The Board shall evaluate annually:**

- a) The quality and efficiency of the Board's operations;
- b) The performance of the Chairman of the Board and the Chief Executive Officer, based on the Nominations Committee report;
- c) The performance of the board committees, based on the reports they submit.

See section: B.1.19

Complies

(Free translation from the original in Spanish language)

- 23. All directors shall be able to exercise their right to receive the additional information they deem warranted concerning matters of the Board's competence. Unless otherwise stipulated in the Bylaws or the Board of Directors Regulation, they should make such requests to the Chairman or Board Secretary.**

See section: B.1.42

Complies

- 24. All directors shall have the right to obtain from the company the guidance they require in the performance of their duties. The company shall establish suitable channels for the exercise of this right, which in special circumstances may include outside assistance provided at the company's expense.**

See section: B.1.41

Complies

- 25. Companies shall set up an orientation program to promptly provide new directors with sufficient knowledge of the company and its rules of corporate governance, while likewise offering directors ongoing training programs when circumstances so warrant.**

Partially complies

In practice this information is provided without a formal program.

- 26. Companies shall demand that directors devote the time and effort necessary to efficiently perform their duties, and in that regard:**

- a) Require directors to inform the Nominations Committee of other professional obligations they have, in the event that they might interfere with the dedication their directorships require;**
- b) Establish limits as to the number of boards of directors on which their directors may sit.**

See sections: B.1.8, B.1.9 and B.1.17

Partially complies

The company doesn't limit the number of boards on which directors may sit.

- 27. The proposed appointment or reelection of directors that the Board submits at the Annual Shareholders Meeting, as well as their provisional appointment by cooptation, shall be approved by the Board:**

- a) At the proposal of the Nominations Committee in the case of independent directors.**
- b) After receiving the prior opinion of the Nominations Committee in the case of all other directors.**

See section: B.1.2

(Free translation from the original in Spanish language)

Complies

28. Companies shall provide on their websites and maintain updated the following information concerning their directors:

- a) **Professional profile and biography;**
- b) **Other boards of directors on which they sit, whether listed companies or otherwise;**
- c) **Indication of the type of director, and in the case of directors representing significant shareholdings, the identity of the shareholders whom they represent or with whom they maintain business relations.**
- d) **Dates of first and subsequent appointments as director, and;**
- e) **Shares in the company or stock options that the director holds.**

Complies

29. Independent directors shall not remain as such for a continuous period exceeding twelve years.

See section: B.1.2

Explain

It has not been considered necessary to establish a limit, since it is not clear why after twelve years a director would lose his independence.

30. Directors representing significant shareholdings shall resign when the shareholders they represent sell all of their interests in the company. They shall also do so when the shareholders in question reduce their shareholdings to the extent that would require a reduction in the number of directors representing those shareholders.

See sections: A.2, A.3 and B.1.2

Complies

31. The Board of Directors shall not propose the removal of any independent director before he concludes the term in office mandated in the bylaws for which he was appointed, unless after receiving the opinion of the Nominations Committee, the Board deems that there is just cause to do so. In particular, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post or incurs in any of the circumstances described in paragraph 5 of Section III of the definitions contained in the Code.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation resulting in changes in the company's capital structure warrant changes in the Board based on the proportionality criterion set forth in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complies

(Free translation from the original in Spanish language)

- 32. Companies shall establish rules that oblige directors to inform and, if warranted, to resign in situations that may impair the credit and reputation of the company, and specifically, rules that oblige them to inform the Board of any criminal process in which they are indicted, as well as the progress of any subsequent proceedings.**

If a director is indicted or legal proceedings are commenced against him for any of the offenses set forth in Article 124 of the Corporations Law, the Board shall examine his case as soon as possible and, in view of the specific circumstances, decide whether the director should continue in his post. The Board shall provide details of the foregoing in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Partially complies

Article 21.2.2) of the Board of Directors Regulation provides that directors shall offer their resignations to the Board of Directors and, if the Board deems it warranted, effectively resign *“when based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a fast-track criminal proceeding.”*

- 33. All directors shall clearly express their opposition when they consider any proposed decision submitted to the Board to be contrary to the company’s interests. Independent directors and others not affected by a conflict of interest shall do likewise when the decision in question could prejudice shareholders not represented on the Board.**

When the Board adopts significant or reiterated decisions about which a director has expressed serious reservations, he shall draw the pertinent conclusions and, if he chooses to resign, explain his motives in the letter referred to in the following recommendation.

This Recommendation shall also apply to the Secretary to the Board, whether a board member or not.

Complies

- 34. Any director who resigns or otherwise leaves his post before the end of his tenure shall explain his motives in a letter addressed to all of the members of the Board. Regardless of whether the resignation is disclosed as relevant information, the reasons therefore shall be set forth in the Annual Corporate Governance Report.**

See section: B.1.5

Not applicable

- 35. The remuneration policy approved by the Board shall as a minimum include the following points:**

(Free translation from the original in Spanish language)

- a) **Amount of fixed sums, detailing, if applicable, allowances for participating on the Board and its committees, and an estimate of the resulting annual fixed remuneration;**
- b) **Variable remuneration, including in particular:**
 - i) **The type of directorships to which it applies, as well as an explanation of the relative weight of variable remuneration vis-à-vis fixed remuneration.**
 - ii) **Criteria for evaluating performance on which the right to perceive remuneration in shares, stock options or other variable compensation is based;**
 - iii) **Parameters and justification for any annual bonus system or other non-cash benefits; and**
 - iv) **An estimate of the total amount of variable remuneration in the proposed remuneration plan, based on performance or fulfillment of the objectives taken as a reference.**
- c) **Principal characteristics of any benefits systems (such as supplementary pensions, life insurance and similar arrangements) with an estimate of their equivalent annual cost.**
- d) **Conditions that must be respected in the contracts of those exercising senior management duties such as executive directors, among which should be included:**
 - i) **the duration;**
 - ii) **terms for notices of termination; and**
 - iii) **any other clauses covering hiring bonuses, as well as compensation or golden parachutes in the event of early termination of the executive director's contractual relationship with the company.**

See section: B.1.15

Complies

36. Any remuneration that includes stock in the company or group companies, stock options or instruments pegged to stock prices, variable retribution linked to company performance or benefit plans shall be limited to executive directors.

This recommendation shall not include delivery of stock when it is contingent upon the directors' holding the stock until the end of their tenure as director.

See sections: A.3 , B.1.3

Explain

About 40% of remuneration paid to directors for their membership of the board is satisfied in shares of PRISA.

(Free translation from the original in Spanish language)

- 37. Remuneration of external directors shall be sufficient to compensate them for their commitment, qualifications and the responsibility that the post entails, but not so high as to compromise their independence.**

Complies

- 38. Remuneration linked to company performance shall take into account any possible qualifications stated in the external auditor's Audit Report that may reduce those results.**

Explain

This hypothesis has not been considered.

- 39. In the case of variable remuneration, remuneration policies shall include precise technical safeguards to ensure that that remuneration actually reflects the professional performance of the beneficiaries and is not simply derived from the general evolution of the markets or the company's sector of activities or other similar circumstances.**

Complies

- 40. As a separate item on the agenda, the Board shall submit to a non-binding vote at the Annual Shareholders Meeting a report on the remuneration policy for directors. That report shall be made available to shareholders, either separately or in any other form the company considers appropriate. The report shall focus specifically on the remuneration policy approved by the Board for the current year as well as, if applicable, the policy for future years. It shall include all matters addressed in Recommendation 35, except those which would require the disclosure of sensitive commercial information. It shall underscore the most significant changes in the policies applied during the past year for which a shareholders meeting was held, and shall likewise include an overall summary of how the remuneration policy was applied over the last year.**

The Board shall also review the role played by the Remuneration Committee in the preparation of the remuneration policy and, if external advice was sought, disclose the identity of the consultants who provided that advice.

See section: B.1.16

Partially complies

The Board of Directors has been submitting its annual remuneration policy for the Board of Directors and management team to the shareholders for their approval at the Annual Shareholders Meeting, as an integral part of the Management Report submitted with the annual accounts), in accordance with the Recommendation of the European Commission of December 14, 2004 concerning promoting an adequate remuneration system for directors of listed companies.

Following the entry into force of the Sustainable Economy Act that adds an Article 61 ter of the Securities Market Act, regulating the new regime of annual report on the remuneration of directors, the Company, at the next annual meeting of shareholders, will disseminate and submit to a non-binding vote as a separate item on the agenda, the remuneration policy report for the year 2012.

(Free translation from the original in Spanish language)

41. The Annual Report shall itemize the individual remuneration of the director for the year and include:

- a) An individualized breakdown of each director’s remuneration, including, if applicable:**
 - i) Allowances for attending meetings or other fixed remuneration as director;**
 - ii) Additional remuneration for chairing or serving as a member of a board committee;**
 - iii) Any remuneration that includes a share in profits or bonuses, and the reasons why it was awarded;**
 - iv) Contributions on behalf of the director to defined-contribution pension plans; or any increase in the director’s vested rights with respect to defined-benefit schemes;**
 - v) Any compensation agreed or paid in the event of termination of his duties;**
 - vi) Remuneration perceived as director from other group companies;**
 - vii) Remuneration of executive directors who perform senior management duties;**
 - viii) Any other remuneration in addition to the above, whatever its nature or the group company from which it originates, especially when it may be considered a related-party transaction or when its omission would distort the fair view of the total remuneration received by the director.**
- b) An individualized breakdown of any stock, stock option or any other instrument pegged to share prices granted directors, including:**
 - i) The number of shares or options granted during the year, and the conditions for exercising them;**
 - ii) The number of options exercised during the year, indicating the number of shares affected and the exercise price;**
 - iii) The number of shares pending exercise at the end of the year, indicating the price, date and other requirements for exercising them;**
 - iv) Any change during the year in the conditions for exercising options already granted.**
- c) Information concerning the relationship during the past year between the remuneration obtained by executive directors and profits, or other means for measuring the company’s performance.**

Partially Complies

The company will approve an annual remuneration policy for the year 2012 in accordance with the provisions of the Sustainable Economy Act.

42. When there is a Delegated or Executive Committee (hereinafter, the “Delegated Committee”), its structure and composition with respect to the different categories of directors shall be similar to the Board’s, and its secretary shall be the Secretary to the Board.

See sections: B.2.1 and B.2.6

Partially Complies

(Free translation from the original in Spanish language)

The Secretary of the Delegated Committee is the same as the Board of Directors. However, the composition of the Delegated Committee is not similar to that of the Board of Directors, as explained in section B.2.6 of this report

- 43. The Board shall always be informed of the matters discussed and decisions adopted by the Delegated Committee and all board members shall receive a copy of the minutes of the meeting of the Delegated Committee.**

Complies

- 44. In addition to the Audit Committee provided for in the Securities Market Law, the Board of Directors shall form one or two separate committees for appointments and remuneration.**

The rules governing the composition and operations of the Audit Committee or the Nominations and Compensations Committee (or committees) shall be included in the Board of Directors Regulation and stipulate the following:

- a) The Board shall designate the members of those committees, taking into account the knowledge, skills and experience of the directors and members of each committee; shall deliberate on their proposals and opinions; and the committees shall report on their activities and work at the first full board session following their meetings;**
- b) These committees shall be composed exclusively of a minimum of three external directors. The foregoing is without prejudice to the fact that executive directors or senior managers may attend committee meetings when expressly agreed by the committee members.**
- c) The committees shall be chaired by independent directors.**
- d) Committees may seek external advice when it is deemed necessary for the performance of their duties.**
- e) Minutes shall be taken of committee meetings, and copies thereof shall be sent to all board members.**

See sections: B.2.1 y B.2.3

Complies

- 45. Supervision of compliance with internal codes of conduct and rules of corporate governance shall be vested in the Audit Committee, or if there is a separate committee, in the Corporate Governance Committee.**

Complies

- 46. The members of the Audit Committee and especially its chairman shall be appointed taking into account their knowledge and experience in the area of accounting, audits and risk management.**

Complies

(Free translation from the original in Spanish language)

47. Listed companies shall have an internal audit department which, under the supervision of the Audit Committee shall ensure the proper functioning of internal information and control systems.

Complies

48. The person in charge of the internal audit shall present to the Audit Committee his/her annual work plan; inform the committee directly of any incidents that may arise when conducting the audit; and shall submit a report of its activities at the end of each financial year.

Complies

49. The risk management and control policy shall identify at least the following:

- a) Different types of risks (operational, technological, financial, legal, reputational ...) which the company may encounter, including among the financial or economic risks contingent liabilities and off-balance sheet risks;**
- b) Establishing the level of risk that the company deems acceptable;**
- c) Measures to mitigate the impact of identified risks, in the event they materialize;**
- d) Information and internal control systems to be used to control and manage those risks, including contingent liabilities and off-balance sheet risks.**

See section: D

Complies

50. The Audit Committee shall:

1 With respect to information and internal control systems:

- a) Supervise the preparation and integrity of the company's, and if applicable, the group's financial information, monitoring compliance with regulatory requirements, the appropriate composition of the consolidation perimeter and the correct application of accounting rules**
- b) Periodically review internal control and risk management systems, so that the main risks are adequately identified, managed and reported.**
- c) Ensure the independence and accuracy of the operations of the internal audit department; propose the selection, appointment, reelection and removal of the head of the internal audit department; receive periodic information concerning audit activities; and verify that senior managers take into account the conclusions and recommendations contained its reports.**
- d) Set up and supervise a mechanism whereby employees may confidentially and, if deemed appropriate, anonymously notify the company of any potentially relevant irregularities within the company of which they may be aware, particularly financial or accounting irregularities.**

2 With regard to the external auditor:

(Free translation from the original in Spanish language)

- a) **Submit to the Board of Directors proposals for the selection, appointment, reelection and substitution of the external auditor, as well as the conditions of the auditor's contract.**
- b) **Receive regularly from the external auditor information concerning the audit plan and the results of its application, and verify that senior managers take its recommendations into account.**
- c) **Ensure the independence of the external auditor, and in that regard ensure that:**
 - i) **The company discloses to the National Securities Market Commission as an announcement of relevant information any change of auditor and attaches a declaration with respect to any discrepancies with the former auditor, if applicable, and the nature of those discrepancies.**
 - ii) **Measures are taken to ensure that the company and the auditor abide by regulations concerning the provision of services other than auditing services, limits on the concentration of the auditor's business and, in general, all other rules designed to ensure the auditor's independence;**
 - iii) **In the event of the resignation of the external auditor, the circumstances motivating that resignation shall be examined.**
- d) **In the case of groups, encourage the group's auditor to assume responsibility for auditing group companies.**

See sections: B.1.35, B.2.2, B.2.3 y D.3

Complies

51. The Audit Committee shall be able to meet with any employee or manager of the company, and may even require that they appear without the presence of another manager.

Complies

52. The Audit Committee shall issue an opinion to the Board before the Board adopts any decisions concerning the following matters listed in Recommendation 8:

- a) **Financial information that a listed company must disclose periodically. The committee shall ensure that the interim accounts are prepared using the same accounting criteria as the annual accounts and, to that end, consider a limited review by the external auditor.**
- b) **The creation or acquisition of interests in special-purpose entities or those domiciled in countries or territories considered tax havens, as well as any other similar transactions or operations, which due to their complexity may impair the group's transparency.**
- c) **Related-party transactions, unless the function of issuing an advisory opinion has been attributed to another supervision and control committee.**

See sections: B.2.2 and B.2.3

Complies

(Free translation from the original in Spanish language)

53. The Board of Directors shall endeavor to present the accounts at the Shareholders Meeting without reservations or qualifications in the audit report and, in exceptional circumstances where they exist, both the Chairman of the Audit Committee and the auditors shall clearly explain to the shareholders the content and scope of those reservations or qualifications.

See section: B.1.38

Complies

54. The majority of the members of the Nominations Committee (or the Nominations and Compensations Committee, if they form a single committee) shall be independent directors.

See section: B.2.1

Explain

Two members of the Nomination and Compensation Committee are independent directors (its chairman, Mr. Gregorio Marañón y Bertrán de Lis and a member, Mr. Harry Sloan), and the other two (Mr. Diego Hidalgo Schnur and Mr. Borja Pérez Arauna) represent significant shareholdings, since the presence of such representatives is deemed essential on this committee.

55. In addition to the functions indicated in the preceding Recommendations, the Nominations Committee shall perform the following:

- a) **Evaluate the skills, knowledge and experience needed on the Board, and in consequence define the functions and aptitudes required of the candidates to fill each vacancy, and evaluate the time and devotion required to enable them to properly perform their duties.**
- b) **Examine and organize in the manner deemed appropriate the succession to the Chairman and Chief Executive and, if warranted, make proposals to the Board, so that succession may take place in a ordered and well-planned manner.**
- c) **Issue opinions concerning the appointments and removal of senior managers that the Chief Executive proposes to the Board.**
- d) **Issue opinions to the Board concerning matters of gender diversity set forth in Recommendation 14 of the Code.**

See section: B.2.3

Complies

56. The Nominations Committee shall consult the Chairman and the Chief Executive, especially with regard to matters concerning executive directors. Any director may ask the Nominations Committee to consider potential candidates to cover vacant directorships considered to meet the required profile.

Complies

57. In addition to the functions indicated in the preceding Recommendations, the Compensations Committee shall have the following duties:

- a) **To propose to the Board of Directors:**

(Free translation from the original in Spanish language)

- i) **The remuneration policy for directors and senior management;**
 - ii) **The individual remuneration of executive directors and the other conditions of their contracts.**
 - iii) **The standard conditions of the contracts of senior managers.**
- b) **To ensure that the company's remuneration policy is observed.**

See sections: B.1.14, B.2.3

Complies

58. The Compensations Committee shall consult with the Chairman and Chief Executive, especially with regard to matters concerning directors and senior managers.

Complies

G. OTHER INFORMATION OF INTEREST

If you believe there are relevant principles or aspects concerning the corporate governance practices applied by your company that have not been presented in this report, please identify and explain their content below.

-With regard to **Section A.1** of this report it should be underscored that:

i) The Extraordinary Shareholders Meeting held on November 27, 2010, passed the following capital increase resolutions:

- Capital increase by issuance of 241,049,050 Class A ordinary shares, issued in exchange for a cash consideration with preemption rights implemented through warrants (the Warrants). PRISA Warrants quote on the platform of the Spanish Stock Warrants, the Warrants have Prisa Class A shares as underlying titles, their exercise price amounts 2 euros and they may be exercised on a monthly basis for 42 windows (up to the date of their expiration on June 5, 2014).
Over the course of the 2011 financial year implementation of the capital increase corresponding to windows 1 to 12 for exercise of PRISA Warrants was documented in public deeds. The exercise of Warrants over the course of 2011 resulted in subscription of an equivalent number of newly-issued Class A common shares.
- Capital increase by issuance of 224,855,520 Class A Shares and 402,987,000 non-voting convertible Class B shares, issued by compensation in kind, which was subscribed by contribution of all common shares and warrants of Liberty Acquisition Holdings, Corp., once absorbed by its subsidiary, Liberty Acquisitions Holdings Virginia, Inc. (the company resulting from the merger).
Over the course of the 2011 financial year, exercise of the right of conversion of holders of a number of Class B shares equivalent to the number of Class A shares was documented in public deeds.

ii) The shareholdings in PRISA at December 31, 2011, were as stated in section A.1 of this Report. It is nonetheless noted that capital was changed after that date

In particular it is noted that, on December 30, 2011, OTNAS INVERSIONES, S.L. (OTNAS) notified PRISA of exercise of 75,000,000 Warrants, in an amount of 150,000,000 euros. OTNAS is
(Free translation from the original in Spanish language)

a company indirectly owned by RUCANDIO, S.A. through TIMON, S.A., ASGARD INVERSIONES, S.L.U, PROMOTORA DE PUBLICACIONES, S.L. and the PRISA Shareholders Agreement (notified to the CNMV on December 23, 2011, and referred to in section A.6 of this Report) to the extent of 83.58%, by BERGGRUEN ACQUISITION HOLDINGS to the extent of 8.21%, and by Mr. Martin Franklin to the extent of 8.21%. That transaction was formalized on January 3, 2012.

iii) The indicated date of amendment (12/29/2011) is the date of inscription in the Commercial Registry of the last deed modifying capital during the 2011 financial year.

iv) Class B shares are non- voting convertible shares that will be entitled to receive a minimum dividend per share of 0.175 euros per annum, from the date of their issue, and that will be governed as expressly provided in articles 6 and 8 of the Articles of Association and in accordance with articles 98 and following of the Companies Act.

- With regard to **Section A.2** of this report it should be underscored that:

i) The reported significant holdings are those that as per December 31, 2011 had been disclosed by their holders to the CNMV.

ii) The declared indirect interest of Rucandio, S.A. (148,859,840 voting rights) at December 31, 2011, was through Promotora de Publicaciones, S.L., Timón, S.A., Asgard Inversiones, S.A., Rucandio Inversiones SICAV .Furthermore it included 17,661,604 voting rights of the Company subject to the Prisa Shareholders Agreement signed on December 22, 2011 (in which Rucandio indirectly holds the majority of votes), which is described under heading A.6 in this Report.

After various corporate transactions and the exercise of 75,000,000 warrants by OTNAS (formalized on January 3, 2012), the indirect interest of Rucandio, S.A. at the date of approval of this report (221,591,841 voting rights), as declared to the CNMV, is through: Promotora de Publicaciones, S.L., Timón, S.A., Asgard Inversiones, S.A., Rucandio Inversiones SICAV, OTNAS INVERSIONES, S.L. and the Prisa Shareholders Agreement.

iii) BH Stores IV, B.V. is a subsidiary of Berggruen Holdings LTD, a 100% subsidiary of Nicolas Berggruen Charitable Trust. The ultimate beneficiary of the shares of BH Stores IV, B.V. is Nicolas Berggruen Charitable Trust. Mr. Nicolás Berggruen is a member of the Board of Directors of Berggruen Holdings. Likewise it is underscored that the 16,719,416 voting rights declared by BH Stores are represented by 4,179,854 ADR's representing Class A ordinary shares.

iv) Bank of America Corporation declared that of the 13,482,068 voting rights held by this company, 2,632,068 are ordinary Class A shares and 10,850,000 are ADSs representing ordinary Class A shares.

v) The most significant changes in the shareholding structure during the financial year are those declared by the owners of the shares to the CNMV at December 31, 2011. Also, regarding Rucandio, S.A, it is noted that the 35% decrease in the shareholding occurred by reason of "subsequent updating by reason of a change in the number of voting rights of the issuer".

vi) On the CNMV website there are two declarations of Fil Limited, whereby it gives notice that on 5/24/2011 it came to hold more than 1% of the capital of PRISA, and on 8/9/2011 its interest decreased below 1% of that capital. Those declarations cannot be introduced into section A.2 of the ACGR because the CNMV form does not allow entry of transactions implying a change to more or less than 1% of capital.

- With regard to **Section A.3** of this report it should be underscored that:

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i) Of the 67,893 voting rights declared by Mr Harry Sloan, 50,000 are represented by way of 12,500 ADR's representing Class A shares of PRISA. Likewise, and as indicated above, the indirect voting rights declared by Mr. Nicolás Berggruen (16,719,416) and which direct holder is BH Stores IV, B.V., are represented by way of 4,179,854 ADRs representing Class A shares of PRISA.

ii) "The rights on shares of the company" consist of the following:

- Preemption rights documented in the form of warrants: The rights declared by the following directors are treated as warrants: Ignacio Polanco Moreno, Juan Luis Cebrián Echarri, Agnes Noguera Borel, Borja Pérez Arauna, Diego Hidalgo Schnur, Gregorio Marañón y Bertrán de Lis, Matías Cortés Domínguez, Juan Arena de la Mora and Manuel Polanco Moreno.
- ADSs representing class B shares: at December 31, 2011, Mr. Nicolas Berggruen was the indirect owner (through BH Stores IV, B.V.) of 33,438,840 class B shares of Prisa (documented by way of 8,359,710 ADSs representing those shares). Similarly, on that date Mr. Martin Franklin was the direct owner of 20,314,092 class B shares of Prisa (documented by way of 5,078,573 ADSs representing those shares). The aforesaid ADSs are declared as "rights on shares of the company" in accordance with the instructions in CNMV Circular 4/2007, which provides that "*to be indicated under Number of Option Rights is ultimate possession of voting rights attributed to the shares by reason of the financial instrument embodying the right or obligation to acquire or transfer in accordance with Royal Decree 1362/2007*". The holders of ADSs representing class B may ask that the custodian thereof (Citibank NA) directly deliver the corresponding class B shares. In turn, each class B share may be converted into a common Class A share (those being the shares having voting rights), at any time, in the discretion of the holder.

-With regard to **Section A.6** of this report it should be underscored that:

i) The information regarding shareholders agreements was declared to the CNMV in material disclosures 155,690 and 155,942, dated December 23 and December 30, 2011, respectively.

ii) Shareholder Agreement in Rucandio, S.A.

On December 23, 2003 in a private document Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno-deceased- (whose children have succeeded to her position in this agreement), Mr. Manuel Polanco Moreno, Ms. M^a Jesús Polanco Moreno and their now deceased father Mr. Jesús de Polanco Gutiérrez and mother Ms. Isabel Moreno Puncel signed a Family Protocol, to which a Shareholder Syndicate Agreement was annexed concerning shares in Rucandio, S.A. and whose object is to preclude the entry of third parties outside the Polanco Family in Rucandio, S.A. in the following terms: (i) the syndicated shareholders and directors must meet prior to any shareholder or board meeting to determine how they will vote their syndicated shares, and are obliged to vote together at shareholder meetings in the manner determined by the syndicated shareholders; (ii) if an express agreement is not achieved among the syndicated shareholders with respect to any of the proposals made at a shareholder meeting, it will be understood that sufficient agreement does not exist to bind the syndicate and, in consequence, each syndicated shareholder may freely cast his vote; (iii) members of the syndicate are obliged to attend syndicate meetings personally or to grant proxy to a person determined by the syndicate, unless the syndicate expressly agrees otherwise, and to vote in accordance with the instructions determined by the syndicate, as well as to refrain from exercising any rights individually unless they have been previously discussed and agreed at a meeting of the syndicate.; (iv) members of the syndicate are precluded from transferring or otherwise disposing of shares in Rucandio, S.A until 10 years following the death of Mr. Jesús de Polanco Gutiérrez, requiring in any case the consensus of all shareholders for any type of transfer to

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a third party. An exception to the aforementioned term can be made upon the unanimous agreement of the shareholders. This limitation likewise applied specifically to the shares that Rucandio, S.A. holds directly or indirectly in Promotora de Informaciones, S.A.

iii) Shareholder Agreement in Promotora de Publicaciones, S.L.:

The shareholders agreement was signed on May 21, 1992 and in a notarial document certified by Madrid Notary Public Mr. Jose Aristonico Sanchez, Timon S.A. and a group of shareholders of Promotora de Informaciones, S.A. entered into an agreement to govern the contribution of their shares in that company to Promotora de Publicaciones, S.L. (hereinafter, "Propu") and their participation therein. Basically, the undertakings set forth in that agreement are as follows: a) each majority shareholder shall have at least one representative on the Board of Directors of Prisa and, to the extent possible, the governing body of Propu shall have the same composition as Prisa's; b) Propu shares to be voted at Prisa's General Shareholders Meetings will be previously determined by the majority members. Propu members who are likewise members of Prisa's Board of Directors shall vote in the same manner, following instructions from the majority shareholders; c) in the event that Timon, S.A. sells its holdings in Propu, the remaining majority shareholders shall have the right to sell their holdings in Propu on the same terms to the same buyer, to the extent that the foregoing is possible.

iv) Agreement of shareholders of Promotora de Informaciones S.A. (PRISA):

Regarding the Propu Shareholders Agreement referred to in the preceding section, that company agreed to implement the "Reversion Plan" pursuant to which its shareholders were offered the possibility of direct ownership of PRISA shares. This transaction was structured in the form of a reduction of capital, for which purpose PROPU acquired some of its own shares, in exchange delivering shares and warrants of PRISA to the shareholders that had so decided, in the proportion corresponding thereto based on their interests in capital.

On December 22, 2011, before Madrid notary Mr. Rodrigo Tena Arregui, a Shareholders Agreement was signed by PROPU, TIMÓN, S.A. and ASGARD INVERSIONES, S.L.U. (all of them controlled by RUCANDIO), together with those other individuals and legal persons that, to that date having been shareholders of PROPU, had maintained the syndication agreement pursuant to which: (i) without amending the content of principal terms of the existing agreement of shareholders of PROPU, the legal relationships under the agreement of shareholders of PROPU were adjusted to the fact that the concerted controlling interest in PRISA was held directly and (ii) its term was reduced to September 30, 2014, otherwise maintaining the same terms as in the existing agreement of shareholders of PROPU, in such manner that RUCANDIO would continue to hold its controlling interest in PRISA.

v) The concerted actions known to the Company are the shareholders agreements described above.

- With regard to **Section A.10** of this report it should be underscored that ordinary Class A shares don't have any restriction on the exercise of voting rights. Convertible Class B shares are non-voting shares as provided in articles 6 and 8 of the Bylaws and in Law.

-With regard to **Section B.1.2** of this report it should be underscored that:

i) First appointment of Mr. Ignacio Polanco Moreno as Chairman of the Board of Directors was 23 July 2007;

ii) First appointment of Mr. Juan Luis Cebrian Echarri as Chief Executive Officer was 20 Oct 88;

iii) Mr Fernando Abril-Martorell is Deputy CEO since June 24, 2011

- With regard to **Section B.1.3** of this report it should be underscored that:

(Free translation from the original in Spanish language)

i) Although the report indicates that it was the Nomination and Compensation Committee that proposed the appointments, in fact it was the former Corporate Governance, Nomination and Compensation Committee (which was split into two separate committees, one of Corporate Governance and another of Nomination and Compensation upon amendment of the Bylaws and the Board Regulation by various resolutions of the meeting and the board on June 24, 2011) that so decided.

ii) Likewise, the Committee did not “propose” the appointment of the directors that are not qualified as independent, but rather issued a “favorable opinion” concerning those appointments, pursuant to the provisions of the Board of Directors Regulation.

iii) When Mr. Martin Franklin was appointed as a proprietary director at the shareholders meeting held on November 27, 2010, it was done on the initiative of Marlin Equities III LLC, at that date a shareholder of the company.

iv) Mr. Manuel Polanco is an external director representing significant shareholders having been appointed by Timón, S.A and, likewise, is an executive director.

- With regard to **section B.1.8.** of this report it should be underscored that Company director Ms. Agnès Noguera Borel holds the following posts on the boards of directors of the following companies:

i) Bodegas Riojanas, S.A.: representing the director Luxury Liberty, S.A.

ii) Adolfo Domínguez, S.A.: representing the director Luxury Liberty, S.A.

iii) Compañía Levantina de Edificación y Obras Públicas: representing the director Libertas 7, S.A.

- With regard to **section B.1.11** of this report it should be underscored the following:

i) Compensation system of the CEO and Chairman of the Delegated Committee D. Juan Luis Cebrian Echarri

During years 2009 and 2010 the company faced a process of changing its capital structure and refinancing of its financial debt. Under the restructuring of its capital, the Company's negotiated with Liberty Acquisition Holdings (Liberty), which was a SPAC (Special Purpose Acquisition Company), the incorporation into its capital. This transaction was finally approved by the Shareholders Assembly of Shareholders of PRISA on November 27, 2010. As a condition precedent for the effectiveness of this transaction, PRISA and Liberty had agreed the necessary continuity of the CEO, Mr. Juan Luis Cebrian Echarri, for a minimum period of three years, conditioning the effectiveness of the transaction to his continuity and to the execution of a contract between Mr. Cebrian and PRISA, in terms satisfactory for both parties. This information was published in the Form F-4 filed in May 2010 with the SEC - and subsequent update-, and in the Prospectus approved by the CNMV on 26 November 2010.

The contract between Mr. Cebrian and PRISA was signed in October 2010, with the favorable report from the Corporate Governance, Nominating and Compensation Committee and approval by the Board of Directors of PRISA. The Committee had the advice of the consulting firm Spencer Stuart.

Mr. Cebrian's contract with PRISA provides a fixed annual payment in cash and a variable annual compensation in cash. It also includes the delivery of shares of the Company, by a variable amount, as a substitute of the Long Term Incentive, which does not apply to the CEO due to the limitation to three years.

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Additionally, the contract of Mr. Cebrian with PRISA provided for some extraordinary compensations to pay his activity during latest years, in the process of restructuring and refinancing of the Company and his commitment to stay during the period specified above. These amounts are non-recurring or periodic –payable at one time-, are dependent on the success of the transaction with Liberty and collected in 2010 and 2011. According to Spencer Stuart report, these extraordinary compensations are assimilated as social benefits given by other Companies to their top executives, such as pension plans, etc., which PRISA does not address. Such remunerations are detailed below.

ii) Compensations accrued by the CEO and Chairman of the Delegated Committee D. Juan Luis Cebrian Echarri

The tables of section B.1.11 detail the remuneration accrued and/or perceived by the CEO in 2011, under the conditions of his employment contract, which has been described in the preceding paragraphs.

iii) Breakdown of compensations paid to the Board members in 2011 but accrued in other years.

As indicated above, during years 2009 and 2010 the company faced a process of changing its capital structure and refinancing of its financial debt and due to the same and within the framework of the agreement with Liberty, the Company and Mr. Cebrián signed a contract which, in addition to the ordinary compensation system, provided for some extraordinary compensations to pay his activity during latest years in the process of restructuring and refinancing of the Company and his commitment to stay for a period of three years. These amounts are non-recurring or periodic – payable at one time-, and were conditioned to the success of the transaction with Liberty and were perceived in 2010 and 2011.

In that regard, during year 2011, CEO has received the amount of 1,200,000 euros in cash as extra compensation for the result of the recapitalization and refinancing of the Company. Also during the year 2011, the CEO has received EUR 5,014,286 by delivery of shares (1,350,000 shares), according to a reference value of 2.08 euros/share. This extra compensation is linked to the success of the recapitalization of Company, previously described, and was communicated to the CNMV at the time of delivery, being also reported in the financial information of the first half of 2011.

During 2011 the Chief Executive Officer has received the amount of EUR 1,706,666, by delivery of 440,486 shares of PRISA, for his commitment to continue at the Company for a period of three years, according to the contract signed with Prisa in October 2010 as part of restructuring and corporate recapitalization. The tables of section B.1.11 include the amount attributable to 2011, that corresponds to 220,242 shares. The total amount of shares delivered to the CEO due to this item is 660,728 shares, according to a reference value of 2.17 euros/share. This extraordinary compensation was also communicated to the CNMV at the time of delivery, being also reported in the financial information of the first half of 2011.

Finally, during the year 2011 the CEO has received in cash the amount of 300,000 euros, according to his previous contractual relationship with the Company.

iv) The percentage that the total directors' remuneration represent on the profits attributed to the parent company is calculated (as in the Corporate Governance Reports from previous years) on the outcome of the consolidated group, that in the year 2011 did not have profits.

- With regard to **section B.1.12** of this report it should be underscored that senior managers are those who report directly to the chief executive (members of the Management and Business

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Committee who are not directors) as well as the Internal Audit Manager of Promotora de Informaciones, S.A.

-With regard to **Section B.1.13** of this report it should be underscored that:

i) The 11 beneficiaries are part of the management team (3 Directors and 8 members of senior management).

ii) The body that has authorized ironclad or golden handshake clauses was the Corporate Governance, Nomination and Compensation Committee.

- With regard to **Section B.1.15** of this report it should be underscored that as per December 31, 2011 there is no benefits system for members of the Board of Directors or senior managers.

- With regard to **Section B.1.16** of this report it should be underscored that the Board of Directors had been submitting the annual remuneration policy for the Board of Directors and management team to the shareholders for their approval at the Annual Shareholders Meeting, as an integral part of the Management Report submitted with the annual accounts (and not as a separate non-binding item on the agenda), in accordance with the Recommendation of the European Commission of December 14, 2004 concerning promoting an adequate remuneration system for directors of listed companies. Following the entry into force of the Sustainable Economy Act that adds an Article 61 ter of the Securities Market Act, regulating the new regime of annual report on the remuneration of directors, the Company, at the next annual meeting of shareholders, will disseminate and submit to a non-binding vote as a separate item on the agenda, the remuneration policy report for the year 2012.

- For purposes of **Section B.1.29** of this Report it is noted that until June 24, 2011, the company had a Corporate Governance, Nomination and Compensation Committee that, from that date, was split into two separate committees: a Nomination and Compensation Committee and a Corporate Governance Committee.

Regarding the number of meetings indicated for the Nomination and Compensation Committee (six), five of them correspond to the former Corporate Governance, Nomination and Compensation Committee, and one of them corresponds to the current Nomination and Compensation Committee. In addition, the Corporate Governance Committee has met three times in 2011.

- With regard to **Section B.1.40** of this report and by virtue of article 229 of Companies Act, it should be underscored that:

i) Director Mr. Juan Luis Cebrián's offspring, holds the position of Manager of the film area in Television Española (Corporación RTVE. Radio Televisión Española).

ii) Director Mr. Alain Minc's offspring holds the position of Editor of Versión Femina, within Lagardère Group.

iii) Director Mr. Nicolas Berggruen, indirectly through its company Berggruen Holding LTD holds a 45% share of LeYa, a holding company of an editorial group which comprises Brazilian, Portuguese and African editorial companies.

- With regard to **Section C.1** of this report it should be underscored that in accordance with the provisions of the Board of Directors Regulation, related-party transactions will be submitted to the Board of Directors for approval (and for reasons of urgency may be approved by the Delegated Committee) under the following terms:

(Free translation from the original in Spanish language)

i) Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or any of its subsidiaries must be authorized by the Board of Directors, after it has considered the opinion of the Corporate Governance Committee. Transactions carried out by persons related to directors and which do not exceed 60,000 euro must be authorized by the Corporate Governance Committee. Authorization of the Board of Directors shall not be required for linked operations that fulfill the following conditions: a) Those involving compliance with standard contract conditions applied extensively to multiple customers; b) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question; c) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

ii) The Board of Directors formally reserves the right to oversee any Company transaction with a significant shareholder. Under no circumstances shall a transaction be authorized if an opinion of the Corporate Governance Committee assessing the operation from the point of view of market conditions has not been issued. Nevertheless, authorization of the Board of Directors shall not be required for those transactions that fulfill all of the conditions mentioned in the preceding paragraph.

- With regard to **Section C.3** of this report it should be underscored that compensation to Prisa directors and senior management is detailed in Sections B.1.11 and B.1.12 of this report.

Likewise it should be underscored that the following services were rendered during 2011 directly or indirectly by Prisa directors to companies of Grupo Prisa:

i) Legal advice services in the amount of 100,000 euro, rendered by the Director Mr. Gregorio Marañón y Bertrán de Lis to PRISA TELEVISION, S.A.U.

ii) Legal counsel services in a series of proceedings in several jurisdictions (administrative, civil, commercial and arbitral) and legal advice in various matters, rendered by Cortés Abogados y Cía S.R.C, through Tescor Profesionales Asociados, S.L.P, to PRISA TELEVISION, S.A.U amounting 4,896,000 euro.

-With regard to **Section C.4** of this report it should be underscored that the financing transactions described under this section, accrued interests, in the 2011 financial year, amounting to 180,000 €. At December 31, 2011, the company Iberbanda, S.A. was not within the scope of consolidation of the PRISA Group.

- With regard to **Sections C.7 and F.2** of this report it should be underscored that PRISA Portuguese subsidiary Grupo Media Capital, S.G.P.S, S.A. is listed on the Portuguese securities market.

- For purposes of **Sections F.22 and F.55** of this Report it is noted that, under the Board of Directors Regulation of the Company, it is within the province of the Corporate Governance Committee (and not the "Nomination Committee" as indicated in the text of recommendations 22 and 55) to: i) present a report to the Board of Directors for evaluation of the functioning and composition of the Board and the performance of their duties by the Chairman of the Board and chief executive of the Company and ii) advise the Board regarding matters of gender diversity.

- With respect to the binding definition of an independent director, the answer states that none of the independent directors has or has had a relationship with the company, its significant shareholders or its management that contravenes the provisions of Section 5 of the Unified Code of Good Governance, since the consulting services provided directly or indirectly by some Prisa directors (see the corresponding description in the observations provided under C.3 in Section G of this Report) does not prejudice the independence of those directors.

(Free translation from the original in Spanish language)

-Lastly, and generally applicable throughout the report, it should be underscored that, the Tax Identification Numbers attributed to the non-Spanish companies are fictitious and were provided as required in this computerized form.

-As stated in the beginning of this section, certain Prisa's Class A and Class B shares trade on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADS).

Therefore Prisa qualifies as a "foreign private issuer" under the rules and regulations set forth by the Securities and Exchange Commission (SEC) and is subject to certain reporting and corporate governance obligations under the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002 and the corporate governance requirements of the NYSE.

Nevertheless, Prisa doesn't prepare an annual corporate governance report other than that required under Orden ECO/3722/2003.

Binding definition of independent director:

Indicate whether any of the independent directors maintains or has maintained any relationship with the company, its significant shareholders or its managers which, had it been sufficiently relevant or important, would have determined that the director could not be considered independent as defined in section 5 of the Unified Code of Good Governance:

NO

This Annual Report on Corporate Governance was approved by the Board of Directors of the Company at its meeting on February 24, 2012.

Indicate whether any directors voted against or abstained in the vote taken to approve this report.

NO