



REMUNERATION POLICY REPORT

The Board of Directors and the Nomination and Compensation Committee of Promotora de Informaciones, S.A. (PRISA), within the scope of their respective powers, have approved the 2013 remuneration policy for Board members and the management team that is set out in this report, under the provisions of article 61 ter of the Stock Market Act 24/1988, to be made available to the shareholders with the notice of the Annual Shareholders Meeting.

This policy addresses the following matters:

1. REMUNERATION POLICY OF DIRECTORS (ARTICLE 19 OF THE BYLAWS)

The Shareholders Meeting held on November 27, 2010 approved a maximum fixed compensation for the board of directors of 2,000,000 Euros. Article 19 of the bylaws states that at the annual approval of the accounts the Assembly can modify the limits of compensation to directors and in case it doesn't do it limits will be updated automatically at the beginning of each year based on the percentage of inflation.

However, at proposal of the Nomination and Compensation Committee, this maximum threshold has not been updated since its fixation and neither will be for the year 2013. In fact, as will be seen below, the remuneration of the Board in 2013 will be significantly below the maximum limit approved by the General Meeting.

In application of such general limits, the board of directors of the company approved the compensation policy for non-executive¹ board members, depending on their membership of the Board of Directors, the Delegated Committee and other Committees of the Board, in accordance with the following layout:

- **Remuneration for participation in the Board of Directors:** €75,000 per annum. At the beginning of the 2012 fiscal year, the remuneration for membership of the Board of Directors was set at €100,000 per annum. At its February 2012 meeting, the Nomination and Compensation Committee agreed to propose a 5% reduction in that remuneration to the Board and, on 24 February 2012, the Board agreed to set the remuneration for participation in the Board at €95,000 per annum. Subsequently, at the Board Meeting of 24 October 2012, the Board, also at the proposal of the Committee, agreed to a further reduction with effect from 1 November and set the remuneration for participation in the Board at €75,000, which is the amount currently in force. That amount is paid to each of the nonexecutive directors, at their discretion, in the following proportion: 60% in cash and 40% in PRISA shares. As from October 2012, it was envisaged that this amount could be paid in full in cash. If a director opts for part payment in PRISA shares, those shares are delivered quarterly (see the section of this

¹ Executive Directors are Mr Juan Luis Cebrián Echarri, Mr Fernando Abril-Martorell Hernández and Mr Manuel Polanco Moreno

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report entitled “Share Ownership and Share Option Plan”). Remuneration in cash is paid monthly.

- Remuneration for participation in the Delegated Commission: €75,000 per annum. This remuneration has undergone the same changes as those described above in respect of directors’ participation in the Board and was reduced on two occasions in the 2012 fiscal year (in February and October). The initial remuneration was set at €100,000 and is now €75,000. It is paid in cash on a monthly basis. In addition to the quantitative reduction in the remuneration, at the October 2012 Board meeting, the composition of the Commission was modified by means of a reduction in the number of members entitled to receive compensation in respect of this item, resulting in additional savings.
- Remuneration for participation in the Audit Committee, Appointment and Remuneration Committee and Corporate Governance Committee: €19,000 per annum for the Chairmen of those committees and €9,500 per annum for their members. At the beginning of the financial year, the remuneration for the Chairmen of the committees was €40,000 and for the members €20,000. Those figures were subject to reductions of 5% in February and 50% in October, resulting in the current amounts. The members of the Audit Committee, Nomination and Compensation Committee and Corporate Governance Committee do not include executive directors.
- Attendance fees for meetings of the Board and of the Board Committees: The Board of Directors, at the proposal of the Nomination and Compensation Committee, reduced the sums allocated to attendance fees by 24% with effect from 1 November 2012. The estimate for this item for 2013 is €390,000.
- The executive directors do not receive any amounts for participating in the Board and the Board Committee, either in respect of fixed remuneration or attendance fees.
- Board members may also benefit from private health insurance that the Company has to cover the contingencies that might have, in this area, its managers.
- Additionally to these amounts, the Directors of PRISA may receive other fees for participation in the Boards of Directors of other Group companies in accordance with their respective bylaws.

2. MANAGEMENT TEAM REMUNERATION POLICY

The management team is composed of the executive directors of the Company, Mr. Juan Luis Cebrián (Chairman of the Board and of the Delegated Committee), Mr. Manuel Polanco Moreno (Deputy Chairman of the Board and Chairman of Prisa TV) and Mr. Fernando Abril-Martorell (CEO) and as well as the senior management team².

² According to the Unified Code, members of the senior management are those who report directly to the chief executive (members of the Management and Business Committee who are not directors) as well as the Internal Audit Manager of Promotora de Informaciones, S.A. They are, particularly, the following managers: Mr Javier Lázaro, Mr Fernando Martínez Albacete, Mr Miguel Ángel Cayuela Sebastián, Mr Antonio García-Mon Marañes, Mrs Bárbara Manrique de Lara, Mr Pedro García Guillén, Mr José Luis Sainz, Mr Kamal M. Bherwani, Mr Andrés Cardó, Mr Oscar Gómez and Mrs Virginia Fernández.

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The compensation of the members of the management team is determined by the respective employment contract, ordinary or senior management, and mercantile, which each have with the Company.

2.1. Compensation system of the Chairman of the Board and of the Delegated Committee Mr Juan Luis Cebrian Echarri

The Chairman of the Board of Directors, Mr. Juan Luis Cebrián, signed an employment agreement with the Company, when he held the position of CEO, within the framework of the process of restructuring the share capital of PRISA, in 2010, as informed in the Remuneration Policy Report that the Company released on the occasion of the call of the General Meeting of 2012.

As explained 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 depending on the objectives, as a substitute of the Long Term Incentive, which does not apply to the CEO due to the limitation to three years.

On the occasion of the appointment of Mr. Cebrián as President of PRISA in July 2012, the working conditions agreed in the referenced contract remained unchanged.

2.2. Compensation system of the CEO Mr Fernando Abril-Martorell Hernandez.

In April 2011 Mr. Fernando Abril-Martorell Hernandez joined the Company as Chief Financial Officer. Mr. Abril-Martorell signed a senior manager employment contract with the Company. Subsequently, the Assembly held on June 24, 2011, approved his appointment as Director and at the Board of Directors he was appointed Deputy CEO. The Board of Directors held in July 2012 agreed to his appointment as CEO. At his appointment first as a member of the Board of Directors and later as CEO there has been no change in the working conditions agreed at the time of joining to the Company.

As indicated in the Report of 2012, the contract of Mr. Abril-Martorell provides a fixed annual payment in cash and a variable annual remuneration in cash and also by delivery of shares of the Company depending on the objectives.

2.3. Compensation system of the rest of the management team

The remuneration policy of the rest of the Management Team includes a fixed remuneration and a variable remuneration depending on the annual objectives. In turn, the variable remuneration comprises a percentage in cash and another percentage in delivery of shares of PRISA.

Additionally, the Company's remuneration policy to encourage and retain members of the management team comprises a Long-Term Incentives Plan in shares, depending on the achievement of objectives, which compensates the permanence in the Group for a period of three years.

3. 2012 ACCRUED COMPENSATION

3.1. Individual Compensation of the Directors

(Free translation from the original in Spanish language)

This section details the remuneration accrued by the members of the Board of Directors during the 2012 fiscal year. Section 3.1.a) below sets forth the remuneration earned in cash while section 3.1.b) describes the remuneration accrued consisting in the delivery of Company shares and other items.

3.1.a). Breakdown of cash compensation accrued by members of the Board of Directors in 2012

Director	Fixed remuneration	Bonus	Fixed Compensation in cash for the Board of Directors	Per diem fees
Ignacio Polanco Moreno Moreno (<i>Resigned as Chairman and as a director of PRISA, in July 2012</i>).	540,164	0	--	0
Juan Luis Cebrián Echarri	1,116,000	0	--	0
Fernando Abril-Martorell Hernández	790,500	0	--	0
Manuel Polanco Moreno	460,420	0	--	0
Agnès Noguera Borel	0	0	89,833	52,500
Diego Hidalgo Schnur (<i>Resigned as director of PRISA, in July 2012</i>).	0	0	44,333	37,500
Borja Pérez Arauna	0	0	72,417	51,500
Nicolas Berggruen	0	0	55,000	9,000
Martin Franklin	0	0	148,250	30,000
Gregorio Marañón Bertrán de Lis	0	0	197,333	68,500
Juan Arena de la Mora	0	0	99,583	40,500
Alan Minc	0	0	164,083	51,000
Emmanuel Roman	0	0	151,583	30,500
Harry Sloan	0	0	70,833	13,500
Ernesto Zedillo Ponce de León	0	0	89,833	31,500
Matías Cortés Domínguez	0	0	150,000	22,000
Arianna Huffington	0	0	9,083	2,500
Jose Luis Leal Maldonado	0	0	14,083	5,000
TOTAL	2,907,084	0	1,356,247	445,500

In addition, Gregorio Marañón Bertrán de Lis received a fixed fee of €45,917 and attendance fees of €18,000 for his participation in the Board of Directors and Committees of Prisa TV S.A., and Arianna Huffington received a fixed fee of €77,082 for her participation in the Board of Directors of Diario El País S.L.

3.1.b). Breakdown of compensation in kind, by deliverance of shares, accrued by members of the Board of Directors in 2012

Director	Bonus by deliverance of shares	Fixed Compensation by deliverance of shares	Social Benefits
Ignacio Polanco Moreno (<i>Resigned as Chairman and as a director of PRISA,</i>	0	0	7,668

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<i>in July 2012).</i>			
Juan Luis Cebrián Echarri	0	0	48,442
Fernando Abril-Martorell Hernández	0	0	11,389
Manuel Polanco Moreno	0	0	11,392
Agnès Noguera Borel	0	36,667	0
Diego Hidalgo Schnur (<i>Resigned as director of PRISA, in July 2012).</i>	0	19,000	0
Borja Pérez Arauna	0	36,667	0
Nicolas Berggruen	0	36,667	0
Martin Franklin	0	36,667	0
Gregorio Marañón Bertrán de Lis	0	36,667	212
Juan Arena de la Mora	0	31,667	0
Alan Minc	0	36,667	0
Emmanuel Roman	0	36,667	0
Harry Sloan	0	36,667	0
Ernesto Zedillo Ponce de León	0	36,667	0
Matías Cortés Domínguez	0	36,667	0
Arianna Huffington	0	8,167	0
Jose Luis Leal Maldonado	0	3,167	0
TOTAL		428,671 €	79,103 €

The remuneration of the nonexecutive directors includes a fixed amount by means of the delivery of shares. The gross amount for all directors is the same, but the number of shares allocated is different as this depends on the withholding percentages applicable to each of them.

Furthermore, the accounts for the 2012 fiscal year include the timing of allocation (annual) of the costs in respect of 220,242 PRISA shares, with a reference value of €2.17/share, which were delivered to the Chairman of the Company in 2011. As explained in the 2012 Remuneration Policy Report, under the contract executed between the Chairman of the Company and the Company itself, in the context of the corporate restructuring and recapitalisation operation, a minimum-stay commitment of three years was agreed to. The Chairman received 660,728 shares, with a reference value of €2.17/share, for his commitment to remain in office for three years. The value of those shares is included in the Company's accounts as remuneration earned by third parties during the 2011, 2012 and 2013 fiscal years.

3. 2. Remuneration for the year 2012 of the executive Directors Mr Juan Luis Cebrian, Mr Fernando Abril-Martorell and Mr. Manuel Polanco Moreno

The executive Directors Mr Juan Luis Cebrian, Mr Fernando Abril-Martorell and Mr. Manuel Polanco Moreno have voluntarily agreed with the Company, given the general economic circumstances, that the remuneration for the 2012 fiscal year shall exclusively be the fixed remuneration provided for in their contracts, with no attribution of any kind of variable remuneration.

3.3. Overview of the remuneration Policy applied in 2012

(Free translation from the original in Spanish language)

	2012 Projected Fix Remuneration Management Team	2012 Actual Fix Remuneration Management Team
Directors	2,366,920 €	2,366,920 €
Members of senior management	4,166,640 €	4,165,032 €
	6,533,560 €	6,531,952 €

	2012 Maximum target of the variable bonus Management Team, depending on the results	2012 Variable Bonus Management Team
Directors	8,200,000 €	0
Members of senior management	2,375,622 €	1,564,751 €
	10,575,622 €	1,564,751 €

Differences between forecast in the Compensation Policy Report for 2012 and carried out in the Compensation Policy Report for 2013 is due to the application of the adjustment measures described on this Report and lower compliance of the maximum target set for variable bonus.

4. POLICY REPORT FOR 2013

4.1. Fixed remuneration of the Management Team:

The fixed remuneration of the management team for 2013, including the 3 executive directors will amount to **EUR 5,468 thousand**, according to the following breakdown:

Directors Fixed Remuneration	EUR 2,068 thousand³
Senior management team fixed remuneration	EUR 3,400 thousand

The fix remuneration of Mr Manuel Polanco Moreno is paid by PRISA TV S.A.

From January 1st, 2012, senior managers of the Group, including the Executive Directors, with fixed compensations equal or above 100,000 Euros per year agreed a reduction of 7% of their compensation.

In November 2012, PRISA commenced proceedings for a material modification to working conditions of a collective nature, aimed at reducing the amount paid in salaries to employees at the corporate headquarters. Those proceedings were completed in December 2012 and an agreement was reached with the workers' representatives pursuant to which salary costs were reduced by €716,000, with reductions from 0% for wage categories under €40,000 up to 16% for categories exceeding €300,000. The reduction percentages are applied to the voluntary improvement of fixed remuneration. This measure, which entered into force on 1 January 2013,

³ Breakdown of the fixed compensations of the Executive Directors is shown below.

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therefore affects the fixed remuneration of the Chairman of the Board and of the Delegated Committee, as well as the fixed remuneration of the senior managers at corporate headquarters. The same measure is being implemented in the other Group companies.

4.2.Short-term variable remuneration (annual):

The short-term annual variable remuneration consists of a bonus tied 100% to achievement of all the management objectives approved yearly by the Nomination and Compensation Committee, except for the Executive Directors, whose objectives are approved by the Board of Directors, at the proposal of the Committee.

The objectives are both quantitative (80%) and qualitative (20%), corresponding the quantitative part to the consolidated group and, where applicable, to the business group in which a member of the Management Team performs his duties. Metrics for determining the quantitative objectives are different depending on whether the Manager provides services in the Corporate or in a Business Unit, although are interrelated.

The annual incentive amount is directly linked to a performance scale that links the level of objective achievement to the percentage reward applicable to the reference bonus. As indicated in the 2012 Remuneration Policy Report, independent metric scales were established and a minimum level of performance in respect of each scale is required for payment of the annual bonus.

As refers to the determination of the 2013 bond, the system will continue with independent metric scales, so that below a level of compliance of 75% or 80% according to quantitative metric set, the level payment would be zero. Also, if greater compliance with the quantitative targets above 120%, reward levels could increase by between 130% and 150% of the variable remuneration.

The annual bonus payment is made in arrears. The variable bonus is paid in cash, except for the group that participates in the Long Term Incentive (ILP) described in the following section, to whom the payment will be made partly in cash and part in shares of Prisa (with the maximum limit of 30% shares), being able to sell these shares by half, annually, from the first year of delivery.

4.3. Variable Multiannual Compensation⁴:

The Long-Term Incentives Plan (ILP) is multiannual and with cycles overlapping, will be determined according to the objectives assigned to each of the cycles included during its validity, and will be paid in shares of Prisa or any of its listed subsidiaries, at the option of Prisa, being able to sell these shares without limitation. The annual reference bonus is around 32% of the annualized salary of the manager. The calculation of variable and multiannual remuneration is made considering fulfillment of quantitative targets which take into account the results of Grupo PRISA and stay in the Management Team during the term of the Plan. These objectives are also approved yearly by the Nomination and Compensation Committee.

This Plan doesn't apply to the Executive Directors Mr Juan Luis Cebrián Echarri and Mr Fernando Abril-Martorell Hernández.

4.4. In-kind remuneration Plan:

⁴ This ILP was approved on June 2011.

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The Group has taken out an insurance policy with an insurance company to cover the risks of death or serious accident with an insured sum equal to one year's total remuneration of the beneficiary. The Group also provides private health insurance, under the expense refund system, for members of the management team and their families.

4.5. Share delivery and option plans:

Based on Section 219 of Corporate Enterprises Act, and Article 19 of the Company bylaws, at the Extraordinary General Shareholders' Meeting on November 27, 2010, a compensation system was authorized consisting of the delivery of shares and/or stock options of the Company to the directors and managers in the Prisa Group during 2010, 2011, 2012, and 2013, to facilitate or increase their shareholdings in the Company.

As indicated in paragraph 3.2 above, the executive directors Mr Juan Luis Cebrián and Mr Fernando Abril-Martorell Hernández will not receive remuneration in shares in 2013, despite the provisions of their contracts.

The rest of the Senior Management will receive this compensation by application of the system described in section 4.2 (yearly variable compensation part in kind) and 4.3. (long term compensation).

The main terms of this compensation system approved by the Shareholders Meeting are the following:

The Company may deliver a number of the Company's shares or stock options to each of the Participants. The system may be offered to such directors and managers in the Prisa Group in the categories indicated in this resolution as may be determined by the Board of Directors, on proposal of the Nomination and Compensation Committee.

The number of shares and stock options that may correspond to each Participant will be determined by the Board of Directors on proposal of the Corporate Governance, Nomination and Compensation Committee, based on their responsibilities within the management bodies of the Company or any of the companies in its group of their management functions and responsibilities.

(i) Delivery of shares

The total number of shares in no case will exceed 2% of company's capital from time to time, using the average closing quotation of the share on the Continuous Market over the 30 working days immediately prior to the delivery as reference.

(ii) Delivery of stock options

The total number of stock options in no case will exceed 1% of company's capital from time to time. The delivery of stock options will give the right to acquire an equivalent number of shares of the Company, during the period from 12 months to 24 months after delivery of the stock options. The exercise price of each stock option will be the average closing quotation of the share on the Continuous Market for the 30 working days immediately prior to the delivery.

The Company has implemented the Plan through deliverance of shares and no options.

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Given the upcoming expiration of the share delivery and options Plan, approved by the Extraordinary General Meeting of 2010, and in the belief that the delivery of shares to managers is an instrument of loyalty and commitment guarantee of them with the Company, the Board will propose to the Shareholders Meeting the extension of this plan for the coming years.

5. OTHER ASPECTS RELATING TO THE REMUNERATION OF THE MANAGEMENT TEAM

Guarantee clauses:

The management team includes 10 members (3 directors and 7 senior executives) whose contracts include a special clause which provides in general for a termination benefit in the event of termination without just cause for an amount of one years' total remuneration (fixed salary + last bonus received).

6. MOST SIGNIFICANT CHANGES IN THE 2013 REMUNERATION POLICY WITH RESPECT TO THAT APPLIED IN 2012:

	2012	2013
Directors' remuneration	1,784,918 €	1,333,000 €
Directors' attendance fees	445,500 €	390,000 €
	2,230,418€	1,723,000 €
	Fix Remuneration Management Team	Fix Remuneration Management Team
Directors	2,366,920 €	2,068,093€
Members of senior management	4,165,032 €	3,400,352 €
	6,531,952 €	5,468,445 €

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