



**PROMOTORA DE INFORMACIONES, S.A.
(PRISA)**

COMMITTEE FOR STRATEGIC DIGITAL CHANGE

**ANNUAL REPORT
2014**

Madrid, February 2015.

(Free translation from the original in Spanish language)

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I.- INTRODUCTION

The Committee for Transformation Digital Change (hereinafter, the Committee) of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, PRISA, the Company or the PRISA GROUP when it refers to the Consolidated Group) was established in October 2014 by a resolution of the Board of Directors of PRISA, with a favourable report from the Appointments and Remuneration Committee and the Corporate Governance Committee.

The Committee was established in response to the need to transform the PRISA Group and adapt it to the digital reality of its environment.

The Committee issues this report to enable the Board of Directors to make available to shareholders information concerning the Committee's operations and activities during the 2014 financial year.

The Committee is not regulated by the internal rules of the Company, but it has been ascribed a set of basic powers which are identified in section III below.

II.- COMPOSITION

The Committee must be composed by Directors of the Company and its composition on the date of this Report is as follows:

Chairman: Mr. John Paton – External Independent Director

Members:

Mr. Juan Luis Cebrián Echarri.- Executive Director

Mr. Jose Luis Sainz Diaz.- Executive Director

Mr. Juan Arena de la Mora – External Independent Director

The Committee's secretary is the Deputy Secretary of the Board of Directors, Mr Xavier Pujol Tobeña.

III. ACTIVITIES OF THE COMMITTEE IN 2014

The Committee has the following competencies:

- i. Being apprised of, promoting, guiding and supervising the actions of the Company regarding digital transformation and reporting thereon to the Board of Directors.

- ii. Proposing a coordinated strategy for digital transformation of the Company and its various Business Units, and for evaluation of its impact on present or future business.
- iii. Advising the Board of Directors in the preparation of a Strategic Plan for digital transformation and supervising implementation of that Strategic Plan.
- iv. Periodically reviewing the Strategic Plan for digital transformation and proposing amendment and updating thereof to the Board of Directors.
- v. Seeing to achievement of the milestones fixed in the Strategic Plan for digital transformation and evaluating implementation thereof by the Company and its business units.
- vi. Advising the Board of Directors regarding any digital initiatives existing in the market that may be beneficial for the Company.
- vii. Evaluating the business opportunities and initiatives presented to the Company in the digital and technological transformation area.
- viii. Evaluating, analysing and reporting to the Board of Directors on investment transactions in the digital transformation area.
- ix. Analysing the various measurement and observation tools launched at the national and international level regarding digital transformation and providing recommendations for improvement of the positioning of the Company and its group of companies.
- x. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.

The Committee will meet periodically based on needs and whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.

During 2014 the Committee has met on two occasions, since its constitution in October.

The following are the issues discussed during 2014 in subject areas pertaining to this Committee:

- i) The digital projects on which the business units are working have been analysed at national and international level;
- ii) The resources and culture to undertake the digital transformation of the businesses have been assessed; and

iii) Baselines to begin work on the definition of the strategic plan required to undertake the digital transformation have been put in place.