



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

**COMMITTEE FOR STRATEGIC DIGITAL CHANGE**

**ANNUAL REPORT  
2016**

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Madrid, February 2017.

## **COMMITTEE FOR STRATEGIC DIGITAL CHANGE ANNUAL REPORT 2016**

### **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 and with that goal in mind it has provided advice and guidance to the management from the outset.

The Committee met four (4) times in 2016, engaging key management figures from the Company and its media firms and with constant and intense interaction.

The Committee issues this report to enable the Board of Directors to make information available to shareholders concerning the Committee's operations and activities during the 2016 financial year.

### **II.- COMPOSITION**

The Committee must be composed of 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. José Luis Sainz Díaz – Executive Director

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

### **III. ACTIVITIES OF THE COMMITTEE IN 2016**

The Committee has met to analyse the Company's different digital proposals and activities begun in 2015, to assess the degree of progress and to help key personnel drive forward and lead the Group's digital transformation, implementing the new digital strategy defined the previous year.

The Committee has focused on a series of initiatives intended to drive audience and digital revenues while moving the cost structure from a high fixed one to a lower variable cost structure.

During the year, the Committee has broadened its digital transformation work beyond *El País* in order to include the commercial areas and radio.

The Committee has focused on prioritising a quality audience and initiatives that generate advertising revenues, in conjunction with the economic recovery and the new KPIs applied to all Group employees.

The Committee has acted as a forum for analysis and discussion of the new initiatives between the company's senior management and key executives involved in the digital change process, such as the CEO of PRISA Noticias, the Chief Revenue Officer and the Strategic Digital Change Officer.

Important people from the company's digital sphere and the CEOs of *El País* and *Prisa Radio* have also participated in these sessions.

Lastly, the Committee has continued to identify and prioritise the requirements that help the Board of Directors to allocate the necessary budgetary resources in order to progress with the Group's digital transformation.

All the new initiatives have been predicated on a low, variable cost model. Teams are being kept small with the bulk of the work being outsourced to external providers where costs can be dialled up or down as needed and acumen is high.