



REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSED RESOLUTION APPEARING AS ITEM EIGHT ON THE AGENDA OF THE ORDINARY SHAREHOLDERS MEETING CALLED TO BE HELD ON MAY 7, 2013, ON FIRST CALL, AND ON MAY 8, 2013 ON SECOND CALL

I. Object of the Report

This report is issued in relation with the proposal of delegating to the Board the power to increase share capital of Promotora de Informaciones, S.A. (“Prisa” or the “Company”), with the power to exclude preemptive rights, to be submitted, as item eight of the agenda, for approval at the General Ordinary Shareholders Meeting to be held on, May 7, 2013 in an initial quorum call, or on May 8, 2013 at the same time and place, in a second quorum call.

This report is issued in compliance with Articles 286, 297(1)(b) and 506 of the Capital Companies Act (“CCA”).

II. Objective and justification for the proposal

The resolution proposes delegating to the Board of Directors the power to increase share capital, on one or more occasions, in the terms set forth in Article 297(1)(b) CCA, with the power to exclude preemptive rights pursuant to Article 506 CCA in relation with Article 308.

The volume of resources that Prisa needs for its investments and/or for implementing the present process of restructuring its liabilities requires having access of all available financial sources on the market and using, when warranted, those that are most advantageous for the Company. However, access to that market is occasionally subject to temporary limitations derived from economic policy measures, which at a given time may reduce or halt the increase of monetary or credit variables and even the very evolution of financial markets. For that reason, Prisa desires to have the option of implementing capital increases, to be effected when market conditions make them advisable.

In addition and without prejudice to the foregoing, the Board of Directors deems it advisable to provide the Board with an instrument authorized under current legislation which, without the need to hold a new shareholders meeting, would empower the Board to implement the capital increases it deems in the Company’s interest, within the limits, terms, timeframe and conditions set forth by the shareholders. The dynamics of any for-profit company, and especially large enterprises, require that their management and governing boards have access at all times to the most appropriate instruments for responding to the company’s needs at any given moment and in view of the circumstances of the markets. Those circumstances may require providing the company with capital resources from new contributions.

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It is not generally possible to forecast the company's capital requirements and, moreover, having to resort to a shareholders meeting to approve capital increases, with the corresponding delay and additional costs, may in certain circumstances prevent the Company from responding rapidly and effectively to the needs of the market. In that regard, the delegation of powers set forth in Article 297(1)(b) CCA practically precludes such difficulties while providing the Board of Directors with an adequate degree of flexibility to, according to the circumstances, meet the Company's needs.

Thus, and for these reasons, a proposal shall be submitted at the Shareholders Meeting to delegate to the Board of Directors the power to approve a capital increase up to the maximum amount equivalent to one third of the share capital at the time of the authorization, which includes the revocation of any unexercised powers granted to the Board of Directors to increase capital, approved as Item two on the Agenda of the Extraordinary Shareholders Meeting held on December 5, 2008.

This authorisation may likewise be used to cover any compensation plan or agreement by way of delivery of shares or options on shares for members of the Board of Directors and to the managers of the Company in force at any given time

Under this proposal and if warranted, the corresponding capital increase would be implemented within a maximum term of five years from the date the resolution is passed at the Shareholders Meeting, without further call of nor resolution adopted by the Shareholders Meeting, either once or several times, as required by the needs of the Company at the opinion of the Board of Directors, and up to the legally-authorized nominal amount, that is, half of the share capital on the date the authorization is granted, through an issue of new ordinary Class A or Class B shares, or any other type than those permitted by Law, ordinary or privileged, including redeemable shares, with or without voting rights, with or without share premiums, in exchange for cash contributions, and the Board of Directors may determine the terms and conditions of the capital increase in accordance with the provisions of Article 297(1)(b) CCA.

The proposal expressly provides for the possibility of a partial subscription of the shares issued, as provided in Article 311(1) CCA.

The powers to be granted to the Board include determining the terms and conditions of each capital increase and the characteristics of the shares, as well as to freely offer the non-subscribed new shares within the term or terms for exercising preemptive rights, to amend the article in the bylaws concerning share capital, to take all measures to ensure that the new shares issued under the capital increase are admitted to trading on the stock exchanges on which the Company's shares are listed, in accordance with the procedures of each of those stock exchanges, and to request the inclusion of the new shares in the accounting records of the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear)*. It is likewise proposed to empower the Board to delegate to the Delegated Commission, the Chairman, or the Chief Executive Officer the delegable powers approved at the Shareholders Meeting.

In addition, and as provided in Article 506(1) CCA with respect to listed companies, when the shareholders delegate in the directors the power to increase share capital they may also grant them the power to exclude preemptive rights with respect to the shares issued pursuant to

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those delegated powers when it is in the interest of the Company, although the proposal to exclude preemptive rights must be included in the notice of the shareholders meeting and a directors' report justifying the proposal must be made available to shareholders.

In that regard, it should be noted that the proposal addressed in this report to delegate powers to the Board of Directors to increase share capital also includes, pursuant to Article 506(1) CCA, the right to exclude all or part of the preemptive rights, when warranted in the interest of the Company and in the terms of the aforementioned Article 506 in relation with article 308 CCA.

The Board of Directors considers that this possibility, which notably increases the scope of action and the capacity of response afforded by the simple delegation of the power to increase share capital pursuant to Article 297(1)(b) CCA, is justified by the flexibility and agility with which it is often necessary to act on current financial markets, in order to take advantage of those moments when market conditions are favorable. Moreover, the exclusion of preemptive rights normally reduces costs associated with the operation (particularly commissions charged by the financial entities participating in the issue) compared to issues with preemptive rights, while at the same time having less of a distorting effect on the trading of company shares during the issue period, which is usually shorter than in an issue with preemptive rights. Also, exclusion of preemptive rights may be necessary when financial resources are sought on international markets or when bookbuilding is used.

In any case, it should be noted that the total or partial exclusion of preemptive rights is merely a power that the shareholders grant to the Board and will only be exercised if the Board of Directors decides to do so, taking into account the existing circumstances in each case and in compliance with all legal requisites. If in exercising that power the Board should decide to exclude preemptive rights for an specific capital increase that it may approve by virtue of the authorization granted by the shareholders at the Shareholders Meeting, when approving the capital increase the Board will issue a report explaining the specific corporate interests justifying that measure, which shall likewise be subject to a report from the company auditors referred to in Article 506(3) CCA. Both reports will be made available to shareholders and announced at the first Shareholders Meeting held after the capital increase has been approved, in accordance with the provisions of the aforementioned article 506(4) CCA.

Based on all of the foregoing, the Board of Directors of Prisa under point eight of the Agenda presents the following proposal to the Ordinary General Meeting of Shareholders:

III. Proposed resolution to be submitted for approval at the shareholders meeting

“1. To revoke in the unused part the resolution passed under point second of the Agenda for the Extraordinary General Meeting of shareholders held on 5 December 2008, regarding the delegation to the Board of Directors of authority to increase capital in accordance with the provisions of article 153(1)(b) of the former Public Limited Companies Act, currently article 297(1)(b) of the Capital Companies Act.

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2. To authorize the Board of Directors, as broadly and effectively as permitted by law, in accordance with the provisions of article 297(1)(b) of the Capital Companies Act, so that within the maximum term of five years from the date of this resolution of the General Meeting, and without need of call or resolution thereafter, it may resolve, on one or more occasions, when and as the needs of the Company so require in the judgment of the Board, to increase its capital in a maximum amount equivalent to one third of the share capital at the time of this authorization, issuing and distributing the corresponding new ordinary Class A or non voting Class B shares or any other kind of shares permitted by law, ordinary or privileged, including redeemable shares, with or without voting rights, with or without premium, consisting the consideration for the new shares to be issued of cash contributions, and expressly contemplating the possibility of incomplete subscription of the shares that are issued, in accordance with the provisions of article 311(1) of the Capital Companies Act. The authority here granted to the Board of Directors includes authority to fix the terms and conditions of each capital increase and the features of the shares, and to freely offer the new shares not subscribed within the pre-emption term or terms, to redraft the article of the Articles of Association related to capital, and to take all actions necessary in order for the new shares covered by the capital increase to be admitted to trading on the stock exchanges on which the shares of the Company are traded, in accordance with the procedures contemplated by each of those stock exchanges, and to request the inclusion of the new shares in the accounting records of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). This authorization may be used to cover any compensation plan or agreement by way of delivery of shares or options on shares for members of the Board of Directors and to the managers of the Company in force at any given time. In addition, the Board is authorized to exclude pre-emption rights, in whole or in part, on the terms of articles 506 and 308 of the Capital Companies Act. The Board of Directors is also authorized to substitute the delegated powers granted by this General Shareholders Meeting regarding this resolution in favour of the Delegated Committee, the Chairman of the Board of Directors or the Chief Executive Officer.”

Madrid, March 20, 2013

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