

**Special Report on Disapplication of Pre-emption Rights under  
Articles 308 and 506 of the Capital Companies Act**

**Promotora de Informaciones, S.A. (Prisa)**



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## **SPECIAL REPORT ON DISAPPLICATION OF PREEMPTION RIGHTS UNDER ARTICLES 308 AND 506 OF THE CAPITAL COMPANIES ACT**

To the Shareholders of Promotora de Informaciones, S.A. (Prisa):

For the purposes contemplated in articles 308 and 506 of the Capital Companies Act, the recast text of which was approved by Royal Legislative Decree 1/2010 of 2 July 2010 (the "Capital Companies Act"), and in accordance with our engagement letter dated 25 July 2014, we issue, by reason of appointment by Ms. Isabel Adoración Antoniano González, Commercial and Personal Property Registrar number 1 of Madrid, which occurred on 23 July 2014, this special report on the increase of the capital of Promotora de Informaciones, S.A. (hereinafter "Prisa" or the "Company"), in a nominal amount of eighteen million eight hundred sixty-seven thousand nine hundred twenty-four euros and fifty cents (€18,867,924.50), by issue and circulation of a total of one hundred eighty-eight million six hundred seventy-nine thousand two hundred forty-five (188,679,245) new Class A common shares, having a par value of ten cents on the euro (€0.10) each, represented by book entries. The new shares will be issued with an issue premium of forty-three cents on the euro (€0.43) per share and, therefore, the issue premium corresponding to all of the new shares will amount to eighty-one million one hundred thirty-two thousand seventy-five euros and thirty-five cents (€81,132,075.35). The total amount of par value and issue premium corresponding to the new shares, which together will amount to ninety-nine million nine hundred ninety-nine thousand nine hundred ninety-nine euros and eighty-five cents (€99,999,999.85), will be fully paid up by cash contribution at the time of subscription thereof.

The capital increase will be addressed to Consorcio Transportista Occher, S.A. de C.V., an existing Mexican commercial company, which has assumed the obligation to Prisa to fully subscribe the capital increase. The new shares will give their owner the same voting and economic rights as the Company's currently outstanding Class A common shares, from the date the corresponding capital increase is registered with the Commercial Registry. Subscription and payment for the Shares are conditioned on previously obtaining this required report from the statutory auditor (auditor de cuentas) appointed by the Commercial Registry, and must be accomplished within the ten calendar days following the date of this report.

Subscription and payment for the capital increase will be undertaken with disapplication of pre-emption rights, accompanied by the Report of the Prisa Board of Directors prepared on 22 July 2014 (which is attached as annex I). This special report, prepared by us, together with the aforesaid Report of the



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Board of Directors, will be made available to the shareholders and communicated to the first General Shareholders Meeting of Prisa held after adoption of the resolution to increase capital.

The Ordinary General Shareholders Meeting of the Company, held on 22 June 2013, under point nine of its agenda approved delegation to the Board of Directors of authority, within a maximum term of five years, on one or more occasions, when and to the extent the needs of the Company so require in the judgment of that Board of Directors, to increase capital up to a maximum amount equivalent to thirty-three million one hundred seventy-seven thousand two hundred eighty-one euros and forty cents (€33,177,281.40), corresponding to one third of the capital of Prisa registered at 22 June 2013, to that end issuing and circulating the corresponding new shares, common or preferred, including redeemable shares, voting or nonvoting, with or without issue premium, with the consideration for the new shares to be issued being required to consist of cash contributions as contemplated in article 297 of Royal Legislative Decree 1/2010 of 2 July 2010, approving the Recast Text of the Capital Companies Act. The aforesaid delegation in turn gives the right to disapply pre-emption rights provided that, in compliance with the provisions of article 506 of the Capital Companies Act, the interests of the Company so require and the par value of the shares to be issued plus, if applicable, the amount of the issue premium, corresponds to the fair value resulting from the report of auditors (auditores), other than the statutory auditor (auditor de cuentas) of the Company, appointed for that purpose by the Commercial Registry on the request of the Board of Directors.

By virtue of that delegation the Company's Board of Directors has prepared the report attached as annex I (hereinafter the "Report"), in which the proposal and the issue price of the shares are explained in detail, indicating the persons to which they are to be allocated, as well as the nature of the contributions. The law requires that this issue of shares be made at fair value. In a valuation of shares one can only speak of approximations or estimates of fair value, which may depend to a high degree on subjective evaluations of very different aspects of the business.

As indicated in the attached Report, the Prisa Board of Directors believes that the capital increase is fully justified by reasons in the corporate interest and, as a result, is for the benefit of Prisa and its shareholders. This corporate interest, in summary, has been stated as follows:

- (i) Prisa is focused on implementation of the refinancing plan signed in December 2013 and announced to the shareholders at the Extraordinary General Meeting held on 10 December 2013. In this regard, the input of funds will be used for immediate reduction of the level of indebtedness of



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Prisa, improving its financial leveraging and helping with implementation of its refinancing plan.

- (ii) It allows increasing equity at a time when the Company seeks to reduce its financial indebtedness, constituting the proper procedure for accommodating the new investment, resulting in strengthening of the balance sheet and reduction of the level of indebtedness to more favourable levels.
- (iii) A capital increase without disapplying pre-emption rights or by way of an accelerated placement procedure would delay the process of attracting funds needed by the Company in the short term. Also, the volatility and unpredictability of the stock market makes it advisable to adopt the capital increase resolution as soon as possible, which would not be possible if structures other than the one proposed were chosen. Also, the issue price (par value and premium) committed by the subscriber would be difficult to achieve in a capital increase with pre-emption rights.
- (iv) Cost savings implied by a capital increase transaction addressed to a single investor identified prior to implementation, by comparison with other alternatives. This cost savings result in better use of the funds obtained by way of the capital increase.
- (v) Improvement of market perception of the group to which the Company belongs, demonstrating improved growth prospects for the Prisa group and greater confidence in its strategy and the measures adopted within the debt reduction process that has been initiated.

Our responsibility is to issue a professional opinion, as independent experts, on the fair value of the Company's shares, based on the book value of the pre-emption rights the exercise of which is omitted, and the reasonableness of the information contained in the Report. Our work was performed in accordance with the technical standard regarding preparation of a special report on disapplication of the pre-emption right under article 159 of the Recast Text of the Capital Companies Act (the content of which currently corresponds to articles 308 and 506 of the Capital Companies Act).

The accounting information used in this work was obtained from the consolidated annual accounts of Prisa for the year ended 31 December 2013, which were audited by Deloitte, S.L., which on 19 March 2014 issued its audit report on the aforesaid consolidated annual accounts, stating an unqualified opinion, and the consolidated summary interim financial statements for the period of six months ended 30 June 2014, as communicated to the National Securities Market Commission, in respect of which Deloitte, S.L., on 24 July



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2014, issued its limited review report, stating an unqualified conclusion and including a paragraph of emphasis the full text of which is as follows:

*"Without affecting our conclusion, we call attention to Note 1 of the attached consolidated summary explanatory notes, indicating that, as a result of the agreement reached with Telefónica de Contenido, S.A.U. for the sale of 56% of Distribuidora de Televisión Digital, S.A., the controlling company Promotora de Informaciones, S.A. recorded a book loss of 750,383,000 euros. For this reason, the net equity of the Company at 30 June 2014 is negative by 593,513,000 euros. This means, as provided in the Capital Companies Act, that there are grounds for the winding up of the Company. The administrators state, as indicated in the aforesaid Note, that in order to correct the imbalance of equity, the Company's financing agreement contemplates a mechanism for automatic conversion of a part of the controlling company's debt into participating loans, in sufficient amount.*

*We also call attention to attached Note 1, stating that the aforesaid attached interim financial statements do not include all information that would be required by complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union, for which reason the attached interim financial statements must be read together with the consolidated annual accounts of the group for the year ended 31 December 2013. This issue does not change our conclusion."*

In accordance with the aforesaid technical standard on preparation of the special report, our work has consisted of applying the following procedures:

- a) Obtaining the aforesaid audit report regarding the consolidated annual accounts of Prisa for the year ended 31 December 2013.
- b) Obtaining the aforesaid limited review report issued by the Company's statutory auditor regarding the consolidated summary interim financial statements for the period of six months ended 30 June 2014 of Prisa, as communicated to the National Securities Market Commission.
- c) Obtaining information from Prisa's statutory auditor regarding possible significant events or factors regarding the economic and equity situation of the Company or the group to which it belongs, learned subsequent to the issue of the last audit report or, if applicable, the limited review report referred to above.
- d) Posing questions to Management of the Company regarding important facts that could significantly affect the value of Prisa or the group and, if applicable, verification thereof.
- e) Review of the evolution of the market price of the Company's Class A shares and determination of the simple average of the weighted daily average price of those shares over the most recent representative trading period prior to the date of issue of this special report (the last quarter), from 28 April 2014 to 28 July 2014, both included, as well as determination of the price at 28 July 2014, corresponding to the most recent price



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available prior to the date of issue of this special report, as values indicative of the fair value of the Company.

This determination was made based on a certification by Sociedad Rectora de la Bolsa de Valores de Madrid, S.A., a copy of which is attached as annex II to this special report, which, in addition to the indicative price values of the Class A shares, includes the frequency and volume of trading for the periods under analysis.

- f) Determination of whether the per-share value proposed by the members of the Company's Board of Directors is higher or lower than the net asset value per share resulting from both the most recent audited consolidated annual accounts of Prisa for the year ended 31 December 2013, and the consolidated summary interim financial statements of Prisa for the period of six months ended 30 June 2014, as reviewed by the Company's statutory auditor and communicated to the National Securities Market Commission
- g) Estimation of the fair value of the shares of Prisa and verification of whether the issue price proposed by the Board of Directors corresponds to the fair value of the Company's shares as derived from the information obtained as described in the foregoing points.
- h) Evaluation of the reasonableness of the information contained in the Report explaining the proposal and the issue price of the new shares, including review of the documentation explaining the methodology for valuation and the bases for calculation.
- i) Determination of the book value of the pre-emption rights the exercise of which it is proposed to disapply, by reference to both the market price at the close of 28 July 2014 and the simple average of the daily weighted average price over the period from 28 April 2014 to 28 July 2014.
- j) Obtaining a representation letter signed by the Administrators of the Company, with sufficient powers of representation, advising us that all relevant assumptions, data and information have been made known to us.

The Report prepared by the Company's Board of Directors proposes that the issue Price (par value plus issue premium) of each of the new Class A shares of Prisa for subscription by Consorcio Transportista Occher, S.A. de C.V. be fifty-three cents on the euro (€0.53), in accordance with the provisions of section 2 of the Report, and the consideration for increase of the capital of the company consist fully of cash contributions.



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In accordance with the aforesaid section 2 of the Report, the opinion of the Prisa Board of Directors is that the proposed capital increase is in the corporate interest of the Company.

The price agreed with Consorcio Transportista Occher, S.A. de C.V. for the issue price (par value plus issue premium) of fifty-three cents on the euro per share (€0.53) is higher than the market value of a Prisa share, both at the closing on 20 July 2014 and as the simple average of the daily weighted average price of the shares for the period from 28 April 2014 to 28 July 2014.

Taking all of the foregoing into account, in our professional opinion as independent experts:

- The information contained in the Report to explain the proposal regarding disapplication of pre-emption rights of the shareholders in accordance with article 308 of the Capital Companies Act is reasonable because it is appropriately documented and stated.
- The issue Price (par value plus issue premium) of fifty-three cents on the euro per share (€0.53) proposed by the Board of Directors in its Report, by virtue of the delegation from the Ordinary General Shareholders Meeting held on 22 June 2013, is higher than the amount that may be considered to be indicative of the fair value of the Company's shares, estimated based on the aforesaid information.
- The aforesaid issue price is lower than the consolidated net asset value per share drawn from the most recent audited consolidated annual accounts of Prisa, for the year ended 31 December 2013. Notwithstanding the foregoing, as indicated in note 1 of the consolidated summary explanatory notes forming a part of the consolidated summary interim financial statements of Prisa for the period of six months ended 30 June 2014, during the month of June 2014 there was an agreement for sale of 56% of Distribuidora de Televisión Digital, S.A. to Telefónica de Contenidos, S.A.U. that resulted in a very significant book loss at that date, with the consolidated net equity of Prisa at 30 June 2014 being negative by 569,900,000 euros. Taking the foregoing into account, the proposed issue price per share is higher than the consolidated net asset value per share drawn from the consolidated summary interim financial statements of Prisa for the period of six months ended 30 June 2014, reviewed by the Company's statutory auditor and communicated to the National Securities Market Commission.

The market price per Class A share at 28 July 2014 (the date of obtaining the certification of Sociedad Rectora de la Bolsa de Valores de Madrid, S.A.), as well as the simple average of the daily weighted average price of those shares



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over the period from 28 April 2014 to 20 July 2014, both included, according to the aforesaid stock market agency, were as follows:

Trading period	Market price (€/ Share)
28 July 2014	0.3680
Average for the period from 28 April 2014 to 28 July 2014	0.3634

Also set forth below is the book value of the pre-emption rights the exercise of which it is proposed to disapply, stated in euros per share, by reference to the price per Class A share at 20 July 2014 (the date of obtaining the certification from Sociedad Rectora de la Bolsa de Valores de Madrid, S.A.), and by reference to the simple average of the daily weighted average price for the period from 28 April 2014 to 28 July 2014.

Trading period	Market price (€/ Share)	Issue price (€/ Share)	Effective Surcharge (€/ Share)
28 July 2014	0.3680	0.53	0.015
Average for the period from 28 April 2014 to 28 July 2014	0.3634	0.53	0.016

Regarding the book value of the pre-emption rights the exercise of which it is proposed to disapply by reference to the issue price, it is negative, that is, there is no dilution effect. Rather, to the contrary, there is a surcharge effect in the amounts specified in the foregoing table.

Based on the issue price proposed by the Board of Directors, the dilution or surcharge per outstanding share by reference to the closing market price of the share on the trading day immediately prior to the date of this report, in euros per share, is determined by application of the following formula:

$$D = \left( \frac{P_o - P_e}{\left( \frac{N_o}{N_e} \right) + 1} \right)$$

In the foregoing formula, *D* represents the book value of the pre-emption right, *P<sub>o</sub>* is the closing price of the Company's share on the trading day immediately prior to the date of this report, *P<sub>e</sub>* is the issue price, *N<sub>o</sub>* is the number of old Company shares (excluding treasury shares) outstanding on the trading day immediately prior to the date of this report and *N<sub>e</sub>* is the number of new shares to be issued.





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Also, the dilution or surcharge per outstanding share by reference to the simple average of the daily weighted average of the share for the most recent quarter prior to the date of the trading day immediately prior to the date of this report, in euros per share, would be determined by way of application of the following formula:

$$D = \left( \frac{P_{mo} - P_e}{\left( \frac{N_o}{N_e} \right) + 1} \right)$$

In the foregoing formula,  $D$  represents the book value of the pre-emption right,  $P_{mo}$  is the simple average of the daily weighted average market prices of the Company's share during the quarter prior to the trading day immediately prior to the date of this report,  $P_e$  is the issue price,  $N_o$  is the number of old Company shares (excluding treasury shares) outstanding on the trading day immediately prior to the date of this report and  $N_e$  is the number of new shares to be issued.

Also, the issue price proposed by the members of the Board of Directors does not result in a theoretical dilution effect by reference to the book value of the Company's shares at 30 June 2014 in accordance with the consolidated summary interim financial statements of Prisa for the period of six months ended on that date, as reviewed by the Company's statutory auditor and communicated to the National Securities Market Commission.

This special report constitutes compliance with the provisions of articles 308 and 506 of the Capital Companies Act, as regards the report of the statutory auditors (auditores de cuentas). This report is not to be used for any other purpose.

ERNST & YOUNG, S.L.

[Illegible signature]  
José Luis Ruiz

29 July 2014

## **ANNEX I**

Report of the Board of Directors of  
Promotora de Información, S.A. (Prisa), dated 22 July 2014,  
regarding the proposed capital increase.

[Prisa's logo and registration data are included]

Mr. Antonio García-Mon Marañés, Secretary of the board of directors of PROMOTORA DE INFORMACIONES, S.A., of which Juan Luis Cebrián Echarri is its chairman.

## **CERTIFIES**

That the board of directors of the company PROMOTORA DE INFORMACIONES, S.A. has approved on July 22, 2014, a share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares, as well as the delegation for the execution and formalization of the foregoing resolution, all the former in the terms included in the point IV of the report which is transcribed below.

With regards to that resolution, it was also approved the compulsory directors' report transcribed below, drafted complying with the provisions established in sections 286, 297.1 b), 308 y 506 of the Spanish Companies Act:

### **“REPORT OF THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. IN RELATION TO THE PROPOSAL FOR A SHARE CAPITAL INCREASE BY MEANS OF A CASH CONTRIBUTION EXCLUDING THE PRE-EMPTION RIGHT FOR SUBSCRIPTION OF SHARES APPROVED BY THE BOARD OF DIRECTORS AT THIS MEETING UNDER THE AUTHORIZATION GRANTED BY THE ORDINARY GENERAL SHAREHOLDERS' MEETING HELD ON JUNE 22, 2013 AS SET OUT IN ITEM NINE OF THE AGENDA**

#### **I. OBJECT OF THE REPORT**

This report has been prepared in relation to the share capital increase in Promotora de Informaciones, S.A. (“Prisa” or the “Company”) by means of cash contributions and excluding the pre-emption right for subscription of shares approved by the board of directors of Prisa on the date hereof, under the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, as set out in item nine of the agenda.

By virtue of such authorization, and as set forth in point II.1 below, the board of directors is entitled to, on one or several occasions, when and insofar as the needs of the Company thus require in the opinion of the Board itself, increase the Company's share capital up to a maximum amount equivalent to Euro 33,177,281.40 (corresponding to a third of the share capital of Prisa, as recorded on June 22, 2013), being for this purpose entitled to issue the corresponding new shares, ordinary or preferred, including redeemable shares, with or without voting rights, with or without an issue premium, with the equivalent value of the new shares to be issued having any consideration for those share to consist of cash contributions pursuant to the provisions of article 297 of Royal Legislative Decree 1/2010, of July 2, approving the restated text of the Spanish Companies' Act (*Ley de Sociedades de Capital*) (“LSC”). Likewise, with regards to any share capital increase to be approved under such delegation, the board of directors has been expressly conferred with the authority to totally or partially exclude the pre-emption right for subscription of shares.

Article 286 of the LSC, in relation to article 297.1 b) of the same act, requires the company's directors to draft a report justifying the amendment of the company's by-laws which might result as a consequence of the share capital increase.

On the other hand, articles 308 and 506 of the LSC require, for the purposes of the exclusion of the pre-emption right for subscription of shares within the framework of a share capital increase,

that (i) any such decision is made in the interest of the company; and (ii) the nominal value of the shares to be issued plus, where applicable, the amount of the share premium, is equivalent to the fair value resulting from the report of the accounts auditor, other than the company's accounts auditor, appointed for this purpose by the Commercial Registry.

In view of the foregoing and of the proposal for a share capital increase approved by this board, under the authorization granted by the general shareholder's meeting, this report has been drafted by the board of directors of Prisa for the purposes of complying with the provisions of the above referred articles 286, 297.1 b), 308 and 506 of the LSC, with regards to two different aspects:

- (i) the first one, in relation to the share capital increase and subsequent amendment of the company's by-law (in compliance of the provisions of articles 286 and 297 of the LSC), and
- (ii) the second one, relating to the exclusion of the pre-emption right for subscription of shares (in compliance of articles 308 and 506 of the LSC).

Finally, this report includes the text of the resolution for the share capital increase approved on the date hereof by the board of directors.

Likewise, pursuant to the provisions of article 506.4 of the LSC, this report and the report to be issued by the accounts auditor appointed by the Madrid Commercial Registry, different to the Company's accounts auditor, on the fair value of the shares, the book value ("*valor teórico*") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this report, pursuant to the provisions of article 308 of the LSC, will be made available to the shareholders and notified to the first General Shareholders' Meeting of Prisa to be held after passing the resolution for the share capital increase.

For the purpose of the above, it is hereby stated that, in order to facilitate and accelerate the process for the share capital increase, prior to the date hereof the Company has asked the Commercial Registry to appoint an accounts auditor different to the auditor of the accounts of Prisa, pursuant to article 308 of the LSC, in order for it to issue a report on the fair value of the shares, the book value ("*valor teórico*") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this Report. As of the date hereof, such expert has not yet been appointed by the Commercial Registry.

## **II. REPORT OF THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 286 AND 296 OF THE LSC**

### **1. Share capital increase resolution of board of directors, passed under the authorization granted by the Ordinary General Shareholders' Meeting of Prisa dated June 22, 2013**

The board of directors of Prisa approves the capital increase making use of the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, in the terms described at the beginning of this report, which literally read as follows:

"Delegation to the board of directors of the power to increase, on one or several occasions, the share capital, with or without any share premium, and with delegation of

the power to exclude the pre-emption right for subscription of shares, where applicable, in the terms, conditions and periods set out in article 297.1.b) of the LSC, and revocation of the authorization granted in this same sense at the Extraordinary General Shareholders' Meeting of December 5, 2008 under item two of the agenda.

1.- Rendering void of effect in the part not used the resolution approved under item two of the Agenda of the Extraordinary General Shareholders' Meeting held on December 5, 2008, relating to the delegation to the board of directors of the power to increase the share capital pursuant to the provisions of article 153.1.b) of the former Public Limited Companies Act (Ley de Sociedades Anónimas), currently article 297.1.b) of the LSC.

2.- Authorizing the board of directors, in the manner as broad and effective as possible in law and pursuant to the provisions of article 297.1.b) of the LSC, so that, within a maximum period of five years counting from the date of the adoption of this resolution and with no need for any call or subsequent resolution of the General Shareholders' Meeting, it might agree, or one or several occasions, when and insofar as the needs of the Company thus require in the opinion of the Board itself, the increase of the Company's share capital up to a maximum amount equivalent to one third of the share capital at the time of this authorization, issuing and putting into circulation for this purpose the corresponding new shares, both ordinary Class A and, where applicable, preferential Class B shares without voting rights, or shares of any other type and/or class permitted by law, ordinary or preferential, including redeemable shares, with or without voting rights, with or without any share premium, with the consideration for any new shares to be issued having to consist of cash contributions and with the possibility expressly established of the incomplete subscription of the shares issued pursuant to the provisions of article 311.1 of the LSC. The powers attributed herein to the board of directors include those of establishing the terms and conditions of each share capital increase and the characteristics of the shares, as well as freely establishing the new shares not subscribed within the preferential subscription period or periods, giving a new wording to the article of the company's by-laws relating to the share capital, performing all procedures necessary for the new shares object of the share capital increase to be admitted to trading on the Stock Exchanges where the shares of the Company are listed, in accordance with the procedures set out in each of the Stock Exchanges, and requesting the inclusion of the new shares in the accounts books 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 provide coverage for any remuneration scheme or agreement by providing shares and shares options to the members of the board of directors and management staff of the Company, in force from time to time. The Board is also empowered to exclude in full or in part the pre-emption right for subscription of shares in the terms of article 506 in relation to article 308 of the LSC. The board of directors is likewise authorized to replace the powers delegated to it by this Ordinary General Shareholders' Meeting in relation to this resolution in favor of the Delegate Committee, the Chairman of the board of directors or the Chief Executive Officer ("Consejero Delegado")."

## 2. **Terms of the capital increase**

- (i) Maximum amount and issuance price

The share capital increase which is the object of this report will amount to Euro 99,999,999.85, through the issuance of a total of 188,679,245 Class A shares, of Euro 0.10 nominal value each, represented through book entries.

The new shares will be issued with an share premium of Euro 0.43 per share. As a result, the total share premium corresponding to the newly issued shares will amount to Euro 81,132,075.35.

The total amount of the nominal value and share premium corresponding to the new shares (which, as a whole, will amount to Euro 99,999,999.85) will be paid up in full through cash contributions upon subscription.

For the purposes of the provisions of article 299 of the LSC, it is hereby stated that the shares of Prisa existing prior to the share capital increase are fully paid up.

(ii) Target of the share capital increase

The share capital increase is aimed at Consorcio Transportista Occher, S.A. de C.V. ("**Occher**"), Mexican company existing and incorporated by means of the public deed granted by the notary of Naucalpan de Juárez, Estado de México (México), on March 26, 2012, under the number 42,795 filed with the Public Commercial Registry of Distrito Federal (México) under the mercantile electronic paper number 420.296, with Key of the Federal Register of TaxPayers ("*Clave del Registro Federal de Contribuyentes*") CTO120326UM0, which undertakes at this board of directors meeting in respect of Prisa the obligation to subscribe in full the share capital increase object of this report.

Occher is a company related to Roberto Alcántara Rojas, director of Prisa since February 24, 2014 and signatory of the Prisa shareholders' agreement, as notified to the Spanish Stock Exchange Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) on April 25, 2014 and the CNMV published at its web page on April 28, 2014.

(iii) Subscription period

The share capital increase must be fully subscribed and paid up within the ten calendar days following the date on which the report of the independent expert is issued in accordance with articles 308 and 506 of the LSC.

For these purposes, on the business day following the date on which the expert delivers its report to the Company, the Company shall notify Occher in writing that the condition referred to in section 3 below has been met, to which end it will attach a copy of such report, indicating it may proceed with the disbursement, within the period established.

(iv) Incomplete subscription

Given the subscription undertaking set out in the foregoing paragraphs and the corporate interest described in section III below, the possibility of an incomplete subscription has not been foreseen.

(v) Rights of the new shares

The new shares shall confer on their holders the same political and economic rights as the ordinary Class A shares of the Company currently in circulation, as from the date on which the corresponding share capital increase is registered in the Commercial Registry. The board of directors shall likewise agree to request the admission to trading

of the shares, as set forth in the resolution proposal transcribed in section IV of this report.

**3. Condition for the subscription and disbursement of the share capital increase**

The subscription and disbursement of the share capital increase is subject to the obtaining of the obligatory report from the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value (“*valor teórico*”) of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this report.

As a result, in the event this condition is not fulfilled within the 65 calendar days following the date on which the accounts auditor appointed by the Commercial Registry accepts its appointment, the resolution of the board of directors which has been approved on the date hereof, as well as this report shall be rendered void of effect.

**4. Exclusion of the pre-emption right for subscription of shares**

In accordance with the authorization granted by the Ordinary General Shareholders' Meeting of Prisa dated June 22, 2013, the board of directors approves the exclusion of the pre-emption right of the current shareholders of Prisa for subscription of shares, it being justified by the corporate interest of the Company, and, as a result, for the benefit of Prisa and its shareholders.

The justification of the exclusion of this right is described in section III of this report.

**5. Justification of the share capital increase**

The subscription and disbursement of the share capital increase of Prisa by Occher, on the terms and conditions set forth in this report, implies a significant benefit for Prisa and, consequently, for its shareholders, as a consequence of the strengthening of the Company's capital and financial structure arising from this share capital increase.

The group is focused at the execution of the refinancing plan entered into on December 2013 and announced to the shareholders at the Extraordinary General Shareholders' Meeting held on December 10, 2013.

The contribution of financial resources will be addressed to immediately reduce the level of indebtedness of the group improving its financial leverage and helping to fulfill the execution of its refinancing plan.

**6. Execution of the share capital increase and amendment of the Company's by-laws**

The share capital increase which is the object of this report will involve the amendment of article 6 of Prisa's By-Laws which, once the condition has been met and the share capital increase has been executed, will read as follows:

*“Article 6.- Share Capital.*

*6.1 The share capital is TWO HUNDRED AND TWO MILLION TWO HUNDRED AND THIRTY-TWO THOUSAND FIVE HUNDRED TWENTY FIVE EUROS AND TWENTY CENTS EURO (€202.232.525,2) and is represented by 2.022.325.252 ordinary Class A shares of EURO TEN CENTS (€ 0.10) nominal value each, numbered consecutively from 1 to 2.022.325.252.*

6.2 *The share capital is fully subscribed and paid up.*

6.3 *The Company may issue different classes of shares. Each class may have a different nominal value. When within one class several series of shares are created, all those comprising the same series must have the same nominal value."*

### **III. REPORT FROM THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 308, 504 AND 506 OF THE LSC**

The board of directors of Prisa, in relation to the share capital increase which is the object of this report, has approved the exclusion of the pre-emption right for subscription of shares which would correspond to the shareholders of the Company, being authorized for these purpose, as stated in section II.1 above.

The board of directors of Prisa understands that the exclusion of the pre-emption right for subscription of shares is necessary in order for Occher to subscribe the share capital increase on the terms provided for in this report and, to such end, pursuant to the provisions of articles 308, 504 and 506 of the LSC, the board of directors informs as follows:

#### **1. The corporate interest requires the exclusion of the pre-emption right for subscription of shares**

The board of directors considers that the share capital increase which is the object of this report and the exclusion of the pre-emption right for subscription of shares are fully in compliance with the material requirements set out in the LSC and, in particular, with regards to the need for the exclusion to be required by the corporate interest of the Company.

This is so due to this transaction being particularly convenient from the perspective of corporate interest, as it will enable an increase in the Company's equity at a moment when Prisa intends to reduce its financial debt and, in the opinion of the board, having considered the potential dilution for the shareholders, the objective sought (strengthening of the structure and the balance sheet of the Company) and the means chosen are considered to be proportionate.

The board of directors believes that this share capital increase, with exclusion of the pre-emption right for subscription of shares, is the ideal procedure to allow such investment, for the following reasons:

- Strengthening of the balance sheet: the issuance of shares above the current market value in the current market environment will enable Prisa to significantly increase its equity and strengthen its balance sheet.
- Debt reduction: this issuance will enable Prisa to immediately reduce its debt level through the mechanisms established under the financing agreements currently in force, permitting the purchase of debt (with or without discount) by the Company with the funds it obtains as a result of a share capital increase of Prisa. Bearing in mind the current objective of Prisa, which consists of reducing its debt for a better continuity of the business, this share capital increase contributes significantly to achieving such objective, enabling the Company to reduce the level of indebtedness of the group to more favorable levels.



- Feasibility of the execution: a structure different to that of the transaction described herein, such as a share capital increase without the exclusion of the pre-emption right for subscription of shares or through an accelerated book building process, would delay the procedure of capturing resources necessary in the short term in order for the Company to be able to carry out the deleveraging and debt reduction process. Furthermore, (i) the volatile and unforeseeable nature of the stock market suggests that the share capital increase resolution should be adopted and executed as soon as possible, which would not be feasible if any of the other alternative structures mentioned previously were chosen, and (ii) the issuance price (nominal and share premium) agreed and committed by Occher on the terms set out in this report would be difficult to be proposed and implemented in a share capital increase with a pre-emption right for subscription of shares.
- Cost saving: the costs of a transaction of this nature, aimed at one single investor identified before it being executed, are lower than those of the other transactions described herein above, as neither the payment of management, placement or underwriting fees nor any expenses associated with these types of transactions are required. The cost saving means a better use of the resources obtained from the share capital increase.
- Improvement in the market conception to which the group of the Company belongs: the entry of resources into the Company shows an improvement in the growth forecast of the Prisa group and greater trust in its strategy and the measures adopted within the debt reduction process, all of which is carried out with the aim of seeking the continuity of the business of the group.

## **2. Issuance price and cash consideration**

Article 506.4 of the LSC sets out that, in order for the Company's governing body to be entitled to pass a resolution for a share capital increase with the exclusion of the pre-emption right for subscription of shares, apart from this being required by the corporate interest, it is necessary for the amount of the nominal value of the shares to be issued plus, where applicable, the amount of the share premium to be equal to the fair value validated by the accounts auditor appointed by the Commercial Registry, other than the accounts auditor of the Company, as stated in its report, drafted for these purposes at its own responsibility.

Article 504 of the LSC establishes that, in case of listed companies, such as the Company, the fair value will be deemed to be the market value which, unless otherwise justified, will be presumed to be that established by reference to the stock market listing.

The average weighted listing of the Prisa share at the closure of the last session prior to the issuance of this report, i.e. on July 21, 2014, was 0.312 and the average weighted listing by movement of the ordinary Class A shares of the Company in the three-month period prior to July 21, 2014 (i.e. from April 22 until July 21) was 0.377.

Since the issuance price (nominal value plus share premium) of the share capital increase which is the object of this report is Euro 0.53 per share, i.e. 69% and 40.5% greater than the referred listed values, the issuance price envisaged meets the legal requirements described and is clearly above the fair value of the shares of Prisa.

## **IV. PROPOSAL FOR RESOLUTION OF A SHARE CAPITAL INCREASE**

[Prisa's logo and registration data are included]

The full text of the share capital increase resolution adopted by the board of directors reads as follows:

*"In relation with the proposal of "Share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares and delegation for the execution and formalization of the foregoing resolution" , the compulsory directors' report is approved (hereinafter, the "directors' report) drafted complying with the provisions established in sections 286, 297.1 b), 308 y 506 of the Spanish Companies Act and the following resolution is approved":*

***"Share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares. Delegation for the execution and formalization of the foregoing resolutions.***

**(a) Share capital increase by means of cash contributions**

*Under the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, as set out in item nine of the agenda, it was agreed to increase the share capital Euro 18.867.924,5, through the issuance of a total of 188,679,245 ordinary Class A shares, of Euro 0.10 nominal value each, represented through book entries, with a issuance price of a total of Euro 81,132,075.35.*

**(b) Issuance price of the shares**

*The issuance price (nominal plus share premium) of each new share will be Euro 0.53 per share.*

**(c) Target of the share capital increase**

*The share capital increase is aimed at Consorcio Transportista Occher, S.A. de C.V. ("**Occher**"), Mexican company existing and incorporated by means of the public deed granted by the notary of Naucalpan de Juárez, Estado de México (México), on March 26, 2012, under the number 42,795 filed with the Public Commercial Registry of Distrito Federal (México) under the mercantile electronic paper number 420.296, with Key of the Federal Register of TaxPayers ("Clave del Registro Federal de Contribuyentes") CTO120326UM0, which undertakes at this board of directors meeting in respect of Prisa the obligation to subscribe in full the share capital increase.*

**(d) Rights of the new shares**

*The new shares will confer on their holders the same political and economic rights the as ordinary Class A shares of the Company currently in circulation, as from the date on which the corresponding share capital increase is registered with the Commercial Registry and will be represented through book entries.*

**(e) Pre-emption right for subscription of shares**

*Under the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, as set out in item nine of the agenda, the board of directors agrees to totally exclude the pre-emption right for subscription of shares of the shareholders of the Company in relation to this share capital increase, due to the reasons set forth in the directors' report drafted on the date hereof and in order to protect the corporate interest of Prisa.*

**(f) Condition for the subscription and disbursement of the share capital increase**

*The subscription and disbursement of the shares of this share capital increase is subject to the prior obtaining of the compulsory report to be issued by the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value ("valor teórico") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors' report.*

*In the event this condition is not fulfilled within the 65 calendar days following the date on which the accounts auditor appointed by the Commercial Registry accepts its appointment, this resolution and the directors' report shall be rendered void of effect.*

**(g) Admission to trading of the shares**

*A request is hereby made for the admission to trading of the ordinary Class A shares issued by the Company as a result of this share capital increase on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and any other national or foreign markets in which the shares of the Company are admitted to trading.*

*The board of directors is empowered to request, should it deem this appropriate, the admission to trading of the ordinary Class A shares issued by virtue of this resolution on the New York Stock Exchange, through the issuance of the appropriate "American Depositary Shares" or on any other foreign secondary markets it may deem appropriate or convenient.*

**(h) Subscription and disbursement**

*The subscription and simultaneous full disbursement of the total price of the new shares must be made within the ten calendar days following the date on which the report of the accounts auditor appointed by the Commercial Registry is issued.*

*Occher, duly represented and in attendance at this meeting, has ratified its undertaking to fully subscribe and pay up the share capital increase within the above referred period, provided that the accounts auditor appointed by the Commercial Registry has issued the relevant report.*

*To these effects, on the business day following the date on which the expert delivers its report to the Company, the Company shall notify Occher in writing that such condition has been met, to which end it will attach a copy of such report, indicating it may proceed with the disbursement, within the period established.*

**(i) Ratification of the request for the appointment of an expert**

*The board of directors is aware that, with the intention of facilitating and accelerating the process for the share capital increase, prior to the date hereof the Company has asked the Commercial Registry to appoint an accounts auditor different to the auditor of the accounts of Prisa, pursuant to article 308 of the LSC, in order for it to issue a report on the fair value of the shares, the book value ("valor teórico") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors' report. As of the date hereof such expert has not yet been appointed by the Commercial Registry.*

*In view of the foregoing, it is agreed to ratify such appointment request.*

**(j) Execution of the share capital increase**

*The Delegate Committee, the Chairman or Chief Executive Officer ("Consejero Delegado"), under the delegation of powers approved in section (j) below, may, once the subscription and*

*[Prisa's logo and registration data are included]*

*total disbursement of the share capital increase of this resolution have been verified, declare the share capital increase to be subscribed and paid up and, therefore, executed, and declare the wording of article 6 of the Company By-Laws to be amended, in order to reflect the new share capital figure and number of shares resulting therefrom.*

*For the purposes of the provisions of article 167 of the Spanish Regulations of the Commercial Registry ("Reglamento del Registro Mercantil"), the Delegate Committee, the Chairman or Chief Executive Officer ("Consejero Delegado"),, under the delegation of powers approved in section (j) below, will also state the amount drawn down in respect of the limit established in the authorization to increase the share capital agreed by the Ordinary General Shareholders' Meeting held on June 22, 2013, and the amount remaining to be drawn down.*

**(k) Delegation of powers**

*Notwithstanding the delegation of specific powers contained in the foregoing sections, it is agreed to delegate power on the Delegate Committee, the Chairman and Chief Executive Officer ("Consejero Delegado"), so that any of them, individually and joint and severally, may execute this resolution, being, in particular and without limitation, entitled to:*

- (i) Appreciate and freely verify whether the condition to which this resolution is subject has been met, notify this to Occher and ask Occher to proceed with the disbursement.*
- (ii) Declare the share capital increase closed once the new shares have been subscribed and paid up (whether in full or not) by Occher, granting as many public and/or private documents as may be appropriate for the execution of the share capital increase and declaring the wording of the article of the Company's By-Laws regarding the share capital to be amended on the terms set forth in section II.6 of the directors' report on the share capital increase or, in the case that between the date of the approval of this report by the board of directors and the closure of this capital increase, any amendment on the share capital amount occurs as a consequence of a capital increase, to amend the drafting of the by-laws regarding the share capital taking into consideration such capital increase.*
- (iii) Appear before a notary public and grant the corresponding public deed of share capital increase, and file any such public deed for registration with the Commercial Registry, and make any compulsory announcements of the issuance, as well as to grant any public or private documents necessary in order to declare the closure of the subscription of the share capital increase.*
- (iv) Request the admission to trading of the ordinary Class A shares issued by the Company on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and any other national or foreign markets in which the shares of the Company are admitted to trading and the admission to trading of the shares Class A issued by virtue of capital increase resolutions on the New York Stock Exchange through the issuance of the appropriate "American Depositary Shares" or on any other foreign secondary markets it may deem appropriate or convenient.*
- (v) Draft, subscribe and submit, where applicable, to the CNMV or any other relevant supervisory authorities, in relation to the issuance and admission to trading of the new shares, the Information Prospectus and as many supplements thereto as may be necessary, assuming responsibility for the same, as well as any other documents and information required in fulfillment of the provisions of the Security Market Act 24/1988, of*

*[Prisa's logo and registration data are included]*

*July 28, and of Royal Decree 1310/2005, of November 4 (amended by Royal Decree 1698/2012, of December 21), on matters of the admission to trading of securities on official secondary markets, public or subscription offers and the prospectus required to such end, to the extent applicable; furthermore, carry out in the name of the Company any action, declaration or procedure required before the CNMV, Iberclear, the Stock Exchange Governing Bodies and any other body or entity or public or private registry, whether Spanish or foreign, and carry out all procedures necessary so that the new ordinary Class A shares resulting from the share capital increase might be recorded in the accounting records of Iberclear and admitted to trading on the Stock Exchanges where the shares of the Company currently in circulation are listed, and in the Sistema de Interconexión Bursátil (SIBE).*

- (vi) Remedy, clarify, interpret, specify or complement any resolutions taken by this board of directors, or those arising from any deeds or documents granted in execution of the same and, in particular, any defects, omissions or errors, of content or form, which might prevent the issuance of the report of the accounts auditor appointed by the Commercial Registry or the recording of the resolutions and their consequences in the Commercial Registry, Official Registries of the CNMV or any others.*
- (vii) Grant, on behalf of the Company, any public or private documents as may be necessary or convenient for the share capital increase which is the object of this resolution and, in general, perform as many procedures as may be necessary for the execution of this resolution and the effective placement into circulation of the shares."*

*This report is drafted and approved on July 22, 2014."*

*And in witness thereof, I issue this certificate in Madrid, on July 24, 2014.*

*[signature of the chairman and secretary of the board of directors of Promotora de Informaciones, S.A. follow]*

## **ANNEX II**

Certification of Sociedad Rectora de  
la Bolsa de Valores de Madrid, S.A.



**Building a better  
working world**

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**BOLSA DE MADRID**

Sociedad Rectora de la Bolsa de Valores  
de Madrid, S.A. Sociedad Unipersonal

**THE SECRETARY OF THE BOARD OF DIRECTORS OF SOCIEDAD  
RECTORA DE LA BOLSA DE VALORES DE MADRID, S.A.,**

**CERTIFIES** that, from the background that exists within this Secretary's office and is its responsibility, and from the background corresponding to the other Spanish securities exchanges, during the period from 28 April 2014 to 28 July 2014, both included, the simple average price of the daily weighted average prices of market trading of the shares of PROMOTORA DE INFORMACIONES, S.A., CLASS A, was 0.3634 euros.

Also, during the period of time referred to above there were 65 trading sessions on this Exchange, during all of which shares of PROMOTORA DE INFORMACIONES, S.A, CLASS A, were traded, with a total of 356,627,094 shares traded for a cash amount of 132,968,352 euros, resulting from adding the daily amounts.

On 28 July 2014, the closing price of the aforesaid shares was 0.368 euros, with a total of 3,154,516 shares traded for a cash amount of 1,154,900 euros

Which, on request of Ernst & Young, S.L., to have the appropriate consequences, is certified with the approval of the CHAIRMAN, in Madrid on 29 July 2014

**Approved  
THE CHAIRMAN**

[Illegible signature]

[Seal: SOCIEDAD  
RECTORA DE LA  
BOLSA DE VALORES  
DE MADRID]

**THE SECRETARY**

[Illegible signature]

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Registered Address: Pl. Pablo Ruiz Picasso, 1. 28020 Madrid – Registered with the Madrid Commercial Registry at Volume 12749, Book 0, Folio 215, Section 8, Sheet M-23123, Entry 116, tax identification code (C.I.F.) B-78970506