REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. REGARDING A PROPOSAL FOR A CAPITAL DECREASE FOR THE SOLE PURPOSE OF PERMITTING THE ADJUSTMENT OF THE NUMBER OF SHARES FOR THE REVERSE STOCK SPLIT PROPOSED IN ITEM 9.2 ON THE AGENDA AND AMENDMENT TO SECTION 6.1 OF THE COMPANY'S BY-LAWS, INCLUDED IN ITEM 9.1 ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.

1. Purpose of the Report

Section 286 in the restatement of the Spanish Companies Act approved by Spanish Royal Decree 1/2010, of July 2 (the "**Companies Act**") imposes, as a requirement for any amendment of the company's by-laws by the General Meeting, an obligation on the directors to submit to the shareholders the full text of the proposed amendment and a written explanatory report.

Additionally, Section 287 of the Companies Act requires that the articles to be amended be clearly referred to in the notice of the meeting, including a reference to the right of all shareholders to review the full text of the proposed amendment and the directors' report at the company's registered address, and to request provision or delivery thereof at no cost.

This report was prepared by the Board of Directors in order to comply with such requirements.

2. Reasons for the proposal

The share capital reduction is prompted by a technical requirement to enable the consolidation of shares as a consequence of the reverse stock split proposed to the General Meeting as item 9.2 of the agenda. As explained below, this proposal, if finally approved, could result in a share capital reduction of one euro and sixty cents (€1.60) or one euro and thirty cents

(€1.30). Although the choice of two different amounts of the share capital reduction is presented to the General Meeting, only one of them may ultimately be implemented.

The reason for presenting the choice of two amounts of the share capital reduction is that, as at the date of this report, the share capital increase addressed to the company International Media Group Ltd amounting to €74,999,999.49 and approved by this Board of Directors and announced in a significant event on 27 February 2015 (the "**Media Group Share Capital Increase**"), is subject to the compulsory reception of the independent expert report, the conduction of a due diligence by the referred investor and is yet to be executed. Consequently, the amount of the technical adjustment to be applied to the share capital to enable the referred consolidation of shares will depend on whether the Media Group Share Capital Increase is executed before or after the General Meeting. In any case, only one of the options of the amounts in which the share capital may be reduced, if approved, may be implemented, since both are subject to a condition precedent as follows:

(i) The first option, subject to the Media Group Share Capital Increase having taken place before the General Meeting, would imply that as a result of the capital reduction proposed to the General Meeting, and on the assumption that such reduction is approved and implemented, then the share capital would be set at two hundred and twenty nine million nine hundred and fifty eight thousand eight hundred and seventeen euros (€229,958,817), represented by two thousand two hundred and ninety-nine million five hundred and eighty-eight thousand one hundred and seventy (2,299,588,170) shares in book-entry form.

(ii) The second option, subject to the Media Group Share Capital Increase not having taken place before the General Meeting, would imply that as a result of the capital reduction proposed to the General Meeting, and on the assumption that such reduction is approved and implemented, then the share capital would be set at two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy four euros (€215,807,874), represented by two thousand one hundred and fifty-eight million seventy-eight thousand seven hundred and forty (2,158,078,740) shares in book-entry form.

In any case, and without prejudice to the Company's obligations in relation to the notification of certain information to the market which are imposed by the legislation in force, during the General Meeting the shareholders will be informed whether the Media Group Share Capital Increase has been executed or not.

The proposed capital reduction would proceed through the redemption of treasury shares so as to increase the statutory reserve. Accordingly, and pursuant to Section 335.b) of the Companies Act, no creditors of the Company shall have a right to object to this transaction.

The Board of Directors believes that the proposed agreement to be submitted to the General Meeting to reduce the Company's share capital by one euro and sixty cents (€1.60) or, alternatively by one euro and thirty cents (€1.30) – depending on whether the Media Group Capital Increase has been executed or not, respectively by cancelling sixteen (16) or thirteen (13) treasury shares, respectively – is fully supported on the technical requirement to enable the consolidation of shares as a consequence of the reverse stock split proposed to the General Meeting as item 9.2 of the agenda.

3. Full text of the proposal

It was resolved to reduce the Company's share capital figure by the amount and in the manner set out below. The share capital reduction is prompted by a technical requirement to enable the consolidation of shares resulting from the reverse stock split proposed to the General Meeting as item 9.2 of the agenda, so as to comply with Section 90 of the Spanish Companies Act.

The share capital reduction amounts to:

(i) One euro and sixty cents (€1.60), that is, from two hundred and twenty nine million nine hundred and fifty eight thousand eight hundred and eighteen euros and sixty cents (€229,958,818.60) to two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen (€229,958,817) by redeeming sixteen (16) shares with a par value of ten cents (€0.10). The share capital reduction in this amount is subject to the share capital increase addressed to the company International Media Group Ltd amounting to €74,999,999.49 and approved by this Board of Directors and announced in a significant event on 27 February 2015 (the "**Media Group Share**

Capital Increase") having been executed as at the date of this report (the "**Condition Precedent I**"). If on the date of the General Meeting the Media Group Share Capital Increase has not been executed and, therefore, Condition Precedent I has not been fulfilled, this option will not be effective; or alternatively

(ii) One euro and thirty cents (€1.30), that is, from two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-five euros and thirty cents (€215,807,875.30) to two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy four euros (€215,807,874) by redeeming thirteen (13) shares with a par value of ten cents (€0.10). The share capital reduction in this amount is subject to the Media Group Share Capital Increase not having been executed as at the date of this report (the "**Condition Precedent II**"). If on the date of the General Meeting the Media Group Share Capital Increase has been executed and, therefore, Condition Precedent II has not been fulfilled, this option will not be effective.

The proposed capital reduction shall proceed by redeeming treasury shares so as to increase the statutory reserve. Accordingly, and pursuant to Section 335.b) of the Spanish Companies Act, no creditors of the Company shall have a right to object to this transaction.

The balance sheet considered to approve the share capital reduction has been the Company's balance sheet closed on December 31, 2014, as reviewed by the Company's auditors, i.e., Deloitte, S.L. on March 2, 2015 and approved by the General Meeting of the Company in item 1 on the agenda.

Given its nature, this reduction shall take effect immediately upon execution hereof.

Accordingly, it was resolved to amend Section 6.1 of the Company's By-Laws.

(i) If as of the date of the General Meeting the Media Group Share Capital Increase has been executed and, therefore, Condition Precedent I has been fulfilled, this section shall hereinafter read as follows:

The share capital is two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen EUROS (€229,958,817), and is represented by:

two thousand two hundred and ninety-nine million five hundred and eighty-eight thousand one hundred and seventy (2,299,588,170) ordinary shares, all of the same class and *series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,299,588,170.*

(ii) If as of the date of the General Meeting the Media Group Share Capital Increase has not been executed and, therefore, Condition Precedent II has been fulfilled, this section shall hereinafter read as follows:

The share capital is two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four EUROS (215,807,874 €), and is represented by:

two thousand one hundred and fifty-eight million seventy-eight thousand seven hundred and forty (2,158,078,740) ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,740.

Without prejudice to any other authority that may be available to the Board of Directors, it was resolved to delegate to the Board of Directors any and all authority –including the authority to delegate on the Executive Committee, the Chairman and the Managing Director– expressly granted to it in this resolution, as well as the authority to establish any terms and conditions not expressly provided for herein and to carry out any and all actions and proceedings necessary or convenient to ensure the implementation and completion of the share capital decrease and, specifically and without limitation:

(a) To complete any relevant procedures before the Spanish *Comisión Nacional del Mercado de Valores*, the Governing Bodies (*Sociedades Rectoras*) of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, the *Sociedad de Bolsas*, the *Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear), the *Servicio de Liquidación y Compensación de Valores* or any other Spanish or foreign entity, authority, public and/or private registry, and to take any necessary measures to comply with all requirements in the Spanish Companies Act, the Securities Market Act, the Royal Decree governing securities in book-entry form and any other applicable regulations, including specifically to perform all acts necessary in respect of any American depositary shares issued by the Company;

(b) To appear before any Spanish Notary to record the share capital reduction and amendment of the by-laws resolution as a public deed, and to perform any actions as may be required and approve and formalize any public and private documents as may be necessary or convenient to ensure full effectiveness thereof and, specifically, to correct any deficiencies, omissions or errors evidenced or disclosed as a result of any oral or written description (*calificación*) by the Commercial Registrar;

(c) To draft and publish any required or appropriate notices.

This share capital reduction resolution, either in the amount of one euro and sixty cents (€1.60) or one euro and thirty cents (€1.30) is subject to resolution 9.2 below being passed.