REPORT OF BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. REGARDING PROPOSAL TO IMPLEMENT CAPITAL INCREASE AGAINST CASH CONTRIBUTIONS, INCLUDED IN FIRST POINT OF THE AGENDA FOR EXTRAORDINARY GENERAL SHAREHOLDERS MEETING CALLED TO BE HELD ON 27 AND 28 NOVEMBER 2010 ON FIRST AND SECOND CALL, RESPECTIVELY

I. Purpose of Report

This report is prepared by the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. (hereinafter "Prisa" or the "Company") to justify the proposal submitted for approval of the Extraordinary General Shareholders Meeting called for 27 November 2010 at 6:00 p.m., on first call, and for 28 November 2010 at the same time, on second call, under the first point of the agenda, related to a capital increase against cash contributions.

The report is issued in fulfilment of the requirements set forth in article 286 of the Capital Companies Act to justify amendment of article 6 of the Articles of Association of Prisa, related to the capital inherent in the capital increase proposed by way of the first point of the agenda.

To provide the shareholders with an understanding of the transaction motivating the proposal to increase capital submitted to approval of the General Meeting, we first offer a description of the purpose and justification of the capital increase. We then describe the principal terms and conditions of the capital increase against cash contributions. Finally, we set forth the proposed resolution for a capital increase against cash contributions that is submitted for approval of the General Meeting.

II. Purpose and justification of proposal

As was stated to the National Securities Market Commission last 17 February 2010 by way of material disclosure, in order to consolidate the restructuring of its financial indebtedness, Prisa during 2010 took certain actions, among which was a search for an agreement to strengthen its capital structure.

The actions taken allowed the Company, last 19 April 2010 (according to publication of a material disclosure dated 23 April) to achieve a restructuring of its financial indebtedness by signing a refinancing agreement (thereafter amended on 29 July 2010, according to publication of a material disclosure of that date). That refinancing agreement amends both the syndicated loan agreement and the bridge loan agreement of the Company, the final maturity date of which is extended until May 2013, the foregoing subject to fulfilment of certain conditions, the date for compliance with which was extended by virtue of the aforesaid amendment of 29 July 2010 (hereinafter the "Refinancing Agreement").

(Free translation from the original in Spanish language)
That Refinancing Agreement also contemplates strengthening of the Company's capital structure, to which end Prisa initially, last 5 March 2010, signed an agreement ("Business Combination Agreement" or "BCA") with the US company Liberty Acquisition Holdings Corp. (which has the legal form of a "special purpose acquisition company"), as was stated by way of material disclosure of that date, that agreement thereafter having been amended on 15 March, 5 April, 7 May and 4 August, on which date a new agreement was signed whereby the parties amended certain aspects of the transaction and recast the various agreements in a new text, called the "Amended and Restated Business Combination Agreement", amended on 13 August 2010 ("Amended and Restated Business Combination Agreement" or "ARBCA").

Under the aforesaid agreement, Prisa covenanted to undertake, on the one hand, an in-kind capital increase to be subscribed by contribution of all common shares and warrants of Liberty Acquisition Holdings, Corp, once it had been absorbed by its subsidiary, Liberty Acquisitions Holdings Virginia, Inc. (the company resulting from the merger, hereinafter "Liberty") and, if applicable, preferred shares of that company, allowing Prisa to acquire all of the capital of Liberty Acquisitions Holdings Virginia, Inc. and, therefore, its assets, basically comprised of liquid assets (proposed third resolution in the agenda) and, on the other hand, a capital increase against cash contributions, which is the subject matter of this report.

The Board of Directors, in implementation of the agreements reached in the ARBCA, proposes that the General Shareholders Meeting resolve a capital increase by way of cash contribution addressed to current shareholders of Prisa.

By this resolution the Company will be afforded the possibility of further increase of the Company's own funds and cash, reduction of its indebtedness and financial expenses beyond the requirement of the Refinancing Agreement, and improvement of its financial ratios. At the same time the current shareholders of the Company will be afforded the possibility of reducing the possible diluting effect of the capital increase by way of cash contribution, giving them the possibility of deferral in time of payment for the capital increase in the corresponding proportion, with the shareholders being in a position to make the decision to subscribe the shares at the time most appropriate to them, within the term of 42 months established for that purpose.

III. **Principal terms and conditions of capital increase by way of cash contribution**

III.1. **Amount of capital increase and number of shares to be issued.**

The capital increase by way of cash contribution will be for a nominal value of TWENTY-FOUR MILLION ONE HUNDRED FOUR THOUSAND NINE HUNDRED FIVE EUROS (€24,104,905), by the issue and circulation of 241,049,050 shares, of the same class as those currently outstanding, each with a par value of ten cents on the euro (€0.10), represented by book entries, with an issue premium of one euro and ninety cents on the euro (€1.90) per share, that is, two euros (€2) per share in combined par value and issue premium.

*(Free translation from the original in Spanish language)*
III.2. Condition precedent

The effectiveness of this resolution is conditioned on the Board of Directors resolving to implement the in-kind capital increase that is included as a proposed resolution in the third point of the agenda for this Extraordinary General Meeting.

III.3. Negotiated pre-emption right

The capital increase by way of cash contribution recognises the pre-emptive subscription right of the shareholders of the Company appearing as such in the records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) upon close of the market on the day this Extraordinary General Meeting is held. Each shareholder will have a pre-emptive subscription right at a rate of 1.1 newly-issued shares for each share of the Company held.

The subscription of new shares in exercise of the pre-emptive subscription right will be at the issue price, that is, two euros (€2) per share (ten cents of par value and one euro and ninety cents of issue premium), which amount must be paid up in full at the time of subscription of the shares.

The exercise of the pre-emptive subscription right will be rounded downward, with the pooling of shares for purposes of exercising pre-emptive subscription rights being permitted.

The pre-emptive subscription rights will be transferable and negotiable on the corresponding official secondary markets, if any, by way of securitisation as warrants.

III.4. Term for pre-emptive subscription

III.4.1. Term for exercise of subscription right

It is proposed that the term for exercise of the pre-emptive subscription right be 42 calendar months after the date of publication of the notice of the subscription offer in the Official Gazette of the Commercial Register, in accordance with the provisions of articles 305(2) and 505 of the Capital Companies Act, which term will be identified as the "Pre-Emptive Subscription Period". The aforesaid notice will be published before 31 December 2010.

The first window for application for and subsequent exercise of the pre-emptive subscription right will open on the day of publication of the aforesaid notice in the Official Gazette of the Commercial Register, and will close on the fourth business day of the following calendar month, that is, on 7 January 2011. During this period, the holders of pre-emptive subscription rights may exercise their rights through the Affiliated Participant in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) in the records of which the securities are registered, stating the decision to exercise those securities and paying the full amount corresponding to their issue price (par value plus premium). On the fifth business day of the following month, that is, on 10 January 2011, the Board of Directors will...
Directors, or the persons to which it delegates authority, will execute the corresponding public deed stating the number of shares subscribed during that monthly window, certify effective payment therefor, redraft article six (6) of the Articles of Association to adapt it to the resulting new capital figure, and state the amount of capital pending subscription and the term remaining until the end of the subscription period. This deed will be registered immediately in the Commercial Register and thereafter will be presented to Iberclear, requesting admission to trading of the subscribed shares on the corresponding official secondary market.

The second window will open on the day following the closing of the first window, that is, on 8 January 2011, and the execution of the corresponding deed will be on the fifth business day of February, 2011, that is, on 7 February 2011, and so successively until the day 42 months after commencement of the pre-emptive subscription period.

III.4.2. Procedure for giving order of subscription

It is contemplated that subscription orders will be given by the holders of pre-emptive subscription rights through the ordinary system, that is, with the orders related to exercise of the pre-emptive subscription right being given through the Affiliated Participants of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). Such orders will be deemed to have been given on a firm, irrevocable and unconditional basis, and will constitute subscription of new shares.

The orders will be received either by the Company or, if applicable, by the agent appointed for that purpose. The results of the subscriptions corresponding to the monthly window will be notified by the agent to the Affiliated Participants and the Company so that the latter from time to time may timely advise the National Securities Market Commission (CNMV) by way of the corresponding material disclosure.

III.4.3. Payment for new shares

Full payment of the issue price (par value plus premium) of each share must be made simultaneously with the subscription order. Payment will be made through the Affiliated Participants of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) through which the subscription orders were placed.

Each of the public deeds documenting subscription and payment having been executed, they will be registered in the Madrid Commercial Register and the deed will be delivered to the CNMV, the corresponding exchanges and Iberclear. The latter will enter the subscribed shares in its central register. The Affiliated Participants will make the corresponding book entries in favour of the owners of the subscribed shares, after which time the owners may request the certificates showing ownership of the subscribed shares from the Affiliated Participants.

III.4.4. Cancellation of pre-emptive subscription rights:

(Free translation from the original in Spanish language)
The pre-emptive subscription rights not exercised by the end of the 42 months of the Pre-Emptive Subscription Period will be cancelled.

III.5. Incomplete subscription

As provided in article 311 of the Capital Companies Act, it is expressly contemplated that there may be incomplete subscription of the capital increase, if at the end of the term of 42 months established for exercise of the pre-emptive subscription right not all of the shares issued by way of this increase have been subscribed. Therefore, the capital will be increased in the amount corresponding to the par value of the shares of the Company that are effectively subscribed and paid up, being of no effect in respect of the remainder.

III.6. Representation of newly-issued shares

Newly-issued shares will be represented by book entries, handled by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its Affiliated Participants.

III.7. Rights of newly-issued shares

Newly-issued shares will give their holders the same voting and dividend rights as currently-outstanding shares of the Company, starting on the date of the corresponding deeds evidencing their subscription and payment therefor.

III.8. Application for admission to official trading

Admission to trading of the new shares issued by virtue of the capital increase resolution referred to in this report will be applied for on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, through the Exchange Interconnection (Continuous Market) System, and such processing and actions as may be necessary for admission to trading of the newly-issued shares subscribed and paid up as a result of the resolved capital increase will be taken. The Company will be subject to such exchange rules as may exist or be issued, in particular regarding listing, continued listing and delisting.

It is expressly noted that, if delisting of the Company's shares subsequently is requested, it will be adopted with the same formalities that are applicable and, in that case, the interests of shareholders opposing or not voting on the delisting resolution will be guaranteed.

The Board of Directors does not contemplate applying for immediate admission to trading of the shares issued by virtue of this capital increase resolution on the New York Stock Exchange. Nevertheless the resolution contemplates authorisation to the Board so that, if it deems it to be appropriate, it may apply for such admission, in which case it will be implemented by way of issuance of the appropriate "American Depositary Shares".

In addition, it is proposed that there be application for admission to trading of the pre-emptive subscription rights on the corresponding official secondary markets, it being

(Free translation from the original in Spanish language)
possible that it be documented by way of issuance of warrants if deemed to be appropriate to facilitate that trading.

III.9. **Delegation of authority to implement capital increase**

As is customary regarding this kind of resolution, the General Meeting authorises the Board of Directors, as broadly as required by law and with express authorisation to delegate to its Executive Committee, to freely review and determine whether the condition precedent to which this resolution is subject has been satisfied. The Board of Directors is also delegated authority to implement the full capital increase resolution adopted by the Extraordinary General Meeting.

IV. **Proposed resolution submitted to approval of general shareholders meeting**

"FIRST

Capital increase subject to condition precedent, in a nominal value of 24,104,905 euros by issue and circulation of 241,049,050 new shares having a par value of 10 cents on the euro each, with an issue premium of 1.90 euros, which will be subscribed and fully paid up against cash contributions with recognition of pre-emptive subscription right and with an express provision for incomplete subscription. Application for admission to trading of the shares resulting from the capital increase on the Bilbao, Madrid, Barcelona and Valencia stock exchanges, through the Exchange Interconnection System. Delegation to Board of Directors to verify fulfilment of the conditions to which this resolution is subject and redraft article 6 of the Articles of Association to adapt the drafting thereof to the subscriptions undertaken.

1. **Capital increase against cash contributions**

It is resolved to increase capital in a nominal value of TWENTY-FOUR MILLION ONE HUNDRED FOUR THOUSAND NINE HUNDRED FIVE EUROS (€24,104,905), by the issue and circulation of 241,049,050 shares, of the same class as those currently outstanding, each with a par value of ten cents on the euro (€0.10), represented by book entries, with an issue premium of one euro and ninety cents on the euro (€1.90) per share, that is two euros (€2) per share in combined par value and issue premium.

This increase is made against cash contributions that must be fully paid up at the time of subscription of the shares and will occur in forty-two (42) monthly windows on the fifth business day of each calendar month from January 2011 to July 2014, as provided below.

2. **Condition precedent**

(Free translation from the original in Spanish language)
The effectiveness of this resolution is subject to the Board of Directors resolving to implement the in-kind capital increase by way of contribution of common shares and warrants of Liberty Acquisition Holdings Virginia Inc. and, if applicable, preferred shares of that company, constituting the third point of the agenda for this Extraordinary General Shareholders Meeting. Thus, if during the term established in the aforesaid third resolution the Board of Directors of the Company does not resolve to implement the capital increase against in-kind contributions, this resolution will be of no legal effect.

3. **Negotiable pre-emption right**

3.1 **Characteristics of pre-emptive subscription right:**

The shareholders of the Company appearing as such in the records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) on the day this Extraordinary General Meeting is held will have a pre-emptive subscription right at a ratio of 1.1 newly-issued shares for each share of the Company held.

Each new share subscribed in exercise of the pre-emptive subscription right must be subscribed and paid up at the issue price, that is, 2 euros per share (ten cents on the euro (€0.10) of par value and one euro and ninety cents on the euro (€1.90) of issue premium). Exercise of the pre-emptive subscription right will be rounded downward. Thus no fractional shares will be issued. Shares may be pooled for purposes of exercising the pre-emptive subscription rights.

The pre-emptive subscription rights will be transferable and negotiable on the corresponding official secondary markets, if any, by way of securitisation as warrants.

3.2 **Term for pre-emptive subscription:**

3.2 **Term for exercise of pre-emptive subscription right:**

The term for exercise of the pre-emptive subscription right will be the 42 calendar months from the date of publication of notice of the offer of subscription in the Official Gazette of the Commercial Register in accordance with the provisions of articles 305(2) and 503 of the Capital Companies Act (hereinafter the "Pre-Emptive Subscription Period"), which notice will be given before 31 December 2010, with the subscription right being exercisable at any time during that term, within the monthly windows established for that purpose, in accordance with the terms established below.

The first window will open on the day of publication of the aforesaid notice in the Official Gazette of the Commercial Register and will close on the fourth business day of the following calendar month (with business days for purposes of this resolution being understood to be working days, excluding Saturdays, Sundays and holidays in the

(Free translation from the original in Spanish language)
municipality of Madrid), that is, 7 January 2011. During this window the holders of pre-emptive subscription rights may exercise their rights through the Affiliated Participant of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) in the books of which the securities are entered, stating the decision to exercise those rights and paying the amount of the issue price. On the fifth business day of the month following the opening of the first window, that is, on 10 January 2011 the Board of Directors, or the persons to which it delegates authority, will execute the corresponding public deed stating the number of shares subscribed during the preceding monthly window, certify effective payment therefor, redraft article six (6) of the Articles of Association, to adapt it to the resulting new capital figure, and state the amount of capital pending subscription and the term remaining until the end of the subscription period. This deed will be registered in the Commercial Register and thereafter will be presented to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), requesting immediate admission to trading of the shares subscribed on the corresponding official secondary markets, as indicated above.

The second window will open on the day following the day of closing of the first window, that is, on 8 January 2011, will close on the fourth business day of the following calendar month, that is, on 4 February 2011, and the execution of the corresponding deed will occur on the fifth business day of February, 2011, that is, on 7 February 2011, and so successively until the day 42 months after the beginning of the pre-emptive subscription period, with the deed corresponding to the last window being executed on the fifth business day of the month of July 2014.

3.2.2 Procedure for giving subscription order:

As has been indicated, the holder of the pre-emptive subscription rights may give orders related to exercise of the pre-emptive rights through the Affiliated Participants of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). Those orders will be understood to have been given on a firm, irrevocable and unconditional basis and will constitute subscription of the new shares to which they refer.

The orders will be received either by the Company or, if applicable, by the agent appointed for that purpose. The results of the subscriptions corresponding to the monthly window will be notified by the agent to the Affiliated Participants and the Company so that the latter from time to time may timely advise the National Securities Market Commission (CNMV) by way of the corresponding material disclosure.

3.2.3 Payment for new shares:

Full payment of the issue price of each share must be made simultaneously with the subscription order. Payment will be made through the Affiliated Participants of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) through which the subscription orders were placed.

(Free translation from the original in Spanish language)
Each of the public deeds documenting subscription and payment having been executed, it will be registered in the Madrid Commercial Register and the deed will be delivered to the CNMV, the corresponding exchanges and Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). The latter will enter the subscribed shares in its central register. The Affiliated Participants will make the corresponding book entries in favour of the owners of the subscribed shares, after which time the owners may request the certificates showing ownership of the subscribed shares from the Affiliated Participants.

3.2.4 Cancellation of pre-emptive subscription rights:

The pre-emptive subscription rights not exercised by the end of the 42 months of the Pre-Emptive Subscription Period will be cancelled.

4. Incomplete subscription

As provided in article 311 of the Capital Companies Act, it is expressly contemplated that there may be incomplete subscription of the capital increase, if at the end of the term of 42 months established for exercise of the pre-emptive subscription right not all of the shares issued by way of this increase have been subscribed. Therefore, the capital will be increased in the amount corresponding to the par value of the shares of the Company that are effectively subscribed and paid up, being of no effect in respect of the remainder.

5. Representation of newly-issued shares

Newly-issued shares will be represented by book entries, handled by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its Affiliated Participants.

6. Rights of newly-issued shares

Newly-issued shares will give their holders the same voting and dividend rights as currently-outstanding shares of the Company, starting on the date of their entry in the corresponding records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its Affiliated Participants.

7. Application for admission to official trading

It is resolved to request admission to trading of the new shares issued by virtue of this capital increase resolution on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, through the Exchange Interconnection (Continuous Market) System, and to take such steps and actions as may be necessary and present such documents as may be

(Free translation from the original in Spanish language)
required by the competent authorities for admission to trading of the newly-issued shares subscribed and paid up as a result of the resolved capital increase, it being expressly noted that the Company is subject to such rules as may exist or be issued regarding stock exchanges and, in particular, regarding listing, maintenance of listing and delisting.

It is expressly noted that, if hereafter delisting of the Company's shares is requested, it will be adopted with the same formalities that are applicable and, in that case, the interests of shareholders opposing or not voting on the delisting resolution will be guaranteed.

If it deems it to be appropriate, the Board of Directors is authorised to request admission to trading of the shares issued by virtue of this capital increase resolution on the New York Stock Exchange, by way of issue of the appropriate "American Depositary Shares" or on any other foreign secondary markets it deems to be appropriate.

In addition, admission to trading of the pre-emptive subscription rights on the corresponding official secondary markets will be requested.

8. **Delegation of authority to implement capital increase**

It is resolved to authorise the Board of Directors, as broadly as required by law and with express authorisation to delegate to its Executive Committee, to freely review and determine whether the condition precedent to which this resolution is subject has been satisfied. Once that has been verified it may, on a non-exhaustive basis, by way of illustration and not limitation, take each of the following actions on the broadest terms as provided by law:

(i) Execute the public deed reflecting the number of shares subscribed during the monthly periods (or windows) contemplated for that purpose and state the number of shares pending subscription, and the remaining term to do so, and redraft article 6 of the Articles of Association, to adapt it to the result of the subscriptions made as the pre-emptive subscription rights are exercised.

(ii) Exercise any rights and obligations deriving from the aforesaid public deeds.

(iii) Draft and prepare such prospectuses and notices as may be required by applicable legislation, in particular those requested by the National Securities Market Commission (CNMV) or any other public agency, and agree to such subsequent amendments thereof as it deems to be appropriate, filing them with the authorities competent for that purpose.

(Free translation from the original in Spanish language)
(iv) Appoint the company assuming the functions of agent for the capital increase and for that purpose sign such agreements and documents as may be necessary.

(v) Apply for admission to trading of the newly-issued shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and their inclusion within the Exchange Interconnection (Continuous Market) System, with all the powers that are necessary for that purpose under the applicable legislation, taking whatever steps are necessary and executing whatever documents are required to do so, and appoint the entity responsible for maintaining the accounting records for the shares and, if applicable, the custodians responsible for issuing the deposit certificates to represent the shares, executing whatever documents are necessary for that purpose.

(vi) Apply for admission to trading of the pre-emptive subscription rights on the corresponding official secondary markets, if applicable, as warrants if the aforesaid rights are subject to securitisation, with all the powers that are necessary for that purpose under the applicable legislation, taking whatever steps are necessary and executing whatever documents are required to do so, and appoint the entity responsible for maintaining the accounting records for the shares and, if applicable, the custodians responsible for issuing the deposit certificates to represent the shares, executing whatever documents are necessary for that purpose.

(vii) Apply for admission to trading of the shares issued by virtue of this capital increase resolution on the New York Stock Exchange, by way of issuance of the appropriate "American Depositary Shares" or on any other foreign secondary markets it deems to be appropriate.

(viii) Take such actions as may be necessary and approve and formalise such public or private documents as may be necessary or appropriate for full effectiveness of the capital increase resolution as regards any of its aspects and content; apply for such entries or annotations as may be necessary in respect of the aforesaid capital increase, or any other question related thereto, appearing before the Commercial Register or any other entity required for such purposes.

(ix) Correct, if applicable, and complete the errors, defects and omissions in the documents formalised as a result of exercise of the authority granted herein, that prevent or interfere with their full effectiveness, in particular those that may prevent their entry in the public registers, for that purpose having authority to introduce such modifications as may be required to adapt them to the verbal or written review of the Registrar.

(Free translation from the original in Spanish language)
(x) And, in order to exercise the foregoing authority, take any action or sign and execute any other documents, whether public or private, they deem to be necessary or useful for implementation of the authority conferred herein.

***

(Free translation from the original in Spanish language)