REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. REGARDING A PROPOSAL FOR A REVERSE STOCK SPLIT IN A RATIO OF ONE (1) NEW SHARE FOR EVERY THIRTY OLD SHARES AND AMENDMENT TO SECTION 6.1 OF THE COMPANY’S BY-LAWS, INCLUDED IN ITEM 9.2 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 this 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 specific 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.

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

2. Reasons for the proposal

As a result of the capital reduction which is being proposed to the General Meeting under item 9.1 on the agenda, and on the assumption that such reduction is approved and implemented, then the share capital would be set at either (i) 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 or (ii)
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. The amount in which the capital will be finally reduced, if the proposal is finally approved by the General Meeting, will depend, as explained in the report of this Board of Directors regarding the referred item on the agenda, on whether 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 executed before or after the General Meeting.

The proposed reverse split would (i) reduce the total number of shares in the Company; (ii) make proper fixing of the stock market price of the Company’s shares easier; (iii) restrict the volatility of the Company’s shares in the market, without any loss of liquidity; and (iv) ensure that the shares in the Company are valued in line with comparable companies.

The current market value of the shares in the Company may cause sharp movements in the share price of the Company, as a minimal variation in unit terms results in a high percentage variation – a situation that should be avoided through this reverse split transaction.

These situations lead to a case where most trading in securities in similar circumstances is performed by investors heavily focused in the short term (“intraday trading”), while institutional investors rarely become attracted to such securities as they consider them to be high risk.

In short, the purpose of this transaction is to adapt the market price of the shares in the Company so that it is no longer conditioned by the aforementioned factors and to facilitate a better formation of the market price for such shares, based on market conditions and the circumstances of the Company itself.

The reverse stock split which is submitted to the General Meeting under this item on the agenda does not lead to any increase or reduction of capital, affecting only the number of shares making up the share capital of the Company, without prejudice to the resolution under item 9.1 on the agenda which is proposed in view of the technical need for permitting the reverse stock split.
Shareholders holding a number of shares that is not a multiple of 30 may:

(i) acquire or transfer any relevant number of shares necessary to own a multiple of the number fixed in the exchange ratio; or

(ii) join other shareholders to reach a number of shares that is a multiple of the number fixed in the exchange ratio.

On the other hand, in accordance with Sections 26.1.b) and 41.1 a) of Royal Decree 1310/2005, of 4 November, implementing Spanish Act 24/1988, of 28 July, on the Securities Market (governing the admission to trading of securities in official secondary markets, public offerings or subscriptions and the relevant prospectus), the Company shall not, as a result of this transaction, be required to publish such a prospectus, as the new shares shall be issued to replace older shares of the same class which have already been issued and thus there is no share capital increase.

If, following the closing of the market session the day before that on which the share exchange is to take effect as described above, a shareholder still holds any number of shares that is not a multiple of the number fixed in the exchange ratio, any fractions shall be purchased by the Company itself. The purchase price shall be the closing price for that day, and the sale shall proceed at no cost to the selling shareholders, except for any charges and brokerage fees charged by their own custodian.

The price for such sale shall be paid by the Company to the relevant participating entities in Iberclear, to be credited to the accounts held with such entities by the selling shareholders. Payment shall proceed between the effective date of the exchange and the third following business day. The Board of Directors may, if it deems necessary, appoint an agent bank and give a mandate to such bank to acquire, on behalf of the Company, any such remaining shares.

A proposal is also being made to delegate to the Board –itself being also authorised to delegate to the Executive Committee, the Chairman and the Managing Director–, among others, any and all authority to implement the proposed resolution and to perform all acts necessary to such effects in accordance with applicable laws; to apply for admission of the new shares to trading on the Madrid, Barcelona, Bilbao and Valencia Exchanges on the
Automated Quotation System, and on the remaining Exchanges where the share is currently admitted to trading, and for registration thereof with Iberclear; to apply to have the old shares (being simultaneously cancelled) excluded therefrom; and to declare the reverse split transaction duly closed and, as such, Section 6.1 of the bylaws duly amended accordingly, being also expressly authorised to delegate its own authority to third parties.

As a result of the proposed transaction, and on the assumption that the share capital reduction to be submitted to the General Meeting as item 9.1 on the agenda is approved and executed as proposed by the Board of Directors, then the share capital would be set at a figure of

(i) if the Media Group Share Capital Increase has been executed, two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen Euros (€229,958,817), represented by seventy-six million six hundred and fifty-two thousand nine hundred and thirty-nine (76,652,939) shares in book-entry form; or alternatively

(ii) if the Media Group Share Capital Increase has not been executed, two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four Euros (€215,807,874) represented by seventy-one million nine hundred and thirty-five thousand nine hundred and fifty-eight (71,935,958) shares in book-entry form.

3. Reasons for the exchange ratio

The proposed exchange ratio (30 old shares for each new share) shall result in a face value of 3 Euros per new share.

Such ratio has been determined, on the one hand, in order to obtain a face value of the new share such that the purposes of this transaction, described above, are achieved without, on the other hand, the new face value affecting the liquidity of the share pursued by retail investors. Moreover, as referred to in Section 3 above, the new face value should allow for a better comparison between the value of the Company shares and the value of the shares in comparable companies.

The share exchange shall be effective on the date resolved by the Board of Directors, following registration of the reverse split resolution and the relevant amendment to the by-laws with the Commercial Registry. The exchange shall proceed from the date specified in
the notices to be published in the Official Gazette of the Commercial Registry, a national newspaper, on the Company’s website and, where mandatory, in the Listing Gazettes of the Spanish Stock Exchanges. Such date shall also be disclosed by publishing the relevant notice of a significant event.

4. Full text of the proposal

It was resolved to approve a stock consolidation in respect of the outstanding shares in the Company, which shall proceed by consolidating every thirty (30) existing shares valued at par at ten Euro cents (€0.10) each into one (1) new share valued at par at three Euros (€3) each. The number of shares resulting from the stock consolidation will be the following:

(i) if as a result of the share capital reduction proposed in item 9.1 on the agenda, the number of shares is set at 2,299,588,170 shares, the share capital will be composed of 76,652,939 shares without this entailing a change in the Company’s share capital; or alternatively

(ii) if as a result of the share capital reduction proposed in item 9.1 on the agenda, the number of shares is set at 2,158,078,740 shares, the share capital will be composed of 71,935,958 shares without this entailing a change in the Company’s share capital.

The newly-issued shares shall be ordinary shares held in book-entry form and registered with the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities. The new shares shall be of the same class and series and have the same economic and voting rights as the existing shares, prorated to each new share’s face value.

In accordance with Sections 26.1.b) and 41.1 a) of Royal Decree 1310/2005, of 4 November (implementing Spanish Act 24/1988, of 28 July, on the Securities Market in respect of the admission of securities to trading in official secondary markets, public offerings or subscriptions and the relevant prospectus), the Company shall not, as a result of this transaction, be required to publish such a prospectus, as the new shares shall be issued to replace older shares of the same class which have already been issued and thus there is no share capital increase.
1. EFFECTIVE DATE AND EXCHANGE PROCEDURE

The share exchange shall be effective on the date determined by the Board of Directors, following registration of the reverse split resolution and the relevant amendment to the by-laws with the Commercial Registry. The exchange shall proceed from the date specified in the notices to be published in the Official Bulletin of the Commercial Registry, a national newspaper, on the Company’s website and, where mandatory, in the Listing Bulletins of the Spanish Stock Exchanges. Such date shall also be disclosed by publishing the relevant notice of a significant event.

Any shareholders in the Company registered as such with the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“Iberclear”) and Iberclear’s participating entities on the effective day determined by the Board of Directors shall have a right to receive one (1) new share for every thirty (30) old shares. This exchange shall proceed automatically.

The exchange shall further proceed pursuant to the procedures established for securities in book-entry form, through the relevant participating entities, in accordance with the instructions issued by Iberclear and, if appointed, by the agent.

2. REMAINING SHARES

Shareholders who, after applying the exchange ratio resulting from the reverse split, hold a number of shares that is not a multiple of thirty (30) may:

(i) acquire or transfer any relevant number of shares necessary to own a multiple of the number fixed in the exchange ratio; or

(ii) join other shareholders to reach a number of shares that is a multiple of the number fixed in the exchange ratio.

If, following the closing of the market session the day before that on which the share exchange is to take effect as described above, a shareholder still holds any number of shares that is not a multiple of the number fixed in the exchange ratio, such shares shall be purchased by the Company itself.
The purchase price shall be the closing price for that day, and the sale shall proceed at no cost to the selling shareholders, except for any charges and brokerage fees charged by their own custodian.

The price for such sale shall be paid by the Company to the relevant participating entities in Iberclear, to be credited to the accounts held with such entities by the selling shareholders. Payment shall proceed between the effective date of the exchange and the third following business day. The Board of Directors may, if it deems necessary, appoint an agent bank and give such bank a mandate to acquire, on behalf of the Company, any such remaining shares.

3. APPLICATION FOR ADMISSION TO TRADING

It was resolved to apply –following registration with the Madrid Commercial Registry of the public deed recording the consolidation of the outstanding shares and the exchange thereof for the newly-issued shares and the amendment to their face value– for the old shares and the new shares to be simultaneously excluded and admitted, respectively, from and to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (where the Company’s shares are currently listed) on the Spanish Automated Quotation System (Mercado Continuo) and on any other Stock Markets where such shares are so listed; and further resolved to take any actions and complete any procedures before the relevant regulatory bodies required to have any new shares issued as a result of the foregoing resolution admitted to trading. The Company expressly submits to any applicable stock market regulations or future regulations, including without limitation any regulations governing securities trading, maintenance and exclusion from trading.

It is expressly noted that, if a delisting of the Company shares is subsequently applied for, any such delisting shall comply with any applicable rules and procedures and, in such a case, the rights of any shareholders opposing or voting against the delisting resolution shall be guaranteed as required by the Spanish Companies Act and related provisions, in accordance with Spanish Act 24/1988, of 28 July, on the Securities Market and any implementing regulations in force from time to time.

4. CONDITION PRECEDENT

This stock consolidation resolution is subject to a condition precedent that the resolution in 9.1 above is passed.
5. **DELEGATION OF POWERS TO THE BOARD OF DIRECTORS**

It was resolved to delegate to the Board of Directors any and all authority, as broadly as required in law—including the authority to delegate on the Executive Committee, the Chairman and the Managing Director—to implement the reverse stock split, including without limitation the authority:

(i) to implement the reverse split resolution. The effective date of the share exchange shall be timely advised by notice to the Governing Bodies (Sociedades Rectoras) of the Stock Exchanges and the Comisión Nacional del Mercado de Valores, and announced on the Official Bulletin of the Commercial Registry;

(ii) to prepare, notify and deal with any document, publication or certificate required in relation to the reverse split process;

(iii) to determine the precise number of new shares, following completion of the reverse split process, and the effective date of the consolidation; and to declare such process duly completed;

(iv) to draft the new wording for Section 6.1 of the Company by-laws regarding the Company’s share capital, in order to adapt it to the outcome of the reverse split process;

(v) to complete all required formalities so that the new shares are registered on the accounting records held by Iberclear in accordance with applicable regulatory procedures;

(vi) to file, whenever deemed appropriate, with the CNMV, the Governing Bodies (Sociedades Rectoras) of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, the Sociedad de Bolsas, Iberclear and any other Spanish or foreign public or private authority, the relevant application to have all new shares in the Company admitted to trading on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges and on the Automated Quotation System (Mercado Continuo) and, simultaneously, to have the old shares delisted from such markets; and to that end carry out any procedures, take any actions and issue any declarations as necessary or convenient, including without limitation for the purposes of obtaining the authorisation, verification and admission to trading of the new shares, and to draft and publish any announcements required or convenient for such purposes; and to take any measures
required to comply with any and all obligations of the Company arising in respect of any American depositary shares issued by the Company;

(vii) to take any actions as may be necessary or convenient to implement and formalise the reverse split transaction before any public and/or private Spanish and/or foreign bodies and entities, including without limitation in order to clarify, supplement or rectify any errors or omissions that may prevent or hinder full effectiveness of the foregoing resolutions;

(viii) to select, where appropriate, any entities to be engaged in the process to coordinate the transaction (including without limitation to appoint an agent bank and to give a mandate to such bank under the terms stated above) and generally to determine any criteria to be followed in the process;

(ix) to agree and sign any undertakings, commitments, agreements or any other documents with any entity related to the transaction, in whatever terms may be deemed appropriate;

(x) to execute any public and/or private documents as may be appropriate to implement, wholly or in part, the reverse split; to carry out any actions as may be convenient in connection with the foregoing resolutions in order to have them duly registered with the Spanish Commercial Registry and any other registries including without limitation with authority to appear before a Spanish notary and execute any deeds necessary or convenient to that effect and to correct, rectify, ratify, construe or supplement such resolutions and execute any other public and/or private document necessary or convenient to ensure full registration thereof, without a need for a new resolution; and

(xi) generally to take such actions and execute such public and/or private documents as required or deemed appropriate by the Board of Directors, the Executive Committee, the Chairman and the Managing Director or, where appropriate, by any delegating authority, to ensure full effectiveness of and compliance with the foregoing resolutions.

6. **AMENDMENT TO SECTION 6.1 OF THE COMPANY’S BY-LAWS**

Following completion of the reverse stock split, Section 6.1 in the Company’s by-laws shall be amended. This amendment shall be carried out as follows:
(i) if the share capital prior to the execution of this stock combination resolution is composed of 2,299,588,170 shares, Section 6.1 of the Company’s by-laws shall 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:

seventy-six million six hundred and fifty-two thousand nine hundred and thirty-nine (76,652,939) ordinary shares, all of the same class and series, having a nominal value of THREE EUROS (€3) each, consecutively numbered from 1 to 76,652,939.*

(ii) if the share capital prior to the execution of this stock combination resolution is composed of 2,158,078,740 shares, Section 6.1 of the Company’s by-laws shall read as follows:

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

seventy-one million nine hundred and thirty-five thousand nine hundred and fifty-eight (71,935,958) ordinary shares, all of the same class and series, having a nominal value of THREE EUROS (€3) each, consecutively numbered from 1 to 71,935,958.*