REPORT FROM THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A., PREPARED IN COMPLIANCE WITH THE PROVISIONS OF THE CORPORATIONS LAW, CONCERNING A PROPOSAL TO BE PRESENTED AT THE NEXT SHAREHOLDERS' MEETING TO AUTHORIZE THE BOARD OF DIRECTORS TO ISSUE BONDS THAT MAY BE CONVERTED INTO OR EXCHANGED FOR SHARES IN THE COMPANY, AS WELL AS WARRANTS OR OTHER SIMILAR SECURITIES THAT DIRECTLY OR INDIRECTLY CONFER RIGHTS TO SUBSCRIBE OR ACQUIRE SHARES IN THE COMPANY. ESTABLISHMENT OF THE CRITERIA FOR THE CONDITIONS AND TYPES OF CONVERSION AND/OR EXCHANGE AND THE AMOUNT OF CAPITAL INCREASE REQUIRED. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO DETERMINE THE DETAILS OF THE BOND ISSUE NOT SET FORTH AT THE SHAREHOLDERS' MEETING.

The purpose of the resolution proposed by the Board of Directors is to delegate to the Board the power to effect one or more issues of fixed-interest securities convertible into new-issue shares in the Company and/or exchangeable for company shares already issued, as well as warrants or other similar securities that confer direct or indirect rights to subscribe or acquire shares in the Company, whether newly issued or already outstanding, for a maximum total of THREE HUNDRED MILLION EUROS (300,000,000 €) or an equivalent value in another currency. To that end, this report has been prepared in accordance with the provisions of Articles 144 and 292 of the Corporations Law.

Convertible and/or exchangeable bonds have a twofold advantage: on the one hand they are more attractive to investors since they offer the possibility of participating in the Company as a shareholder upon converting and/or exchanging their credits to the Company for shares, while at the same time raising capital for the Company without its having to divest itself of its own assets in order to satisfy those credits. Given the specialized and advanced nature of the issue and the constant evolution of securities on different financial markets, in addition to convertible bonds that are specifically regulated in our Corporations Law, the resolution includes warrants or other negotiable securities that create or recognize a debt and represent the subscriber's right to subscribe or acquire shares in the entity, thus providing for these two types of securities, with their respective characteristics.

Since the moment in which market conditions will be most favorable for the issue of these securities cannot be known in advance, the proposal envisions delegating to the Board of Directors the power to proceed with the issue within a term of five years from the 2005 Annual Shareholders' Meeting (in accordance with the provisions of Article 319 of the Mercantile Register Regulations), defining the conditions and types of conversions provided for at the Annual Shareholders' Meeting and any other details not determined at that time. After the time limit has expired, it is understood that this delegation of powers will no longer be in force, and the Board of Directors shall likewise be empowered to refrain from using the powers conferred upon it in that regard.

The issue shall be made according to the requirements and with the general guarantees set forth in the Law, within the conditions and types approved at the Shareholders' Meeting, effecting the conversion by means of capital increases in the maximum amount determined at the Meeting.

Pursuant to Article 292 of the Corporations Law, the conditions and types of conversion for the issues, as well as the amount of capital increase required in that regard, shall be set forth and submitted at the Meeting for the shareholders' approval.

In compliance with the provisions of Article 292.2 of the Corporations Law, a Report issued by an independent auditor appointed by the Companies Register (who is not the Company's auditor) is attached hereto.

In addition, if in exercising the powers conferred upon the Board of Directors by virtue of this agreement the Board approves an issue of fixed-interest securities that are convertible into shares, it shall issue a new report setting forth the details of the conditions and types of conversion specifically applicable to that issue, which shall likewise be accompanied by another report from an auditor other than the Company's auditor, appointed by the Companies Register for that purpose, as provided in Article 292 of the Corporations Law.

The resolutions to be submitted at the Annual Shareholders' Meeting are as follows:

"1. To revoke any powers conferred upon the Board of Directors of the Company to issue convertible and/or exchangeable bonds approved as Resolution Seven at the Annual Shareholders' Meeting on April 18, 2002.

2. To delegate to the Board of Directors the power to issue, in one or several issues, fixed-interest securities in the Company and/or exchangeable for already-issued shares in the Company, as well as warrants and other similar securities that directly or indirectly grant rights to subscribe or acquire shares in the Company, whether newly or already issued, within a term of five years from the date of this Shareholders' Meeting for a maximum total of THREE HUNDRED MILLION EUROS (300,000,000 €) or its equivalent in another currency, in accordance with the conditions, types and other terms set forth below.

2.1. Convertible and/or exchangeable bonds

<u>- Face Value and Price of the Bond Issue</u>

The bonds issued shall have a face value of no less than FIVE EUROS (5 €) each, shall be issued at least at par, that is, for 100% of their face value, and shall be paid on the closing date of the public offering.

<u>- Price of Repayment</u>

The type of repayment shall be determined by the issuer's Board of Directors when it decides to exercise the powers conferred upon it in the present agreement.

<u>- Interest Rate</u>

The Board of Directors shall determine the nominal interest of the bonds, the interest accrual periods and the payment of coupons based on market conditions.

<u>- Conversion and/or Exchange</u>

Bonds issued pursuant to the present agreement shall be convertible into new shares in "PROMOTORA DE INFORMACIONES, S.A." and/or exchangeable for already-issued shares in the company, the Board of Directors being empowered to determine whether they shall be convertible and/or exchangeable, as well as whether their being convertible and/or exchangeable is mandatory or voluntary and, if deemed voluntary, whether they are so at the option of the bondholder or issuer, with the periodicity and during the term set forth by the Board of Directors in the exercise of the powers conferred upon it in this agreement.

In the event that the issue is deemed convertible and/or exchangeable, the Board of Directors may decide that the issuer reserves the right to choose at any time between the conversion of the bonds into new shares or their exchange for shares already issued, determining the nature of the shares to be delivered when effecting the conversion or exchange, likewise being empowered to choose to deliver a combination of newly-issued shares and already-existing shares. In any event, the issuer shall dispense equal treatment to all bondholders who convert or exchange their bonds during the same conversion and/or exchange period.

<u>- Conversion and/or Exchange Price</u>

The conversion and/or exchange price shall be determined when the bonds are issued. Conversion and/or exchange may be established at a fixed price or at a variable price, and with a premium, discount or at the same price as quoted when issued. In the event the bonds are issued at a fixed conversion and/or exchange price, this price may not be lower than its average quotation at the close of trading on the Madrid Stock Exchange during thirty days prior to the date of the resolution of the Board of Directors that implements that issue. If the issue is effected at a variable rate of conversion and/or exchange, this shall be linked to their quotation at the moment the bonds are converted or exchanged.

In no event shall the value of the share be lower than its face value. Likewise, the valuation of each bond may include or exclude the interests accrued but not paid at the moment they are converted and/or exchanged.

- Conversion and/or exchange upon repayment of the bonds

When repaying the bonds, the issuer may offer bondholders the possibility of converting them into new shares in "PROMOTORA DE INFORMACIONES, S.A." or exchanging them for already-issued shares in the company, provided that the bondholders own the bonds on the date on which the option must be exercised and provided that they have not been redeemed early, if applicable.

- Repayment

The issue or issues shall have a maximum duration of fifteen years. The issuer reserves the right to early redemption of the bonds in each issue at any time, in the terms agreed by the Board of Directors in each case.

- Bondholders' Syndicate

In accordance with the current Corporations Law and the Companies Register Regulations, for each bond issue the Company shall form a bondholders' syndicate, and the issuer's Board of Directors shall appoint both a provisional trustee and a substitute trustee until the first meeting of the bondholders' syndicate is held.

- Securing the Issue

The bond issue or issues shall be secured by the issuer's global assets, as provided by law.

- Representation of the bonds

The bonds issued by virtue of this agreement shall be represented by certificates or by book entries, in accordance with the laws in force at the time.

- Securities Exchange Listing

By resolution of the Board of Directors of the issuer, application may be made for the bond issue or issues to be listed on domestic or foreign securities markets.

2.2. Warrants and other similar securities may directly or indirectly grant rights to subscribe or acquire shares in the Company.

The Board of Directors shall be empowered to determine in the broadest terms, the criteria for exercising rights to subscribe or acquire shares in the company, derived from the securities of this class that are issued by virtue of the powers delegated herein. This specifically includes the issue price and/or premium, the price applied when exercising those rights (which can be fixed or variable), applying to those bond issues, when warranted, the criteria set forth in section 2.1 above, with the modifications necessary to make them compatible with the legal and financial legislation governing this type of securities.

3. Preemptive Rights

Shareholders who hold shares in the company on the date of approval of the bond issue or issues and the holders of convertible bonds from previous issues shall each have the rights set forth in current legislation.

Shareholders and holders of convertible bonds may subscribe convertible bonds issued by virtue of this agreement in the proportion determined by the Board of Directors with respect to the shares or convertible bonds which they hold on the date on which the subscription period commences. Once the subscription period ends, if all of the bonds issued have not been subscribed, the subscription may proceed for a term set by the Board, which shall finally determine the number of bonds issued, being empowered to resolve to close the issue and reduce the amount finally subscribed, which shall be reflected in a notarial instrument and entered on the Companies Register, indicating the exact number and series, if applicable, of those not subscribed, so that they may be cancelled. In the event that the number of bonds requested is higher than the number issued, the Company will distribute them proportionally, in compliance with the provisions of current legislation.

If after the issue of the convertible and/or exchangeable bonds issued by virtue of this agreement capital increases are made by issuing new common or preferred stock, or issues of convertible bonds, the holders of convertible bonds shall have preemptive rights proportional to the face value of the shares to which they would be entitled if at that time they converted their bonds at the predetermined exchange rate, in accordance with current legislation, unless current legislation does not provide for preemptive *rights, and unless in the terms and within the legal requisites the corporate governing body empowered to do so decides to totally or partially exclude the preemptive rights of those shareholders and holders of convertible bonds.*

4. Pursuant to the provisions of Article 292 of the Restated Text of the Corporations Law, it is hereby resolved to increase the company's share capital by a maximum of FIVE MILLION EUROS (5,000,000 €) to cover, if warranted, the conversion of bonds or other securities into shares in the company by issuing the number of ordinary shares of the same series and face value as those that are at that time outstanding, in the amount necessary to cover the applications for conversion.

In accordance with the provisions of Article 159.4 of the Restated Text of the Corporations Law there will be no preemptive rights in the capital increase or increases resulting from the conversion of bonds into shares in each of the corresponding bond issues.

5. By virtue of the delegation of powers granted to the Board of Directors in Section 2 of this agreement, and respecting the provisions of sections 2, 3 y 4 set forth herein, the Board of Directors shall have the following powers, including but not limited to, the power:

a) To determine the value of the issue, within the maximum amount authorized, as well as the maximum amount per subscriber, if applicable, while the subscription period is open, if there is one;

b) To determine the place of issue, the currency and the denomination, whether they be bonds, debentures, warrants or other legally-recognized instruments,

c) To determine the subordination of the issue, if any, and the priority of the debt with respect to the rest of the company's obligations; and if so decided, to incorporate warrants with the bonds;

d) To determine the number of securities, their face value and the type of issue which, in any case shall at least be at par, i.e., at 100% of their face value;

e) To apply to redeem or repay the securities issued and to redeem them early;

f) To extend for the term it decides, the subscription period open to third parties or to reduce the amount of the issue to the amount subscribed at the end of that period;

g) To issue, up to the maximum amount agreed, the new shares necessary to cover the conversion of the bonds, thereafter adapting Article 6 of the Company Bylaws concerning Share Capital;

h) To rectify, clarify and interpret, define or complement the resolutions adopted at the Shareholders' Meeting with regard to the notarial instruments or documents issued in order to implement those resolutions, and especially to rectify or correct any defects, omissions or errors, whether in substance or in form, which could prevent those resolutions and the consequences thereof from being recorded on the Companies Register, the official registers of the National Securities Exchange Commission or any others;

i) To draft and to publicize as deemed warranted, the corresponding bond issue prospectus or prospectuses;

j) As required by applicable law, to designate the person or persons who on behalf of the company shall assume responsibility for the content of the prospectus or prospectuses in each of the bond issues;

k) To modify the relation of the exchange of bonds for shares in the event that before conversion and/or exchange there is a capital increase charged to reserves or a capital reduction due to losses;

l) To refrain from totally or partially using any of the powers granted in the present agreement adopted at the General Shareholders' meeting, as well as to refrain from effecting the agreed capital increase in any amount when not absolutely necessary to cover the conversion of the issued convertible bonds into shares."