

GRUPO MÉDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhana, n.º 40, Barcarena, Oeiras
Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)
Pessoa Colectiva n.º 502 816 481
Capital Social: 7.606.186,20 euros

REPORT OF THE BOARD OF DIRECTORS OF GRUPO MEDIA CAPITAL SGPS S.A.

1 Introduction

Pursuant to paragraph 1 of article 181 of the Securities Code the Board of Directors of Grupo Média Capital, SGPS, S.A. ("**Media Capital**"), after receipt on 15 November 2006 and analysis of the draft of offer announcement and draft of the prospectus ("**Offer Documents**") related to the voluntary takeover bid of all shares of Media Capital ("**Offer**") preliminary announced by Promotora de Informaciones, S.A. ("**Prisa**") on 26 October 2006, after consultation with the Audit Committee, hereby submits its report on the opportunity and conditions of the Offer.

2 Offeror

Pursuant to the Offer Documents, the Offeror is Vertex, SGPS, S.A. ("**Offeror**"), a company wholly owned by Prisa. In the preliminary announcement it was mentioned that the Offer could be launched by a company in a control or group relation with Prisa.

3 Opportunity and Conditions of the Offer

The Board of Directors of Media Capital acknowledges the opportunity of the Offer whereby the Prisa Group aims at "*establishing a shareholding structure for the Target Company in which its shareholding clearly exceeds the remaining shareholdings of reference in order to contribute to the development of the Target Company and the compliance of its business plan through a stable management*".

The consideration offered is €7.40 per share of Média Capital ("**Offer Price**"). Considering the conditions of the Offer, the Board of Directors points out the following:

- In order to advise and support the Board of Directors, it has agreed to appoint *Credit Suisse* as an independent investment bank, to issue a *Fairness Opinion* regarding the financial conditions of the Offer.
- The valuation of the referred independent bank analysis was based on the latest available management information of Media Capital and on commonly used valuation methodologies, including Discounted Cash Flow Analysis, Comparable Company Analysis, Broker's Target Prices and Comparable Acquisition Analysis.
- The Offer Price falls between or above the implied valuation ranges for Media Capital resulting from all referred methodologies, although the Offer Price is around 12% below of the market share price as of yesterday (€8.30).
- The Offeror may be obliged to launch a mandatory takeover bid after the close of the Offer in which case the consideration should be determined in accordance with article 188 of the Securities Code.

4 Conclusions

In light of the above, the Board of Directors of Media Capital considers that the Offer is opportune since in its view it does not affect the normal development of Media Capital and that its conditions are fair.

Queluz de Baixo, 21 November 2006.

The Board of Directors,