

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

1 Introduction

Pursuant to paragraphs 1 to 3 of article 181 of the Securities Code, the Board of Directors of Grupo Média Capital, SGPS, S.A. ("Media Capital"), after receipt on 26 February 2007 and analysis of the draft of offer announcement and draft of the prospectus ("Offer Documents") related to the general mandatory takeover bid of the shares representative of the share capital of Media Capital ("Offer") preliminary announced by Vertix SGPS, SA ("Offeror"), a company wholly held by Promotora de Informaciones, S.A. ("Prisa"), on 6 February 2007, hereby submits its report on the opportunity and conditions of the Offer.

2 Opportunity and Conditions of the Offer

The Board of Directors considers that the Offer is not inopportune, to the extent that, in its understanding, it does not affect the normal development of Media Capital, being also a fact that the Offer has been launched in result of the compliance of the duty to launch a takeover bid by virtue of the attribution to the Offeror, pursuant to article 20, number 1 of the Securities Code, of more than half of the voting rights correspondent to the share capital of Media Capital as a consequence of the general voluntary takeover bid ("Voluntary Offer") that has preceded the present Offer.

In what concerns, in particular,

a) the type and amount of the offered consideration

The Board of Directors points out the following:

The Offeror requested to the *Comissão do Mercado de Valores Mobiliários* on 6 February 2007, date of publication of the preliminary announcement of the Offer, the appointment of an independent auditor to determine the amount of the Offer consideration.

Within this context, the value of the Offer consideration, to be paid in cash, is not yet determined. However, the Offer consideration can not be lower than the value of €7.40 (seven euros and forty cents) per share of Media Capital offered on the Voluntary Offer, except if exceptional circumstances occur, as referred in point 7. of the preliminary announcement.

In January 2007, it was published by the same Offeror entity the final offer announcement of a Voluntary Offer over the whole shares representing the share capital of Media Capital, at the price of €7.40 (seven euros and forty cents) per share. Within the context of the Voluntary Offer which preceded the present Offer, the Board of Directors of Media Capital, having appointed *Credit Suisse* to issue a *Fairness Opinion*, issued its opinion on 21 November 2006. The Board considered the conditions of the Voluntary Offer adequate, referring again to that

already stated in its report about the offer price and restates its opinion that the offer price of € 7.40 per share of Media Capital is adequate.

b) the Offeror's strategic plans for Media Capital

The strategy for Media Capital announced by the Offeror, according to the terms included on the Offer's Documents, is to "*expand and reinforce through Grupo Media Capital the presence of Grupo Prisa on the Portuguese market, in line with its goal to become a worldwide communication group on the Spanish and Portuguese language markets*" and to "*maintain a general continuity stream on the television activity, without prejudice to eventual changes in other areas of activity.*"

The aforesaid Offerors' strategy for Media Capital is considered adequate, considering that the presence of Grupo Prisa as a shareholder of Media Capital will contribute to reinforce, expand and develop the activity of Media Capital on the Portuguese market. Media Capital may be able to benefit from the experience that an international media group of reference may transfer on the activities of radio, television and press.

c) the repercussions of the Offer on the interests of Media Capital, and, in particular, on the interests of its employees and their working conditions and the places at which the company has business activity

On the terms included on the Offer Documents, the Offeror mentions that "*in what concerns the Target Company's employees, no significant changes are foreseen by reference to the policy that has been followed so far*".

The Board of Directors considers it is positive that the human resources policy that has been followed so far is embraced since, in its understanding, it has proved to be adequate, and no anticipation is made that the Offer will have significant repercussions against the interests of the employees of Media Capital.

d) the intention of the Board of Directors members which simultaneously are shareholders of Media Capital to accept the Offer

The members of the Board of Directors of Media Capital do not hold Company's shares and, therefore are not in conditions to participate in the Offer.

3 Conclusions

In light of the above, the Board of Directors of Media Capital considers that the Offer is opportune and that its conditions are adequate, notably, the offer price of € 7,40 per share of Media Capital.

Queluz de Baixo, 5 March 2007

The Board of Directors,