

GENERAL SHAREHOLDER MEETING OF VOCENTO,
S.A.
28 APRIL 2008 FIRST CALL
29 APRIL 2008 SECOND CALL
DIRECTORS REPORT

REPORT OF THE BOARD OF DIRECTORS OF VOCENTO, S.A. ON THE PROPOSED AUTHORISATION FOR THE COMPANY TO BE ABLE TO ACQUIRE, DIRECTLY OR INDIRECTLY, TREASURY STOCK, AND TO BE ABLE TO REDUCE SHARE CAPITAL, IN ACCORDANCE WITH ARTICLES 144 AND 164 OF THE LAW ON CORPORATIONS, WHICH WILL BE PROPOSED TO THE GENERAL SHAREHOLDER MEETING OF VOCENTO, S.A., TO BE HELD ON 28 APRIL 2008, FOR THE FIRST CALL, AND 29 APRIL 2008, FOR THE SECOND CALL.

1. PURPOSE OF THE REPORT

This report aims to explain the proposal to grant the Board of Directors of VOCENTO, S.A. (the “**Company**”) the capacity to reduce share capital, in accordance with the terms of articles 144 and 164 of the Law on Corporations, concerning the treasury stock that may be acquired, which will be submitted to the General Shareholder Meeting of the Company, on 28 April 2008, first call, and 29 April 2008, second call, as point FOUR of the Order of the Day, in accordance with articles 144 and 164 of the Law on Corporations.

Article 164 of the Law on Corporations establishes as a requirement for the reduction of capital that the agreement is approved by the Shareholder Meeting with the requirements for modifying the statutes.

Article 144 of the Law on Corporations establishes as a requirement for the General Shareholder Meeting to modify the Company Statutes that the directors must provide a written report explaining the proposal.

2. EXPLANATION OF THE PROPOSAL

The current Law on Corporations, in Section IV on business with treasury stock, articles 74 and following, allows corporations, with certain requirements, to acquire, either directly or by using subsidiaries, shares issued by the company and to hold these shares in their portfolio.

Once the acquisition of these shares has been made, various legally established procedures may be used to reduce or eliminate these shares, and the shares can be amortized or sold in the market.

To adopt one of these options, it is necessary to consider market conditions at any given time, and because of this, and because it is not possible a priori to determine the factors which may allow the most appropriate decision to be made according to the situation of the markets, it is proposed that the Board of Directors be authorised to decide these questions at the time when they arise.

In the event that the Board concludes that the treasury stock will be amortized, this would require an agreement from the Shareholder Meeting to reduce capital.

As the decision on the appropriateness of carrying out this capital reduction will depend on a series of changing factors, concerning both the company itself and the markets, it is hence not possible to determine at the current time the specific conditions of the capital reduction agreement, which is why the proposed agreement has wide criteria, and delegates to the Board of Directors a series of powers which allow them to use this procedure, accepted in law, and which includes: the determination of the amount of the reduction, and whether this is sent to the restricted reserve, in accordance with Article 167, number 3 of the Law on Corporations, or to an unrestricted reserve, in which case the requirements of the Law must be met in terms of guarantees for creditors.

In addition, in accordance with the terms of Article 75 number 1, the proposed agreement also includes the possibility of the shares acquired being used, partly or in full, to be delivered or sold to the workers, employees, directors or service providers of the Group, when there is a recognised right, either directly or as a result of the exercise of options belonging to them.

PROPOSED AGREEMENT

The proposed agreement submitted to the General Shareholder Meeting of the Company for approval is as follows:

FOURTH.- Authorisation for the Company to acquire treasury stock, directly or by using Group companies, in accordance with the terms of Article 75 of the Revised Text of the Law on Corporations, establishing the limits and requirements for these acquisitions, and including the express capability of reducing share capital and amortizing treasury stock. The

delegation of powers to the Board of Directors to implement this agreement.

I) In accordance with the terms of Articles 75 and following of the Law on Corporations, and leaving without effect the authorisation awarded in the same area by the Shareholder Meeting of 25 April 2007, authorise and award powers to the Board of Directors for the Company, directly or using subsidiaries, to be able to acquire at any time and as many times as deemed appropriate, shares of the Company, using any method established by law, against profits of the year and/or unrestricted reserves, and also to sell or amortize these shares, all with the following conditions:

1.- Maximum number of shares to acquire: shares which represent, when added to already owned shares, up to 5% of share capital.

2.- Minimum and maximum acquisition price: the acquisition price will not be less than 75% of the market price or 20% more than the market price, in both cases on the working stock market day, the day before the acquisition. The transactions for acquiring the shares will follow the norms and procedures of the stock market.

3.- Duration of the authorisation: eighteen months, from the adoption of this agreement.

4.- The acquisition must in all events allow the Company to establish the reserve stated in Article 79.3 of the Law on Corporations, without reducing the legally or statutorily restricted capital or reserves. This reserve must be maintained if the shares are not sold or amortized.

5.- The shares to be acquired must be fully paid in.

II) Expressly authorise that the shares acquired by the Company or its subsidiaries may be used, partly or in full, to be delivered or sold to the workers, employees, directors or service providers of the Group, when there is a recognised right, either directly or as a result of the exercise of options belonging to them, in accordance with the last paragraph of Article 75, Section 1, of the Law on Corporations.

III) Reduce share capital by amortizing the treasury stock that the Company acquires, either against profits or unrestricted reserves, for the amount considered appropriate at any given time, and up to the maximum of the treasury stock at any time.

IV) Award the Board of Directors powers to implement this agreement for capital reduction, and to implement it once or several times, within the maximum period of 18 months from the date of the meeting of the current shareholder meeting, and to this end to carry out as many actions as are needed or required by current legislation.

In particular, to delegate to the Board of Directors, within this period and within the limits indicated in the agreement, powers to implement this agreement by setting the specific date(s) for share capital reduction operations, having considered the internal factors and external factors which influence the decision; to decide the amount of capital to be reduced; to determine the use of the capital reduction, either being used for a restricted reserve, or to unrestricted reserves, in which case the guarantees that are legally required will be complied with. And to adapt Article 4 of the Company Statutes to the new amount of share capital; to request the delisting of the amortized shares. And in general to adopt as many agreements as are considered necessary for the amortization and corresponding capital reduction, appointing the persons who are to formally implement this.