

ZINKIA ENTERTAINMENT, S.A.

REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY REGARDING THE PROPOSED  
AMENDMENT OF THE ARTICLES OF ASSOCIATION

(POINT FOURTH OF THE AGENDA FOR THE GENERAL MEETING OF 22 JUNE 2012)

1. PURPOSE OF REPORT

In accordance with the provisions of article 286 of the recast text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010 (hereinafter the "Capital Companies Act"), this report was prepared by the Board of Directors at its meeting of 23 April 2012 to explain the proposed amendment of articles 5, 11, 16, 20 and 26 of the Articles of Association.

2. EXPLANATION OF THE PROPOSAL

The purpose of amendment of articles 5, 11, 16, 20 and 26 of the Articles of Association, related to Domicile and corporate website, Call, Administrators, Board scheme and Winding up and liquidation, respectively, is to adapt the content thereof to the provisions of the current version of the Capital Companies Act after the amendments introduced by Act 25/2011 of 1 August 2011, partially amending the Capital Companies Act and incorporating Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, and to Royal Decree Law 9/2012 of 16 March 2012 on simplification of reporting and documentation obligations regarding mergers and splitups of capital companies.

Attached to this report for comparative purposes are the current text and the proposed text of the aforesaid articles of the Articles of Association:

CURRENT TEXT	PROPOSED AMENDMENT
<p><b>Article 5. Domicile</b></p> <p>The registered office is in the city of Madrid, at Infantas 27.</p> <p>The management body will have authority to create, close or transfer branches.</p> <p>Transfer of the registered office within the same municipality does not require a resolution of the General Meeting. It may be resolved or decided by the management body.</p>	<p><b>Article 5. Domicile and corporate website</b></p> <p>The registered office is in the city of Madrid, at Infantas 27.</p> <p>The management body will have authority to create, close or transfer branches.</p> <p>Transfer of the registered office within the same municipality does not require a resolution of the General Meeting. It may be resolved or decided by the management body.</p> <p>The Company will have a corporate website on the terms established in the Capital Companies Act, which will be registered in the Commercial Registry.</p> <p>The documents and information required by law, these Articles of Association and any other internal rules will be published on the aforesaid corporate website, as will all information deemed appropriate</p>

	<p>to be made available to the shareholders and investors in this way.</p> <p>Amendment, transfer or elimination of the Company's corporate website will be within the authority of the Board of Directors.</p>
<p><b>Article 11. Call</b></p> <p>11.1. Calling body and circumstances for call.</p> <p>The management body has authority to call the General Meeting.</p> <p>The management body must call the ordinary General Meeting to be held within the first six months of each financial year. It also must call the General Meeting whenever deemed to be in the corporate interest, and in any event when so requested by one or more shareholders holding at least 5% of capital, stating the matters to be considered at the Meeting in the request. In this case, the General Meeting must be called to be held within the thirty days following the date of notarial demand on the Administrators to call it, the matters requested necessarily being included on the Agenda. The notice of necessity will state the date, if any, on which the Meeting will be held on second call.</p> <p>The foregoing is without prejudice to judicial call of the Meeting, in the cases and subject to the requirements contemplated by law.</p> <p>Also, the company having been wound up, call of the Meeting will be within the authority of the liquidation body.</p> <p>11.2. Form and content of the call</p> <p>11.2.a) Every General Meeting must be called by notice published in the Official Gazette of the Commercial Registry and on the Company's website (<a href="http://www.zinkia.com">www.zinkia.com</a>), or in the manner contemplated by law pursuant to current regulations, at least one month prior to the date set for it to be held.</p> <p>11.2.b) The notice will state the name of the company, the place, date and time of the meeting on first call, and the Agenda, which will include the matters to be considered, and such other matters,</p>	<p><b>Article 11. Call</b></p> <p>11.1. Calling body and circumstances for call.</p> <p>The management body has authority to call the General Meeting.</p> <p>The management body must call the ordinary General Meeting to be held within the first six months of each financial year. It also must call the General Meeting whenever deemed to be in the corporate interest, and in any event when so requested by one or more shareholders holding at least 5% of capital, stating the matters to be considered at the Meeting in the request. In this case, the General Meeting must be called to be held within <del>the thirty days</del> <b>the two months</b> following the date of notarial demand on the Administrators to call it, the matters requested necessarily being included on the Agenda. The notice of necessity will state the date, if any, on which the Meeting will be held on second call.</p> <p>The foregoing is without prejudice to judicial call of the Meeting, in the cases and subject to the requirements contemplated by law.</p> <p>Also, the company having been wound up, call of the Meeting will be within the authority of the liquidation body.</p> <p>11.2. Form and content of the call</p> <p>11.2.a) Every General Meeting must be called by notice published in the Official Gazette of the Commercial Registry and on the Company's website (<a href="http://www.zinkia.com">www.zinkia.com</a>), <del>or in the manner contemplated by law pursuant to current regulations</del>, at least one month prior to the date set for it to be held.</p> <p>11.2.b) The notice will state the name of the company, the place, date and time of the meeting on first call, <b>the position of the person or persons making the call</b>, and the Agenda, which will include</p>

<p>if any, as must be included in this notice under the provisions of the General Meeting Regulations. It also may state the date, time and place, if any, the Meeting will be held on second call.</p> <p>11.3. Legal scheme</p> <p>The provisions of this article are without prejudice to fulfilment of the specific requirements set by law for the call of the Meeting by reason of the matters to be considered, or by reason of other circumstances, as well as the requirements established in the General Meeting Regulations.</p> <p>11.4. Universal Meeting</p> <p>The Meeting will be understood to be validly called and held to consider any matter, provided that all capital is present or represented and those attending unanimously accept the holding of the Meeting.</p>	<p>the matters to be considered, and such other matters, if any, as must be included in this notice under the provisions of the General Meeting Regulations. It also may state the date, time and place, if any, the Meeting will be held on second call.</p> <p>If a duly called General Meeting is not held on first call and a date for holding it on second call was not specified in the notice, such date will be announced, with the same Agenda and the same publicity requirements as for the first, within fifteen days from the date set for the General Meeting that was not held, giving at least ten days' notice of the date of the meeting.</p> <p>11.3. Legal scheme</p> <p>The provisions of this article are without prejudice to fulfilment of the specific requirements set by law for the call of the Meeting by reason of the matters to be considered, or by reason of other circumstances, as well as the requirements established in the General Meeting Regulations.</p> <p>11.4. Universal Meeting</p> <p>The Meeting will be understood to be validly called and held to consider any matter, provided that all capital is present or represented and those attending unanimously accept the holding of the Meeting.</p>
<p><b>Article 16. Administrators</b></p> <p>Appointment as an Administrator will not require status as a shareholder. Both individuals and legal persons may be Administrators, although in the latter case the individual appointed by it as its representative to serve in the position must be stated.</p> <p>Unemancipated minors, persons incapacitated by court order, persons disqualified under the Insolvency Act ("Ley Concursal") until the disqualification period set in the insolvency proceedings ruling has elapsed, persons convicted of crimes against liberty, property or the socioeconomic order, against collective security, against the administration of justice or of any kind of falsehood, and persons who by reason of their position may not engage in business may not be</p>	<p><b>Article 16. Administrators</b></p> <p>Appointment as an Administrator will not require status as a shareholder. Both individuals and legal persons may be Administrators, although in the latter case the individual appointed by it as its permanent representative to serve in the position must be stated. Revocation of its representative by the legal person administrator will not be effective until the replacement individual is appointed.</p> <p>Unemancipated minors, persons incapacitated by court order, persons disqualified under the Insolvency Act ("Ley Concursal") until the disqualification period set in the insolvency proceedings ruling has elapsed, persons convicted of crimes against liberty, property or the socioeconomic order, against collective security, against the administration of justice or of any kind of falsehood, and persons who by reason of their position may not engage in business may not be</p>

<p>Administrators.</p> <p>Nor may civil servants in government service when they have responsibilities relating to the activities of the Companies, or judges or magistrates, or other persons subject to a legal disqualification, be Administrators.</p>	<p>Administrators.</p> <p>Nor may civil servants in government service when they have responsibilities relating to the activities of the Companies, or judges or magistrates, or other persons subject to a legal disqualification, be Administrators.</p>
<p><b>Article 20. Board Scheme</b></p> <p>20.1. Composition</p> <p>The Board of Directors from among its members will choose a Chairman and a Secretary, if those appointments have not been made by the General Meeting or the founders upon appointing the Directors.</p> <p>20.2. Call</p> <p>Call of the Board will be within the authority of the Chairman, or the one serving as such, who will exercise the authority provided that he/she deems it to be appropriate and, in any event, when so requested by at least two Directors, in which case he/she must call it to be held within the fifteen days following the request.</p> <p>The call will be made in writing addressed personally to each Director, sent to the domicile for that purpose specified by each of them or, in the absence of a particular specification, to the registered address, five days in advance of the date of the meeting. The document will indicate the date, time and place of the meeting. Absent unanimous agreement, the place of the meeting will be set in the municipality corresponding to the company's domicile.</p> <p>20.3. Proxies</p> <p>Any Director may grant a proxy to another Director. The proxy will be granted in writing, by letter addressed to the Chairman.</p> <p>20.4. Constitution</p>	<p><b>Article 20. Board Scheme</b></p> <p>20.1. Composition</p> <p>The Board of Directors from among its members will choose a Chairman and a Secretary, if those appointments have not been made by the General Meeting or the founders upon appointing the Directors.</p> <p>20.2. Call</p> <p>Call of the Board will be within the authority of the Chairman, or the one serving as such, who will exercise the authority provided that he/she deems it to be appropriate and, in any event, when so requested by at least <del>two</del> <b>one third of the</b> Directors, in which case he/she must call it to be held within the fifteen days following the request.</p> <p><b>If the Chairman, without just cause, within the term of one month has not made the call requested by at least one third of the Directors, the Board may be called by the Directors that previously requested the meeting, to be held at the location of the registered office.</b></p> <p>The call will be made in writing addressed personally to each Director, sent to the domicile for that purpose specified by each of them or, in the absence of a particular specification, to the registered address, five days in advance of the date of the meeting. The document will indicate the date, time and place of the meeting. Absent unanimous agreement, the place of the meeting will be set in the municipality corresponding to the company's domicile.</p> <p>20.3. Proxies</p> <p>Any Director may grant a proxy to another Director. The proxy will be granted in writing, by letter addressed to the Chairman.</p> <p>20.4. Constitution</p>

<p>The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.</p> <p>20.5. Manner of deliberation and adopting resolutions</p> <p>Each of the Directors will be entitled to speak regarding each of the matters to be considered, without prejudice to the Chairman's authority to recognise speakers and determine the length of presentations.</p> <p>Proposed resolutions presented by at least two Directors necessarily will be voted upon.</p> <p>Resolutions will be adopted by absolute majority of the Directors attending the meeting, absent a specific legal provision. The Chairman will have a casting vote</p> <p>Written votes without a meeting also will be valid, provided that no Director opposes so proceeding.</p> <p>20.6. Minutes</p> <p>The discussions and resolutions of the Board will be entered in a minutes book. The minutes will be approved by the board itself, at the end of the meeting or at the following meeting, and also may approved by the Chairman and Secretary, within the term of seven days from the holding of the Board meeting, provided that their doing so is unanimously authorised by the Directors attending the meeting. The minutes must be signed by the Chairman and the Secretary of the Board.</p> <p>20.7. Delegation of authority</p> <p>The Board of Directors from among its members may appoint an Executive Committee or one or more Managing Directors, in any event specifying either a specific list of the authority delegated or that all authority that is delegable by law and pursuant to the articles is delegated.</p> <p>The delegation may be temporary or permanent. Permanent delegation and the appointment of the one to whom the delegation is made will require the favourable vote of at least two thirds of the members of the Board.</p> <p>The Board of Directors in its Regulations may develop and complete the aforesaid rules, in accordance with the provisions of the Articles and</p>	<p>The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.</p> <p>20.5. Manner of deliberation and adopting resolutions</p> <p>Each of the Directors will be entitled to speak regarding each of the matters to be considered, without prejudice to the Chairman's authority to recognise speakers and determine the length of presentations.</p> <p>Proposed resolutions presented by at least two Directors necessarily will be voted upon.</p> <p>Resolutions will be adopted by absolute majority of the Directors attending the meeting, absent a specific legal provision. The Chairman will have a casting vote</p> <p>Written votes without a meeting also will be valid, provided that no Director opposes so proceeding.</p> <p>20.6. Minutes</p> <p>The discussions and resolutions of the Board will be entered in a minutes book. The minutes will be approved by the board itself, at the end of the meeting or at the following meeting, and also may approved by the Chairman and Secretary, within the term of seven days from the holding of the Board meeting, provided that their doing so is unanimously authorised by the Directors attending the meeting. The minutes must be signed by the Chairman and the Secretary of the Board.</p> <p>20.7. Delegation of authority</p> <p>The Board of Directors from among its members may appoint an Executive Committee or one or more Managing Directors, in any event specifying either a specific list of the authority delegated or that all authority that is delegable by law and pursuant to the articles is delegated.</p> <p>The delegation may be temporary or permanent. Permanent delegation and the appointment of the one to whom the delegation is made will require the favourable vote of at least two thirds of the members of the Board.</p> <p>The Board of Directors in its Regulations may develop and complete the aforesaid rules, in accordance with the provisions of the Articles and</p>
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<p><b>Article 26. Winding up and liquidation</b></p> <p>25.1. The winding up and liquidation of the company, to the extent not contemplated in these Articles, will be subject to the special provisions of law.</p> <p>25.2. Those who were Administrators at the time of winding up will become liquidators, unless the General Meeting appoints them when resolving to wind up.</p> <p>If there is an even number of them, absent a resolution of the Board that decides to wind up, the Administrator whose term in the office is shortest will resign. If there is more than one such Administrator, the eldest will resign.</p> <p>The entries regarding the company having been cancelled, if assets of the company appear, the liquidators must award to the former members such additional shares as may correspond to them, after converting the assets to cash when necessary.</p> <p>To satisfy formal requirements regarding legal acts prior to cancellation of the entries of the company, or when necessary, the former liquidators may formalise legal acts on behalf of the liquidated company after registry cancellation thereof.</p>	<p><b>Article 26. Winding up and liquidation</b></p> <p><del>25</del>6.1. The winding up and liquidation of the company, to the extent not contemplated in these Articles, will be subject to the special provisions of law.</p> <p><del>25</del>6.2. Those who were Administrators at the time of winding up will become liquidators, unless the General Meeting appoints them when resolving to wind up.</p> <p><del>If there is an even number of them, absent a resolution of the Board that decides to wind up, the Administrator whose term in the office is shortest will resign. If there is more than one such Administrator, the eldest will resign.</del></p> <p>The entries regarding the company having been cancelled, if assets of the company appear, the liquidators must award to the former members such additional shares as may correspond to them, after converting the assets to cash when necessary.</p> <p>To satisfy formal requirements regarding legal acts prior to cancellation of the entries of the company, or when necessary, the former liquidators may formalise legal acts on behalf of the liquidated company after registry cancellation thereof.</p>

THIS REPORT IS LITERALLY THE SAME AS THE ONE APPROVED UNANIMOUSLY BY THE DIRECTORS AT THE BOARD OF DIRECTORS MEETING OF 23 APRIL 2012.

Madrid, 23 April 2012