vocento

Vocento, S.A. and Subsidiary Companies

Interim Consolidated Management Report
First Half of 2008

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INTRODUCTION: MACROECONOMIC DEVELOPMENTS

In the first half of 2008, the economic slowdown that began at the end of 2007 in developed countries (the European Union and the US) intensified. There are two main factors behind this slowdown: 1) the credit crisis, which limits the financing capacity of companies and individuals, and 2) the spike in raw material prices, particularly oil, which has led to an increase in costs for companies and which erodes the purchasing power of individuals, dampening internal demand in these economies.

In the European Union, this increase in raw material prices has led to a rise in "imported" inflation, which has prevented the European Central Bank (ECB) from adopting a more expansive monetary policy in response to the slowdown. In 2008, the ECB has been obliged to raise interest rates, faced with the threat that the rise in prices could lead to rises in salaries, and in practice this has led to a rise in the cost of debt for the private sector. In Spain, this unfavourable external situation has been exacerbated by the real estate crisis, which is going through a process of adjustment, partly due to the credit crisis, that is much sharper than expected with a direct impact on employment.

This macroeconomic environment, which is having a significant effect on private consumption, is impacting advertising spend, which declined by -6.5% in the first half of 2008, with an especially sharp fall in the press sector (newspapers -16.5%, supplements &magazines -5.9% Source: Infoadex). In this unfavourable situation for advertising, Vocento remains committed to pursuing a leadership position in its markets, based on the room for manoeuvre that it has thanks to its strong balance sheet.

PERFORMANCE OF VOCENTO BUSINESSES

VOCENTO is a multimedia group whose parent company VOCENTO, S.A., is dedicated to the various different areas that compose the media business. For information purposes, the following figures show the areas where VOCENTO operates.

The management of Vocento, in order to evaluate the risks and returns of the company, structures management information along four different business lines: Print Media, Audiovisual, Internet and Other Businesses. This structuring of the information has proved useful and reliable for company management, and it is used for financial reporting to the market. The information includes all the newspapers, online editions, local television channels, local and national radio stations, etc., where VOCENTO is present, which are all allocated to their respective business lines. The comments and comparisons contained within this Management Report are based on these segments.

The financial information contained in this document has been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS).

PRINT MEDIA

REGIONAL PRESS

- El Correo
- El Diario Vasco
- El Diario Montañés
- La Verdad
- Ideal
- Hoy
- Sur
- La Rioja
- El Norte de Castilla
- El Comercio
- Las Provincias
- La Voz de Cádiz

NATIONAL PRESS

- Diario ABC (Including ABC Sevilla)

SUPPLEMENTS & MAGAZINES

- XL Semanal
- TV Más
- Mujer Hoy
- Tecorp:
  - Corporate magazines
  - Mi Cartera de Inversión
  - Motor 16
- Colpisa

AUDIOVISUAL

LOCAL & REGIONAL TELEVISION

- Local TVs
- Regional TVs
  - Onda 6
  - Urbe TV
  - License in Andalucía

NATIONAL TELEVISION

- TDT-Net Tv
  - Disney
  - Intereconomía TV
- Telecinco (11%)

RADIO

- Punto Radio
- Two digital radio licenses

CONTENT

- Veralia

Production:

- BocaBoca
- Europroducciones
- Videomedia (30%)

Distribution:

- Tripictures

INTERNET

DIGITAL EDITIONS

- 12 regional newspapers
- ABC.es
- Que.es

VERTICAL PORTAL & OTHERS

- Hoy Cinema
- Finanzas.com
- Hoy Motor
- Suplementos
- Ozú

CLASSIFIED

- Infoempleo
- Autocasión
- Unoauto
- Sacacasa
- Tus anuncios

B2B

- Sarenet
- Vocento MediaTrader
- La Trastienda Digital

OTHER BUSINESSES

PRINTING

- Comeco Impresión

DISTRIBUTION

- Distribuciones Comecosa

OTHER

- International
- Other regional multimedia companies
- Free Press
- Telephone services
- Events

Highlights of the financial performance of the businesses

A half-year impacted by the economic slowdown
Internet: advertising revenues +22.4%
ABC improves its positive circulation trend (1H08 +9.1%)
Positive EBITDA at National DTT in 2Q08
Telecinco: distribution of shares (6.0%) and placing of 1.9%

- **Revenues 448,702 thousand euros** (-2.9%): positive performance of circulation revenues (+2.5%) based on strong sales at ABC, and stability at Regional Press. Decline in advertising revenues (-10.8%) due to the impact of the economic deceleration, the slowdown in consumption, and the decline in advertising spend, but with a rise of +22.4% for online advertising. Growth in other revenues (+6.3%) based mainly on the Content and Classifieds areas.

Revenues	Jan-June 08	Jan-June 08	Var %
Print Media	312,097	340,848	(8.4%)
Regional Press	189,630	214,697	(11.7%)
National Press	84,901	98,440	(13.8%)
Free Press	14,874	n.a.	n.a.
Suppl.& Magazines	42,031	43,989	(4.5%)
Audiovisual	64,590	50,185	28.7%
Internet	30,394	27,828	9.2%
Other Businesses	111,349	111,502	(0.1%)
Corporate and Other	(69,728)	(68,138)	(2.3%)
Total Revenues	**448,702**	**462,225**	**(2.9%)**

- **EBITDA 17,792 thousand euros** (ex-non recurring items 27,687 thousand euros), reflecting the advertising impact and the incorporation to the consolidation perimeter of Que! (-6,225 thousand euros), partly offset by the improved contribution from the Audiovisual business (+4,678 thousand euros) and by cost control measures in all areas. In the first half of 2008, non-recurring costs were incurred with a negative impact on EBITDA: i) the Optimization Plan at ABC (-2,693 thousand euros) and ii) corporate costs (-7.202 thousand euros).
- **Net profit 32,681 thousand euros** reflecting the lower results for the reclassification of Gestevisión Telecinco, S.A. ("Telecinco") stake, and the capital gains of 47,394 thousand euros derived from placing in the market 1.9% of Telecinco.
- **Solid Balance Sheet** and approval by the Extraordinary General Meeting on 30 July 2008 of the **distribution of Telecinco shares** (6.0% of share capital) and a cash dividend of 0.0537 euros per share, modifying the dividend policy that had been announced (75% pay-out) and making an advance payment of the dividends for 2008 and 2009.

By business area:

- **Print Media:** the deterioration in the macroeconomic environment, which is impacting advertising, is being offset by cost reduction efforts. The Optimization Plan at ABC is continuing, with an improvement in circulation in the first half of 2008 (+9.1%), with 275,251 daily copies in June. Vocento continues to be the press leader, with 5.5 million readers (second EGM survey 08), with a major rise in readers at Qué!, 2.3 million readers (+20.3%).
- **Audiovisual:** improvement in EBITDA of +4.678 thousand euros (+67.7%) based on the implementation of the viability business model for National DTT, which results from the agreement made with The Walt Disney Company, and which has led to positive EBITDA in 2Q08, on cost control efforts at Local TV (EBITDA improvement of +2,592 thousand euros), on Radio –where the comparison is distorted by the broadcast of "Protagonistas 10.000" in the first half of 2007-, and by the positive performance at Content, which improved its EBITDA by +1,880 thousand euros (+29.5%).
- Positioning on the **Internet** (18.1m unique monthly users, +41.7%), holding the number 9th position in the Netview ranking. Advertising revenues continued to grow (+22.4%), thanks to the focus on developing Online Editions (+28.1%), Vertical Portals, where advertising sales more than doubled, and Classifieds.

Main financial data
Consolidated Profit and Loss Account

	IFRS			
Thousand of Euros	**Jan-June 08**	**Jan-June 07**	**Var Abs**	**Var %**
Circulation revenues	136,199	132,926	3,273	2.5%
Advertising revenues	195,936	219,688	(23,752)	(10.8%)
Other revenues	116,567	109,611	6,956	6.3%
Total Revenue	**448,702**	**462,225**	**(13,523)**	**(2.9%)**
Staff costs	(147,292)	(130,754)	(16,538)	12.6%
Procurements	(85,970)	(81,614)	(4,356)	5.3%
External Services	(196,314)	(183,896)	(12,417)	6.8%
Provisions	(1,335)	(1,461)	126	(8.6%)
Operating Expenses (without D&A)	**(430,910)**	**(397,725)**	**(33,185)**	**8.3%**
EBITDA	**17,792**	**64,500**	**(46,708)**	**(72.4%)**
Depreciation and amortization	(24,629)	(23,347)	(1,215)	5.2%
Gains on disposal of tangible & intangible assets	(67)	8	(75)	(971.5%)
EBIT	**(6,837)**	**41,161**	**(47,999)**	**(116.6%)**
Impairment/reversal of other intangible assets	(15,000)	0	(15,000)	n.r.
Profit of companies acc. equity method	11,103	28,408	(17,304)	(60.9%)
Net financial income	(3,629)	(1,404)	(2,225)	158.5%
Net gains on disposal of non- current assets	49,799	58	49,741	n.r
Profit Before Taxes	**35,436**	**68,223**	**(32,787)**	**(48.1%)**
Corporation tax	973	(13,445)	14,418	(107.2%)
Profit After Taxes	**36,409**	**54,778**	**(18,369)**	**(33.5%)**
Net result of assets as maintained for sale	0	677	(677)	nr
Net profit for the year	**36,409**	**55,455**	**(19,046)**	**(34.3%)**
Minority interests	(3,728)	(5,073)	1,345	(26.5%)
Net profit attributable to the parent	**32,681**	**50,382**	**(17,701)**	**(35.1%)**

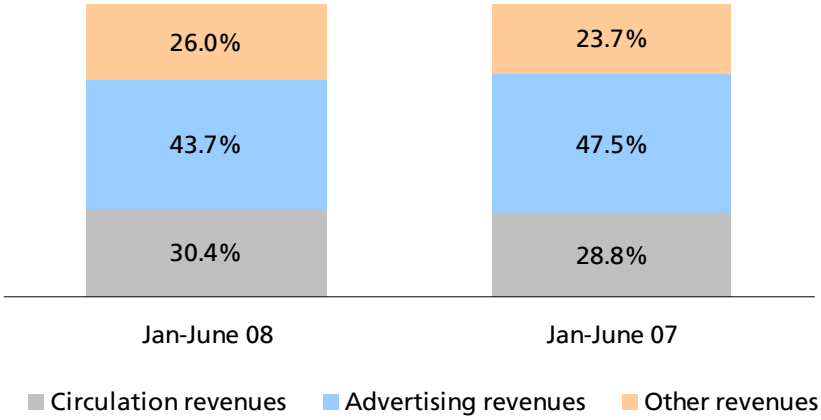
Operating Revenues

Revenues in the first half of 2008 were 448,702 thousand euros, compared to 462,225 thousand euros in the same period in 2007:

(i) Rise in circulation sales (+2.5%), with stability at Regional Press (+0.0%), an increase at Supplements and Magazines (10.0%), and a significant improvement at National Press (+19.2%). ABC continues to confirm the growth trend that began in the second half of 2007, with circulation up +9.1% in the first half of 2008 (with an average of 256,607 daily sales, vs. 235,098 in the first half of 2007).

(ii) The decline in advertising sales (-10.8%), is focused in Print Media (-11.3%) and Audiovisual (-22.0%), and is due to the impact of the economic deceleration, the slowdown in consumption, and the fall in advertising spend, which has been particularly significant in the real estate and finance sectors. A highlight is the performance of Internet advertising sales, which increased by a rate of +22.4%.

(iii) Positive performance from Other Revenues (+6.3%) based on the good performance of Content and Classifieds.



EBITDA

In the first half of 2008, EBITDA was 17,792 thousand euros (ex-non recurring items 27,687 thousand euros). This performance reflects the slowdown in the advertising market, non-recurring costs (-9,895 thousand euros), and the global consolidation of the free newspaper Qué! (-6,225 thousand euros), partly offset by the improved contribution from the audiovisual area (+4,678 thousand euros), and cost control efforts, particularly in raw materials, promotions, marketing expenses, and administration.

The following non-recurring costs were incurred in the first half of 2008:

(i) Continuation of the Optimization Plan of ABC (-2,693 thousand euros).

(ii) Corporate costs related to changes in senior management (1Q08) and other compensation payments aimed mainly at reducing costs in the corporate area (-7,202 thousand euros).

Operating profit (EBIT)

Operating profit in the first half of 2008 was -6,837 thousand euros, compared with 41,161 thousand euros in the first half of 2007. Depreciation in the period totalled -24,562 thousand euros (mainly Print Media -7,598 thousand euros and Content -10,802 thousand euros).

Profit of companies accounted for using the equity method

As stated in the Relevant Fact of 20 June to the Comision Nacional del Mercado de Valores (CNMV), Vocento has placed in the market 1.9% of the share capital of Telecinco and the company approved in the Extraordinary General Meeting of 30 July the distribution of 14,878,258 shares of Telecinco and a cash dividend of 6,585 thousand euros. The operation had the following effects as of 30 June 2008:

- The consolidation of Telecinco by the equity method was used only until 31 March 2008, for a total of 10,592 thousand euros.
- The current stake (11.1%) is booked as an Asset maintained for sale at its fair value of 222,565 thousand euros, under the non-current assets heading, with the counterparty to this being into reserves of 147,746 thousand euros.

After the distribution of shares expected in the end of September, the stake in Telecinco will be 5.1%, a level which is compatible with the company's positioning in national DTT with the NET TV license.

Net financial income

Net financial income was -3,629 thousand euros compared to -1,404 thousand euros in the first half of 2007, due to the variation in the net cash position.

Writedown of intangible assets

In the second quarter of 2008, based on the current market situation, the goodwill derived from the acquisition of the free newspaper Qué was adjusted by 15,000 thousand euros.

Net result from the sale of non-current assets

The capital gains from the placing of 1.9% of the share capital of Telecinco were 47,394 thousand euros.

Corporation tax

The difference between the two periods is due mainly to the different level of profits, to the tax effects derived from the Telecinco placing, and to the lower tax rate applicable from 2008 (cut in the tax rate in general Spanish territory from 32.5% to 30.0%).

Minority shareholders

The variation of 1,345 thousand euros corresponds mainly to the performance of Regional Press, National TV and Radio.

Net profit

Net profit was 32.681 thousand euros, -35.1%, reflecting the lower operating profit, the reclassification of Telecinco stake and the capital gains obtained in the period, as explained above.

Consolidated Balance Sheet

Thousand of Euros	jun-08	2007	Var Abs.	% Var
Non current assets	**920,721**	**821,601**	**99,120**	**12.1%**
Intangible assets	339,126	349,203	(10,077)	(2.9%)
Property, plant and equipment	222,146	237,651	(15,504)	(6.5%)
Investments accounted using equity method	18,874	111,896	(93,022)	(83.1%)
Other non current assets	340,576	122,852	217,723	177.2%
Current assets	**395,118**	**345,293**	**49,826**	**14.4%**
Cash and cash equivalents	106,240	43,045	63,195	146.8%
Other current assets	277,980	302,247	(24,267)	(8.0%)
Assets held for sale	10,898	0	10,898	n/a
Total Assets	**1,315,839**	**1,166,894**	**148,945**	**12.8%**
Equity of the Parent	716,228	541,351	174,877	32.3%
Bank borrowings and other fin.liabilities	172,273	190,685	(18,412)	(9.7%)
Other liabilities	427,338	434,859	(7,520)	(1.7%)
Total Equity and Liabilities	**1,315,839**	**1,166,894**	**148,945**	**12.8%**

Intangible assets

See Writedown of intangible assets.

Property, plant and equipment

As stated in the Relevant Fact of 10 July 2008 to CNMV, ABC has reached an agreement for the staggered sale over three years of part of the land on which there is an ABC printing plant in Madrid, for an approximate amount of 79,000 thousand euros. This transaction forms part of the process of modernising and upgrading the printing plant, allowing for full colour printing of the newspaper. As of 30 June 2008, this land and the buildings on it have been classified as assets maintained for sale.

Shareholdings valued by the equity method and other non-current assets

See Profit of companies accounted for using the equity method for an explanation of the impact of the placing of 1.9% of Telecinco.

Assets maintained for sale

In this period, the land and buildings of ABC included in the sale to Banco Popular (see Property, plant and equipment), have been reclassified as 10,898 thousand euros of assets maintained for sale.

Net cash position / net financial debt

As of 30 June 2008, net financial debt was -66,032 thousand euros with available cash of 106,240 thousand euros, compared with net financial debt of -147,639 thousand euros at the end of 2007.

Thousands euros	jun-08	2007	Var Abs
Bank borrowings & other fin. liabilities (short term)	44,006	34,730	9,276
Bank borrowings & other fin. liabilities (long term)	128,266	155,954	(27,688)
Gross Debt	**172,273**	**190,685**	**(18,412)**
Cash and cash equivalents	106,240	43,045	63,195
Net cash position/ (net debt)	**(66,032)**	**(147,639)**	**81,607**

The decrease in the level of debt was due to:

(i) The entry of cash due to the placing of 1.9% of the capital of Telecinco (56,386 thousand euros) at an average weighted sale price of €12.1/share.

(ii) The dividend received from Telecinco of 39,819 thousand euros.

(iii) The entry of The Walt Disney Company into the capital of Net TV (21,021 thousand euros).

(iv) The payment of the gross complementary dividend on the 2007 earnings of Vocento, for 23,839 thousand euros on 12 May (pay-out 75% in 2007).

Short term debt includes debt with credit institutions of 34,770 thousand euros, and long term debt includes debt with credit institutions of 102,188 thousand euros (the content area, and debt derived from the Segregation Plan for the printing plants) and other non-current financial liabilities, mainly pension plans.

Net equity of the parent company

Equity has been adjusted for the fair value of the stake in Telecinco, by 147,746 thousand euros net of tax (partial exemption of 60% in corporation tax).

On 30 June 2008, equity reflected the treasury stock position (2,224,675 shares, equivalent to 1.8% of share capital) which decreased equity by 32,189 thousand euros.

Cash flow Statement

Thousand of Euros	IFRS jun-08	jun-07	Var Abs	% Var
Net profit attibutable to the parent	**32,681**	**50,382**	**(17,701)**	**(35.1%)**
Adjustments to net profit	(14,217)	14,745	(28,962)	(196.4%)
Cash flows from ordinary operating activities before changes in working capital	**18,464**	**65,127**	**(46,663)**	**(71.6%)**
Changes in working capital	(2,497)	(15,545)	13,048	83.9%
Income tax paid	(1,182)	(3,349)	2,167	64.7%
Net cash flow from operating activities (I)	**14,785**	**46,233**	**(31,448)**	**(68.0%)**
Acquisitions of intangible and property, plan and equipment	(22,617)	(40,022)	17,405	43.5%
Net proceed on disposal of financial assets	78,623	(7,343)	85,966	(1170.7%)
Interests and dividends received	41,844	44,770	(2,926)	(6.5%)
Other	3,173	6,085	(2,912)	(47.9%)
Net cash flow from investing activities (II)	**101,023**	**3,490**	**97,533**	**n.r**
Interests and dividends paid	(36,401)	(37,272)	871	2.3%
Cash inflows/ (outflows) relating to bank borrowings & other finan. liabilities	(16,212)	30,590	(46,802)	(153.0%)
Net cash flows from financing activities (III)	**(52,613)**	**(6,682)**	**(45,931)**	**(687.4%)**
Net increase in cash and cash equivalents (I + II + III)	**63,195**	**43,041**	**20,154**	**46.8%**
Cash and cash equivalents at beginning of the year	**43,045**	**114,931**	**(71,886)**	**(62.5%)**
Cash and cash equivalents at end of year	**106,240**	**158,567**	**(52,327)**	**(33.0%)**

Net cash flows from operating activities before changes in working capital were 18,464 thousand euros due to the adjustments made to the profit of the period based on: i) capital gains from the Telecinco placing, ii) the writedown of goodwill at the free newspaper Qué!, and iii) other adjustments with no impact on cash.

A highlight is the positive performance of working capital, thanks to the integration of companies acquired in recent months and in particular to the improvement in the management of receivables from clients.

Net cash flows from investment activities were 101,023 thousand euros due to: i) investment in fixed assets (see section 2.4. Capex), ii) the placing of 1.9% of Telecinco (56,386 thousand euros), iii) the dividend received from Telecinco (39,819 thousand euros), and iv) the entry of cash due to the acquisition by The Walt Disney Company of a stake in Net TV (21,021 thousand euros).

Net cash flows from financing activities were -52.613 thousand euros, including mainly the complementary dividend paid on 12 May of 23,839 thousand euros, and the payment of debt with credit institutions following the entry of cash with the Net TV and Telecinco transactions.

Capex

In the first half of 2008, investments in tangible and intangible fixed assets included:

1. Audiovisual: mainly the acquisition of audiovisual rights for movie productions.
2. Other Businesses: the variation is due to the lower level of investment in 2008 in comparison with 2007, when the plants of Localprint (Alicante) and Printolid (Valladolid) started operations.

	IFRS								
	1H08			1H07			Var Abs 1H08/1H07		
Thousand of Euros	Intang.	Tang.	Total	Intang.	Tang.	Total	Intang.	Tang.	Total
Print Media	1,409	3,568	4,977	508	3,191	3,699	902	377	1,279
Audiovisual	9,062	1,778	10,840	10,785	1,971	12,756	(1,723)	(193)	(1,916)
Internet	1,237	768	2,004	530	778	1,308	707	(10)	697
Other Businesses	239	3,741	3,980	193	20,490	20,684	45	(16,749)	(16,704)
Corporate and Others	259	557	816	1,436	138	1,575	(1,178)	419	(759)
TOTAL	**12,205**	**10,412**	**22,617**	**13,453**	**26,568**	**40,021**	**(1,247)**	**(16,156)**	**(17,404)**

Information by business area

This section provides an analysis of the revenues, EBITDA and operating profit of each business area.

	IFRS			
Thousand of Euros	**Jan-Jun 08**	**Jan-Jun 07**	**Var Abs**	**Var %**
Print Media	312,097	340,848	(28,751)	(8.4%)
Audiovisual	64,590	50,185	14,406	28.7%
Internet	30,394	27,828	2,566	9.2%
Other Businesses	111,349	111,502	(153)	(0.1%)
Corporate and Other	(69,728)	(68,138)	(1,591)	(2.3%)
Total Revenues	**448,702**	**462,225**	**(13,523)**	**(2.9%)**
Print Media	27,758	72,417	(44,659)	(61.7%)
Audiovisual	(2,234)	(6,912)	4,678	67.7%
Internet	2,332	3,724	(1,392)	(37.4%)
Other Businesses	7,995	7,119	875	12.3%
Corporate and Other	(18,059)	(11,848)	(6,211)	(52.4%)
Total EBITDA	**17,792**	**64,500**	**(46,708)**	**(72.4%)**
Print Media	8.9%	21.2%	(12.4) p.p.	
Audiovisual	(3.5%)	(13.8%)	10.3 p.p.	
Internet	7.7%	13.4%	(5.7) p.p.	
Other Businesses	7.2%	6.4%	0.8 p.p.	
Corporate and Other	25.9%	17.4%	8.5 p.p.	
EBITDA Margin	**4.0%**	**14.0%**	**(10.0) p.p.**	
Print Media	19,995	65,195	(45,199)	(69.3%)
Audiovisual	(13,050)	(17,158)	4,108	(23.9%)
Internet	1,118	2,816	(1,699)	(60.3%)
Other Businesses	3,973	2,732	1,241	45.4%
Corporate and Other	(18,874)	(12,424)	(6,450)	51.9%
EBIT	**(6,837)**	**41,161**	**(47,999)**	**(116.6%)**
Print Media	6.4%	19.1%	(12.7) p.p.	
Audiovisual	(20.2%)	(34.2%)	14.0 p.p.	
Internet	3.7%	10.1%	(6.4) p.p.	
Other Businesses	3.6%	2.5%	1.1 p.p.	
Corporate and Other	(27.1%)	(18.2%)	(8.8) p.p.	
EBIT Margin	**(1.5%)**	**8.9%**	**(10.4) p.p.**	

Print Media

Regional Press

In the first half of 2008, VOCENTO's actions in the Regional Press area, where it has a strategic leadership position in regional media, have been centred on cost controls and on obtaining synergies, as a response to the slowdown in advertising which is also compatible with reinforcing the company's leadership.

Although the circulation of general newspapers has been negatively impacted by the competition from new media, the regional newspapers of VOCENTO, which are leaders in their markets, have resisted this trend and have maintained their market share at 24.9%. In readership, the Regional Press of Vocento has 2,495 thousand readers, according to EGM data (2nd survey of 2008).

ABC

ABC, which is the number three national newspaper in Spain in terms of copies sold, and which has played a key role in Spanish 20th century history, continued to pursue its intense social, cultural and institutional activity in the first half of 2008.

The first half of 2008 has been difficult for the national print media, as a result of the advertising slowdown, the increase in competition, and the rise in competition from other media (the Internet, free press, etc.).

The recovery in the circulation of ABC (256,607 copies, +9.1% in the first half of 2008, according to OJD) forms part of the Optimization Plan for ABC. These numbers reflect a major strategic commitment and a significant editorial and marketing drive, and major modifications to the newspaper. According to EGM, ABC has a readership of 689 thousand (2nd survey of 2008) being the only national daily which is increasing readership.

Free Press- Qué!

The free press is a complementary business for VOCENTO, and enables it to access new geographical areas where VOCENTO had no prior presence, hence providing the company with new readers and enabling a rise in readership numbers which will help VOCENTO media to continue to develop in advertising. According to EGM, Qué! had 2,266 thousand readers (2nd survey of 2008).

Magazines and Supplements

In the first half of 2008, VOCENTO consolidated its leadership in the general information supplements sector (XLSemanal, Mujer Hoy, TVMás and Mujer Hoy Corazón) and in the specialist magazines sector (Mi Cartera de Inversión, Motor 16 and corporate magazines). According to EGM, the Magazines and Supplements of Vocento had 6,809 thousand readers (2nd survey of 2008).

The following section provides an analysis of the revenues, EBITDA and operating profit of the Print Media area.

Thousand of Euros	IFRS Jan-Jun 08	Jan-Jun 07	Var Abs	Var %
Regional Press	189,630	214,697	(25,067)	(11.7%)
National Press	84,901	98,440	(13,539)	(13.8%)
Free Press	14,874	0	n.a.	n.a.
Supplements& Magazines	42,031	43,989	(1,958)	(4.5%)
Adjustments Intersegment	(19,339)	(16,278)	(3,061)	(18.8%)
Total Revenues	**312,097**	**340,848**	**(28,751)**	**(8.4%)**
Regional Press	42,665	60,501	(17,836)	(29.5%)
National Press	(13,538)	4,710	(18,248)	(387.5%)
Free Press	(6,225)	0	n.a.	n.a.
Supplements& Magazines	4,856	7,206	(2,350)	(32.6%)
EBITDA	**27,758**	**72,417**	**(44,659)**	**(61.7%)**
Regional Press	22.5%	28.2%	(5.7) p.p.	
National Press	(15.9%)	4.8%	(20.7) p.p.	
Free Press	(41.8%)	n.a	n.a	
Supplements& Magazines	11.6%	16.4%	(4.8) p.p.	
EBITDA Margin	**8.9%**	**21.2%**	**(12.4) p.p.**	
Regional Press	39,418	57,295	(17,877)	(31.2%)
National Press	(17,557)	825	(18,382)	n.r.
Free Press	(6,372)	0	n.a.	n.a.
Supplements& Magazines	4,506	7,074	(2,568)	(36.3%)
EBIT	**19,995**	**65,195**	**(45,199)**	**(69.3%)**
Regional Press	20.8%	26.7%	(5.9) p.p.	
National Press	(20.7%)	0.8%	(21.5) p.p.	
Free Press	(42.8%)	n.a	n.a	
Supplements& Magazines	10.7%	16.1%	(5.4) p.p.	
EBIT Margin	**6.4%**	**19.1%**	**(12.7) p.p.**	

n.r.: the deviation in absolute value is > 1.000%.
n.a.: the deviation it is not representative as one of the values is zero.

Note: Eliminations are due mainly to: a) the sales of supplements (XL Semanal, XL Semanal TV and Mujer Hoy) which TESA makes to Regional Press and ABC, and b) revenues derived from the sale and distribution of subscriptions among the various VOCENTO newspapers.

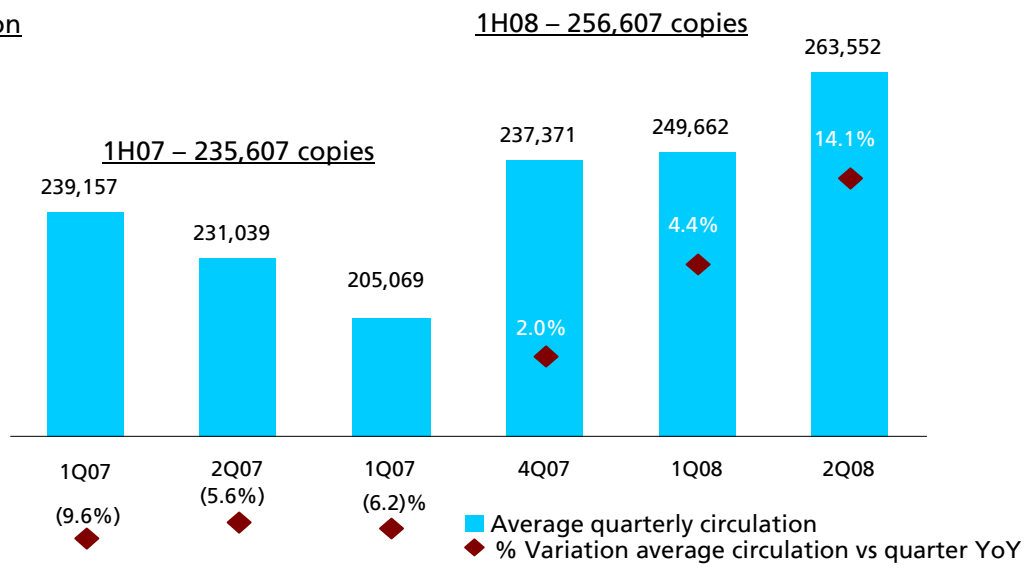
Operating Revenues: 312,097 thousand euros compared with 340,848 thousand euros in the first half of 2007. Regional Press contributed 189,630 thousand euros (-11.7%), National Press contributed 84,901 thousand euros (-13.8%), Free Press 14,874 thousand euros, and Supplements and Magazines 42,031 thousand euros (-4.5%).

Circulation Sales: rose to 115,297 thousand euros (+5.2%).

Regional Press had a similar performance to the same period last year and contributed 71,899 thousand euros (-0.0%) since the fall in circulation (-2.8%) has been offset by increases of some regional newspapers prices. Average daily circulation in the first half of 2008 was 484,549 copies.

National Press contributed 35,924 thousand euros (+19.2%) confirming the trend for rising circulation at ABC, which began in 2007 as a result of the Optimization Plan. In the first half of 2008, ABC had average circulation of 256,607 copies (+9.1%), well above the market average of +2.0% (ex Público for comparative purposes with 2007 and ex ABC), despite strong competition, and based particularly on ordinary circulation, which rose by +12.7% in the first half of 2008, again in contrast to the market average of +2.0%. In June 2008, average circulation was 275,251 copies (+15.6% vs market +0.0%), while ordinary circulation were up +16.2% (vs market +2.6%) according to OJD data.

The chart shows the positive performance of average circulation in 2007/8:



Source: OJD. 2007 data are certified, the rest are pending certification.

Supplements and Magazines contributed 21,324 thousand euros (+10.0%), based on the rise in circulation at ABC.

According to EGM (2nd survey of 2008), Vocento is the undisputed press leader, with 5.5 million readers, more than one million more than its most immediate competitor. ABC is the only national daily which is increasing readership (689 thousand readers), compared both to the first survey of 2008 and to the same survey of 2007. Qué! has 2.3 million readers (+20.3% from 2nd survey of 2007), and Supplements and Magazines is consolidating its leadership with 6.8 million readers (+3.0% from 2nd survey of 2007).

Advertising Sales: 166,530 thousand euros compared with 187,844 thousand euros in the first half of 2007. Advertising sales at Regional Press were 96,020 thousand euros (-18.6%), at National Press 37,163 thousand euros (-21.9%), and at Supplements and Magazines 18,841 thousand euros (-16.0%), reflecting the deterioration in advertising spend, especially in the real estate and finance sectors. Free Press contributed 14,862 thousand euros in a context of high competition.

Other Revenues: 30,269 thousand euros (-30.3%). Revenues from promotions were 17,974 thousand euros in the first half of 2008, reflecting the reduction in promotions in this period.

EBITDA: 27,758 thousand euros in the first half of 2008:

(i) Regional Press: EBITDA of 42,665 thousand euros, representing a variation of 17,836 thousand euros from the first half of 2007, less than the drop in advertising in this period (21,897 thousand euros) thanks to the cost control policies and to the lower promotional effort (with the result from promotions making a zero contribution).

(ii) National Press: -13,538 thousand euros due to the costs of the Optimization Plan (-2,693 thousand euros), and to the state of the national advertising market, offset by the positive performance of circulation figures, with decrease in promotional costs compared to the first half of 2007.

(iii) Free Press: globally consolidated from the third quarter of 2007, with a contribution of -6,225 thousand euros in the first half of 2008. Cost optimization measures have been adopted in order to compensate for the advertising situation, and progress has been made in integrating Qué! Into Vocento.

(iv) Supplements and Magazines: 4,856 thousand euros, with cost efficiency measures partly compensating for the decline in advertising (fall in advertising €-3.576 thousand euros vs. decline in EBITDA €-2.350 thousand euros), leading to a significant improvement in the second quarter.

Audiovisual

VOCENTO's commitment to the audiovisual sector is continuing into 2008. The company's strategy allows it to have an integrated approach in the audiovisual market, with a national DTT license, several regional DTT licenses, a general radio station, Punto Radio, and also ownership of content production companies and of a movie distributor.

- **Television**

National Market

VOCENTO, via its 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV") is one of six private operators to have a national DTT license, and it currently operates two DTT channels (Disney Channel and Intereconomía TV). On 12 February 2008, a strategic agreement was signed with The Walt Disney Company, which entered the capital of Net TV. In just its first month of broadcasting, the Disney Channel reached an average accumulated audience of 1,297,000 viewers, with DTT share of 4.1% and ranks as leader within new DTT channels.

Regional Market

Vocento is in a privileged position, with licenses in the most important markets for advertising: Madrid (via Onda 6 TV), Barcelona (via Urbe TV), and Andalucía (not yet broadcasting).

- **Radio**

Also in the audiovisual sector, Punto Radio is now in its fourth year of business, with a commitment to rigour and to objectivity in the information that it provides as a national radio station, and with a focus on high quality programming that has enabled it position itself as one of the major general radio channels in the Spanish radio market.

The Spanish radio market has a limited number of frequencies, controlled by a few operators, and this has limited the initial growth of Punto Radio. However, the "Technical Plan for Radio broadcasting" will lead to a significant increase in the number of frequencies available for radio broadcasting using frequency modulation (FM) to 867, or 83% more. In 2008, the implementation of this plan has enabled Punto Radio to grow, with three new frequencies in Aragón, providing coverage in the three provincial capitals.

In the digital radio market, VOCENTO has two digital radio licenses via E-Media Punto Radio, S.A.U. and Corporación de Medios Radiofónicos Digitales, S.A. However, the limited growth of the market for receivers means that progress in this business has been very slow.

- **Audiovisual Production and Distribution**

The arrival of new national, regional and local DTT channels, and new forms of content distribution using ADSL, mobile phones, and wireless equipment, will lead to a surge in television supply, with many new channels demanding new content.

To meet this demand, VOCENTO has made a major commitment in the audiovisual production sector (the production of fiction and entertainment programmes and the distribution of films). This business is centred on Veralia, a holding company for audiovisual production companies, including BocaBoca Producciones, Europroducciones, Videomedia (30% stake), and the distribution company TriPictures.

The following section provides an analysis of the revenues, EBITDA and operating profit of the Audiovisual area.

	IFRS			
Thousand of Euros	**Jan-Jun 08**	**Jan-Jun 07**	**Var Abs**	**Var %**
Local and Regional Television	7,520	8,366	(845)	(10.1%)
National Television	4,673	178	4,495	n.r
Radio	12,316	14,964	(2,648)	(17.7%)
Content	43,163	31,098	12,065	38.8%
Adjustments Intersegment	(3,082)	(4,421)	1,339	30.3%
Total Revenues	**64,590**	**50,185**	**14,406**	**28.7%**
Local and Regional Television	(5,293)	(7,885)	2,592	32.9%
National Television	(1,199)	(4,914)	3,715	75.6%
Radio	(3,993)	(484)	(3,509)	(724.7%)
Content	8,252	6,372	1,880	29.5%
EBITDA	**(2,234)**	**(6,912)**	**4,678**	**67.7%**
Local and Regional Television	(70.4%)	(94.3%)	23.9 p.p.	
National Television	(25.7%)	n.r	n.a.	
Radio	(32.4%)	(3.2%)	(29.2) p.p.	
Content	19.1%	20.5%	(1.4) p.p.	
EBITDA Margin	**(3.5%)**	**(13.8%)**	**10.3 p.p.**	
Local and Regional Television	(6,309)	(8,755)	2,447	27.9%
National Television	(1,199)	(4,925)	3,726	75.6%
Radio	(4,423)	(835)	(3,588)	(429.9%)
Content	(1,119)	(2,642)	1,524	57.7%
EBIT	**(13,050)**	**(17,158)**	**4,108**	**23.9%**
Local and Regional Television	(83.9%)	(104.7%)	20.8 p.p.	
National Television	(25.7%)	n.r	n.a.	
Radio	(35.9%)	(5.6%)	(30.3) p.p.	
Content	(2.6%)	(8.5%)	590.5%	
EBIT Margin	**(20.2%)**	**(34.2%)**	**14.0 p.p.**	

Note: Eliminations are due to the sale of programmes from the production companies to Local Television stations and to radio stations.

Operating Revenues: 64,590 thousand euros, +28.7% in the first half of 2008, based on the significant rise at Content (+38.8% to 43,163 thousand euros) thanks to the performance of production companies with successful entertainment programmes.

Local and regional TV revenues were 7,520 thousand euros, -10.1%, with the fall in advertising partly offset by other sources of revenues. Onda 6 consolidated its leadership for the second consecutive time in 2007/8 in Madrid, with share of 34.3%, up four points, increasing the difference over its main competitor to 12%.

In the first half of 2008 Vocento signed the strategic agreement with The Walt Disney Company (TWDCI) and started to broadcast the Intereconomía channel, improving revenues by 4,495 thousand euros, reflecting the implementation of the viability business model for National DTT. The 2nd EGM survey of 2008 confirmed the positive progress made by DTT, now in almost 6 million households, with penetration rising to 37.0%. In its first month of broadcast, the Disney Channel was the leading new DTT channel and it is now number 6 in the rankings, above La 2, with share of 4.1% of DTT (data from TNS Sofres for 1 to 21 July 2008).

Radio revenues were 12,316 thousand euros, reflecting a drop in advertising revenues and an unfavourable comparison with the first half of 2007, when the programme "Protagonistas 10,000" was broadcast. Two new licenses were awarded to Punto Radio in Aragón, leading to coverage of all

three provincial capitals in this region. It should be noted that the Punto Radio audience continues to number above half a million listeners (523,000 listeners according to the 2nd survey of 2008).

EBITDA: improved by 4,678 thousand euros (+67.7%), with EBITDA almost breaking even in the quarter (-373 thousand euros) thanks to improvements across nearly all segments of the area, as a result of:

(i) Local and regional TV: generalised cost control measures, focused on programming and production, improving EBITDA by 2,592 thousand euros, more than offsetting the decline in advertising (1,631 thousand euros).

(ii) National TV: improvement in EBITDA by 3,715 thousand euros and the start of positive EBITDA (+313 thousand euros) in the second quarter of 2008, after the start of broadcasting the Disney Channel and Intereconomía TV, confirming the viability business model of the DTT.

(iii) Radio: despite the cost control measures, the comparative was affected by the reduction in advertising spend and by the good performance of "Protagonistas 10,000" in the first half of 2007.

(iv) Content: improved by 1,880 thousand euros due to the already mentioned positive performance of the production companies and to the implementation of centralised services for corporate products.

Operating Profit *(because of the level of amortization in this area, it is more appropriate to analyse the operating profit line)* was -13,050 thousand euros, with a stable level of amortization of the movie catalogue of Tripictures and BocaBoca.

Internet

The Internet market in Spain continues to grow, in terms of both penetration and in the use of broadband, and also in terms of usage by individuals and by advertisers.

In response to the current changes in the ways of accessing information and to the new demands for instantaneous information and for interactivity, Vocento is committed to its key sectors, in order to strengthen its position on the Internet in four categories: Digital Editions (local portals as an online version of the regional newspapers, ABC.es and Que.es), Vertical Portals (finanzas.com, online versions of the supplements), Classifieds (infoempleo.com, real estate and automotive portals) and B2B.

Vocento holds the number 9 position in the Netview ranking. The number of unique monthly users has risen by +41.7% to 18.1 million, thanks to the Digital Editions (ABC.es +32.4% and the average for the Local Portals of the Regional Press +25.2%) and to Vertical Portals (+113.4%), due to the incorporation this year of portals including hoytecnología and in particular the acquisition of Finanzas.com and its integration with hoyinversión. In addition, there has been a positive performance in Classifieds from infoempleo.com (+88.0%), and from the real estate portals of Vocento (+32.2%).

The following section provides an analysis of the revenues, EBITDA and operating profit of the Internet area.

Thousand of Euros	IFRS Jan-Jun 08	Jan-Jun 07	Var Abs	Var %
Digital Editions	7,534	5,731	1,803	31.5%
Vertical Portals & Others	1,993	1,743	250	14.3%
Classified	7,973	7,171	802	11.2%
B2B	13,881	14,217	(336)	(2.4%)
Adjustments Intersegment	(987)	(1,034)	46	4.5%
Total Revenues	**30,394**	**27,828**	**2,566**	**9.2%**
Digital Editions	191	973	(782)	(80.4%)
Vertical Portals & Others	(441)	(443)	2	0.4%
Classified	590	1,160	(570)	(49.1%)
B2B	1,992	2,034	(42)	(2.1%)
EBITDA	**2,332**	**3,724**	**(1,392)**	**(37.4%)**
Digital Editions	2.5%	17.0%	(14.4) p.p.	
Vertical Portals & Others	(22.1%)	(25.4%)	3.3 p.p.	
Classified	7.4%	16.2%	(8.8) p.p.	
B2B	14.4%	14.3%	0.0 p.p.	
EBITDA Margin	**7.7%**	**13.4%**	**(5.7) p.p.**	
Digital Editions	38	922	(885)	(95.9%)
Vertical Portals & Others	(720)	(549)	(171)	(31.2%)
Classified	351	949	(598)	(63.0%)
B2B	1,449	1,493	(45)	(3.0%)
EBIT	**1,118**	**2,816**	**(1,699)**	**(60.3%)**
Digital Editions	0.5%	16.1%	(15.6) p.p.	
Vertical Portals & Others	(36.1%)	(31.5%)	(4.6) p.p.	
Classified	4.4%	13.2%	(8.8) p.p.	
B2B	10.4%	10.5%	(0.1) p.p.	
EBIT Margin	**3.7%**	**10.1%**	**(6.4) p.p.**	

Note: The main eliminations derive from the service of connectivity and the sale of content which take place mainly between companies in the B2B sector and the rest of the companies that make up the Internet area.

Operating Revenues: up +9.2% to 30,394 thousand euros, based on the rise in advertising (+22.4%) and on other revenues thanks to the good performance from Classifieds (+4.2%).

A highlight is that the focus on B2C now represents 56% of the revenues of the Internet area (up from 51% in the first half of 2007). In the Digital Editions area, Que.es was integrated in the first half of 2008, improving the usability and content of the portal, while the development of the other editions has continued, with webTV now included on ABC.es.

Advertising Sales: up +22.4% to 9,379 thousand euros. The rise in unique monthly users is reflected in B2C advertising revenues: Digital Editions (+28.1%), with growth of Local Portals (+32.8%), and with advertising sales more than doubling at the Vertical Portals.

Other Revenues: up +4.2% to 20,911 thousand euros, due to the good performance of Classifieds, which contributed 5,596 thousand euros, +21.9%. A highlight here has been the efforts made at infoempleo.com, which has evolved from an employment website to a social networking site.

EBITDA: 2,332 thousand euros, -37.4%, due mainly to the costs related to the investment in B2C platforms and to the modernization and redesign of the web sites of Classifieds, Vertical Porticals, and Digital Editions, reflecting the strategic commitment to this area.

Other Businesses

In addition to its businesses in Print Media, Audiovisual, and the Internet, mentioned above, VOCENTO also has the following businesses: printing, distribution, and other businesses tied to regional multimedia.

Major businesses include Comeco Impresión and Distribuciones Comecosa, whose activity is related to the Print Media business. At the end of 2006, the printing plan was implemented which segregated the printing centres for various regional newspapers with other publishing groups, or by themselves, in order to free up the publishers from industrial activities, and also to carry out a technological upgrade of the equipment, to improve the quality of printing and to enable inserts.

A highlight of the printing business has been the start of operations, in May, of the printing plant of Printolid (Norte de Castilla newspaper).

The following section provides an analysis of the revenues, EBITDA and operating profit of the Other Businesses area.

	IFRS			
Thousand of Euros	**Jan-Jun 08**	**Jan-Jun 07**	**Var Abs**	**Var %**
Printing	15,974	14,557	1,417	9.7%
Distribution	88,977	89,826	(849)	(0.9%)
Others	7,173	7,886	(714)	(9.0%)
Adjustments Intersegment	(774)	(766)	(8)	(1.1%)
Total Revenues	**111,349**	**111,502**	**(153)**	**(0.1%)**
Printing	5,868	5,002	865	17.3%
Distribution	1,612	1,869	(258)	(13.8%)
Others	515	248	268	108.1%
EBITDA	**7,995**	**7,119**	**875**	**12.3%**
Printing	36.7%	34.4%	2.4 p.p.	
Distribution	1.8%	2.1%	(0.3) p.p.	
Others	7.2%	3.1%	4.0 p.p.	
EBITDA Margin	**7.2%**	**6.4%**	**0.8 p.p.**	
Printing	2,195	1,218	977	80.2%
Distribution	1,386	1,445	(59)	(4.1%)
Others	392	69	(324)	(472.4%)
EBIT	**3,973**	**2,732**	**1,241**	**45.4%**
Printing	13.7%	8.4%	5.4 p.p.	
Distribution	1.6%	1.6%	(0.1) p.p.	
Others	5.5%	0.9%	4.6 p.p.	
EBIT Margin	**3.6%**	**2.5%**	**1.1 p.p.**	

Note: Eliminations are due to: a) the distribution of the free newspapers by distributors, and b) the elimination of the free press printing item

Operating Revenues: stable (-0.1%) at 111,349 thousand euros, with the reduction in activity in the Distribution area, reflecting its ties to the Print Media area, offset in part by the higher activity in Printing, thanks to the greater installed capacity.

EBITDA: increased by +12.3% to 7,995 thousand euros in the first half of 2008, with a margin improvement of +0.8pp. In the printing area, EBITDA rose to 5,868 thousand euros (+17.3%) with the margin improving by +2.4pp. There was a decline at Distribution (1,612 thousand euros) because of the fall in activity, partly offset by the efforts made in costs and by diversification in product distribution.

Main operating data

Print Media

Average Circulation Data	1H08	1H07	Var Abs	Var %
National Press				
ABC	256,607	235,098	21,509	9.1%
Regional Press				
El Correo	116,783	118,261	(1,478)	(1.2%)
El Diario Vasco	80,731	83,997	(3,266)	(3.9%)
El Diario Montañés	36,814	39,044	(2,230)	(5.7%)
Ideal	32,400	32,793	(393)	(1.2%)
La Verdad	37,956	39,070	(1,114)	(2.9%)
Hoy	22,253	23,119	(866)	(3.7%)
Sur	31,517	31,200	317	1.0%
La Rioja	16,316	16,563	(247)	(1.5%)
El Norte de Castilla	36,029	36,406	(377)	(1.0%)
El Comercio	26,051	26,350	(299)	(1.1%)
Las Provincias	38,801	41,708	(2,907)	(7.0%)
La Voz de Cádiz	8,898	10,252	(1,354)	(13.2%)
TOTAL Regional Press	**484,549**	**498,763**	**(14,214)**	**(2.8%)**

Sources:OJD. 1H07 data audited

Audience ('000)

	2nd Survey 08	2nd Survey 07	Var Abs	%
National Press				
ABC	689	681	8	1.2%
Regional Press				
El Correo	513	520	(7)	(1.3%)
El Diario Vasco	322	287	35	12.2%
El Diario Montañés	196	194	2	1.0%
Ideal	162	201	(39)	(19.4%)
La Verdad	248	235	13	5.5%
Hoy	163	165	(2)	(1.2%)
Sur	173	177	(4)	(2.3%)
La Rioja	100	95	5	5.3%
El Norte de Castilla	233	217	16	7.4%
El Comercio	149	154	(5)	(3.2%)
Las Provincias	198	185	13	7.0%
La Voz de Cádiz	38	31	7	22.6%
Supplements				
XL Semanal	3,340	3,322	18	0.5%
Mujer Hoy	2,134	2,067	67	3.2%
XL Semanal TV	1,076	1,086	(10)	(0.9%)
Free Press	**2nd Survey 08**	**2nd Survey 07**	**Var Abs**	**%**
Qué!	2,266	1,883	383	20.3%

Source: EGM cumulative waves

Audiovisual

National TV Market	1H 2008	1H 2007	Var Abs
DTT Penetration in homes (1)	37.0%	19.4%	17.6 p.p.
DTT Market share (2)	14.9%	6.7%	8.2 p.p.
PUNTO RADIO	**2nd Survey 08**	**2nd Survey 07**	**Var Abs**
Listeners (M-F) (3)	523,000	422,000	101,000

Sources:
(1) AIMC- EGM
(2) TN Sofres
(3) EGM waves- Radio XXI

Internet

Monthly Unique uses ('000)	jun-08	jun-07	Var Abs	% Var
Vocento	18,070	12,755	5,315	41.7%

Source: Nielsen Site Census

DIVIDENDS

As stated in the relevant fact of 30 July 2008 to CNMV, Vocento shareholders approved at the Extraordinary General Meeting the distribution of 14,878,258 shares of Telecinco, equivalent to 6.0% of share capital, and a cash dividend of 6,585 thousand euros, which represents a modification of the dividend policy stated to the market (75% pay out) and an advance payment of the dividends for 2008 and 2009.

VOCENTO in 2006 and 2007 complied with the commitment made at its market listing to maintain a general dividend policy of about 75% of net profit attributable to shareholders. In the first half of the year, a complementary dividend of 23,839 thousand euros was paid on 12 May 2008 on 2007 earnings.

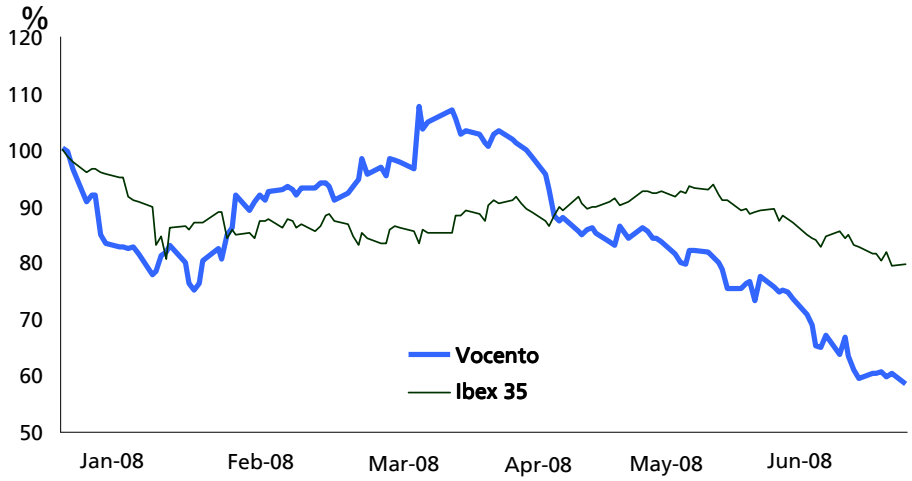
TREASURY STOCK

VOCENTO directly holds 2,224,675 shares of the company as treasury stock, equivalent to 1.78% of share capital. The average cost of the shares is 14.47 euros per share, representing a total cost of 32,189 thousand euros.

SHARE PRICE PERFORMANCE

VOCENTO shares ended the first half of 2008 at a price of 7.85 euros, representing a market capitalisation of 980.9 million euros on 30 June 2008.

VOCENTO shares trade on the stock markets of Madrid, Barcelona, Bilbao and Valencia. The chart below shows the relative performance of the shares to the IBEX 35 in the first half of 2008.



MANAGEMENT INCENTIVE PLAN

The Shareholder Meeting of 5 September 2006 approved an incentive plan linked to the value of the shares of VOCENTO, S.A. for executive directors, senior management, and managers of VOCENTO. The plan consists in the establishment of a variable cash incentive linked to the performance of the share price for 3 years after the stock market listing, and is subject to a certain level of group EBITDA being achieved, with each management category allocated a cash amount equivalent to a number of the shares. The amount of the variable incentive is equal to the result of multiplying the number of shares allocated the manager by the positive spread between the stock market listing price (€15/share) and

the share price after three years, corrected by a factor which depends on the extent to which the target increase in EBITDA has been achieved. Although when the plan was set up the maximum number of shares involved was 1,230,000. as a result of people leaving the company the number of shares involved in the plan as of 30 June 2008 was 935,000.

RESEARCH AND DEVELOPMENT

In the first six months of 2008 the Group made no significant investments in Research and Development activities.

USE OF FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to cover risks to which its business, transactions and future cash flows are exposed, mainly risks derived from variations in exchange rates and interest rates. The details of the amounts of derivatives on the condensed consolidated balance sheets as of 30 June 2008 and 31 December 2007 are as follows:

	Thousand euros			
	30.06.08		31.12.07	
	Asset	Liability	Asset	Liability
INTEREST RATE COVER				
Cash flow cover:				
Interest rate swap	1,044	-	227	(4)
Step-up collar	68	-	2	-
EXCHANGE RATE COVER				
Fair value cover:				
Exchange rate insurance (USD)	-	(310)	-	(849)
	1,112	**(310)**	**229**	**(853)**

The sensitivity of the market value of the interest rate operations to variations of +/-0.25% in the interest rate is approximately +/-300 thousand euros depending on whether the move is up or down.

In addition, Vocento uses derivatives as an exchange rate hedge to reduce the possible negative effect that variations in exchange rates may lead to in the fair value of debt corresponding to supply contracts for the distribution of movie productions denominated in US dollars. As of 30 June 2008, the total nominal value that is covered by the exchange rate hedge is 1,517 thousand euros and 1,884 thousand US dollars, and as of 30 June 2007, the total nominal value that is covered by the exchange rate hedge is 5,535 thousand euros and 6,860 thousand US dollars. The expiry of this hedge will occur in September 2008.

As of 30 June 2008 and 31 December 2007, Vocento had no derivatives which do not meet the conditions for being considered as a financial hedge and it has not held them during these periods.

RELEVANT FACTS AFTER THE CLOSE OF THE PERIOD

From 30 June 2008 to the preparation of these accounts, there has been no significant event which could affect the fair and true representation of the consolidated half year accounts corresponding to January-June 2008, except for the information released to the market through a Relevant Fact in the CNMV.

Relevant Fact of 30 July: The Board of Directors of VOCENTO, S.A. unanimously agreed to accept the resignation of director D. Carlos Castellanos Borrego.

Relevant fact of 30 July: the Shareholder Meeting of VOCENTO on 30 July has adopted the following agreements in order to provide VOCENTO shareholders with Telecinco shares.

1.- Merger by absorption of VOCENTO, the absorbing company, and Corporación De Nuevos Medios Audiovisuales, S.L. a company fully owned by VOCENTO, the direct holder of the shares in Telecinco.

2.- Distribution of reserves freely available to VOCENTO shareholders by delivering in kind 1 share of Telecinco for every 8.25 shares of Vocento.

3.- Distribution of reserves freely available to VOCENTO shareholders by the delivery of 0.0537 euros for every share in VOCENTO.

Relevant fact of 10 July 2008: as part of the plan to upgrade its industrial equipment, ABC has agreed on the partial staggered sale to Banco Popular over a period of three years of the land that it owns in calle Juan Ignacio Luca de Tena in Madrid, for 79 million euros. The land is adjacent to property of Banco Popular, where the bank has various offices for central services, and currently serves as the site for the workshops, warehouse and presses of the newspaper in Madrid. As of 30 June 2008, this land and the buildings on it have been classified as assets maintained for sale. This transaction forms part of the process of modernising and upgrading the printing plant, allowing for full colour printing of the newspaper

EXPECTED DEVELOPMENT

The evolution of the company will be determined by macroeconomic environment of deceleration, slowing private consumption and decrease in the advertising spend.

Vocento in this unfavourable macroeconomic environment remains committed to pursuing a leadership position in its markets, based on the room for manoeuvre that it has thanks to its strong balance sheet.

These financial results, and both the circulation and the audience numbers which have generated them, represent the foundations of VOCENTO, and the Group is continually aware of the high level of responsibility that assumes to the readers, internet users, listeners and the advertisers that it serves.

TRANSACTIONS WITH RELATED PARTIES

During this period, and relating to the adjustment to the initial price paid, in accordance with the clause that was established in the contract for the acquisition of Infoempleo, S.L., an account payable has been detected of 4,840 thousand euros to persons related to Vocento S.A., via the Chairman of the Board of Directors.