vocento

Vocento, S.A. and Subsidiary Companies

Results for January – September 2009

13th November 2009

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
- Incluiding ABC Sevilla

FREE PRESS

- Qué!

SUPPLEMENTS & MAGAZINES

- XL Semanal
- Mujer Hoy
- Mujer Hoy Corazón
- Pantalla Semanal
- Mi Cartera de Inversión
- Colpisa

AUDIOVISUAL

NATIONAL TELEVISION

- TDT – Net TV
  - Disney Channel
  - Intereconomía TV

LOCAL & REGIONAL DTT

- Local TV
- Regional DTT:
  - Onda 6
  - License in Andalucía

RADIO

- Punto Radio
- 2 digital radio licenses

CONTENT

- Veralia

Production:

- BocaBoca
- Europroducciones
- Hill Valley
- Videomedia (30%)

Distribution:

- Tripictures

INTERNET

DIGITAL EDITIONS

- 12 Regional Newspapers
- ABC.es
- Que.es

VERTICAL PORTALS

- Mujerhoy.com
- Finanzas.com
- Hoy Motor
- Hoy Cinema

CLASSIFIED & DIRECTORIES

Classified:

- Pisos.com
- Infoempleo
- Autocasión
- Unoauto
- Tus anuncios

Directories:

- 11870

B2B

- Sarenet

OTHER BUSINESSES

PRINTING

- Comeco Impresión

DISTRIBUTION

- Distribuciones Comecosa

OTHER

- Other regional multimedia companies

Highlights in the financial performance of the businesses

Continuing to outperform the market in advertising, based on leadership in the Press and positioning in Internet

EBITDA, excluding non-recurring costs, 18,695 thousand euros, close to levels of 9M08 (20,653 thousand euros) thanks to cost reductions (-13.2%)

Bringing out the value of the audiovisual business: ex non-recurring costs EBITDA improves by +9,255 thousand euros and implementation of agreement with Viacom in regional DTT

Sound financial position strengthened after the place of 5,1% of TL5

- **Advertising at VOCENTO in the press and on the Internet is outperforming the market:** Regional Press -25.8% and ABC -22.9% compared with -28.0% for the press market. Internet (now 9% of total VOC advertising) +25.8% compared with +2.6% for the market (Source: i2p Arce Media report 9M09).

- **Cost control efforts** (-81,508 thousand euros) **enable EBITDA ex non-recurring costs of 18,695 thousand euros, close to the level 9M08** (20,653 thousand euros):
  (i) Impact of the fall in advertising revenues -65,481 th. euros (9M09 -25.2% vs. 1H09 -28.4%).
  (ii) Cost reduction measures, ex non-recurring costs, of -81,508 thousand euros (-13.2%): increase in savings in personnel expenses ex non recurring (9M09 -10.1% vs. -8.7% 1H09). By business area:
  - Print Media: strict cost controls -12.1% ex non-recurring costs. ABC is the only daily to continuously increase its circulation (9M09 +2.6% vs. national market -10.9%) with less add-ons expenses (9M09 -14.6% vs. 1H09 -9.9%).
  - Audiovisual: gradual efficiency (operating expenses ex non-recurring costs -19.6%) with an improvement in EBITDA of +9,255 thousand euros. Disney Channel is the leading DTT thematic channel (3.6% TNSofres Sep09) and implementation (Oct09) of the agreement with Viacom in Regional DTT. Licenses awarded in Radio: Madrid, Castilla La Mancha and Extremadura.
  - Reduction in central corporate costs: EBITDA 9M09 +5,703 thousand euros.
  (iii) Non-recurring costs -35,842 thousand euros: restructuring measures (ABC 1H09).

BREAKDOWN OF EBITDA EX NON REC. (Thousand of Euros)	**9M09**	**9M08**	**Var Abs**
Print Media	16,236	26,291	(10,055)
Audiovisual	7,330	(1,924)	9,255
Internet	(2,702)	2,305	(5,007)
Other Businesses	9,455	11,308	(1,854)
Corporate and Others	(11,623)	(17,327)	5,703
EBITDA ex non recurring costs	**18,695**	**20,653**	**(1,957)**
Non recurring costs	(35,842)	(13,219)	22,622
Reported EBITDA	**(17,146)**	**7,434**	**(24,580)**

- **Internet positioning**: maintains its growth in m.u.u. according to Nielsen NetView (+13% vs. Oct08), throughout all its business areas (Digital Editions, Directories and Classified):
  - ABC.es (+92% YoY, 6x vs. competitors): Hemerotheque launch. Catches up on the leader and gains market share among the top #3 (+8 p.p. 23% share Oct09 vs. 15% in Oct08).
  - Pisos.com: reaches top #3 with 0.9m of m.u.u. in less than a year and growth in the last months way above its category (+165% YoY vs. category +15% YoY)
  - 11870.com: leisure and directories positioning. Reaches 0.8m m.u.u. (+110% YoY)

- Placing of 5.1% stake in Telecinco generates capital gains before taxes of 70,140 thousand euros and reinforces the **sound financial position of Vocento** (net financial debt -45,415 thousand euros and cash of 138,142 thousand euros).

Main financial data
Consolidated Profit and Loss Account

		NIIF		
Thousand of Euros	**9M09**	**9M08**	**Var Abs**	**Var %**
Circulation revenues	206,592	203,748	2,844	1.4%
Advertising revenues	194,328	259,808	(65,481)	(25.2%)
Other revenues	152,674	173,503	(20,829)	(12.0%)
Total revenues	**553,593**	**637,059**	**(83,466)**	**(13.1%)**
Staff costs	(220,958)	(219,115)	1,842	0.8%
Procurements	(106,202)	(123,971)	(17,769)	(14.3%)
External Services	(241,279)	(284,240)	(42,961)	(15.1%)
Provisions	(2,301)	(2,299)	2	0.1%
Operating Expenses (without D&A)	(570,739)	(629,625)	(58,886)	(9.4%)
EBITDA	**(17,146)**	**7,434**	**(24,580)**	**(330.7%)**
Depreciation and amortization	(33,961)	(36,966)	(3,005)	(8.1%)
Gains on disposal of tangible & intangible assets	22,242	29,934	(7,692)	(25.7%)
EBIT	**(28,864)**	**401**	**(29,266)**	**n.r.**
Impairment/reversal of other intangible assets	0	(85,000)	(85,000)	(100.0%)
Profit of companies acc. Equity method	914	11,527	(10,613)	(92.1%)
Net financial income	6,085	(5,538)	11,623	209.9%
Net gains on disposal of non-current assets	69,619	147,157	(77,538)	(52.7%)
Profit Before Taxes	**47,753**	**68,548**	**(20,794)**	**(30.3%)**
Corporation tax	(7)	8,613	(8,619)	(100.1%)
Net profit for the year	**47,746**	**77,160**	**(29,414)**	**(38.1%)**
Minority interests	(568)	(3,426)	2,858	83.4%
Net profit attributable to the parent	**47,179**	**73,734**	**(26,556)**	**(36.0%)**

Operating Expenses ex non recurring costs	(534,898)	(616,406)	(81,508)	(13.2%)
Personnel costs ex non recurring costs	(185,116)	(205,896)	(20,780)	(10.1%)
EBITDA ex non recurring costs	**18,695**	**20,653**	**(1,957)**	**(9.5%)**

n.r.: the change in absolute terms is over >1.000%
n.a.: not applicable as one of the values is zero

Operating Revenues

Revenues in the first nine months of 2009 were 553,593 thousand euros compared with 637,059 thousand euros in the same period of 2008:

(i) Improvement in circulation revenues (+1.4%) due to an increase in revenues at ABC (+12.4%) and stability at the Regional Press (+0.5%). ABC in the first nine months of 2009 increased circulation by +2.6% (average circulation of 257,326 copies vs. 250,736 in the same period in 2008) and was the only national newspaper to increase its circulation continuously.

This improvement in circulation has enabled ABC to close by a third the gap to its most immediate competitor (gap vs. #2 30,314 copies in Sep09 vs. 103,220 copies in Sep07).

(ii) Advertising revenues (9M09 -25.2% compared with 1H09 -28.4%) concentrated their fall in the paid press (9M09 -25.0% vs. 1H09 -27.5%), in supplements (9M09 -33.3% vs. 1H09 -36.9%) and in the Audiovisual area (9M09 -28.7% vs. 1H09 -32.8%) due mainly to the impact of the recession on advertising spend in conventional media.

In this difficult environment, VOCENTO has again outperformed the market in advertising revenues on the Internet and in the press, according to data from the i2p report for the first nine months of 2009. Regional Press advertising revenues moderated their fall slightly (9M09 -25.8% vs. 1H09 -27.8%) and the fall at ABC slowed down (9M09 -22.9% vs. 1H09 -26.7%), numbers which compare to the greater drop of the market (9M09 -28.0%). Advertising revenues on the Internet rose by +25.8% (1H09 +21.9%) compared with +2.6% for the market (Source: i2p Arce Media 9M09).

(iii) Fall in Other Revenues (-12.0%, -20,829 thousand euros) due mainly to:

a. Audiovisual (-10,084 thousand euros): lower activity of production companies in the Content area.

b. Internet (-9,378 thousand euros): change of perimeter due to divestment in La Trastienda Digital (with an impact on revenues in the B2B area in the first nine months of 2008 of 5,544 thousand euros, with a minimal impact on EBITDA), and lower activity in the sectors where the Classifieds business is positioned (employment, automotive and real estate).

Operating expenses

Cost reduction measures, which have been carried out in all areas, have resulted in a cost saving ex non-recurring costs in the first nine months of 2009 of -81,508 thousand euros, a reduction of -13.2%. Highlights include the saving in personnel expenses ex non-recurring costs of -10.1%, compared with -8.7% in the first half.

Highlights by area (*more detail in the business area section*):

(i) Print Media (ex non-recurring costs -49,490 thousand): strict cost controls at ABC (improvement in operating expenses ex non-recurring costs -7,109 thousand euros), Regional Press (cut in operating expenses ex non-recurring costs -18,525 thousand euros), Supplements and Magazines (fall in operating expenses ex non-recurring costs -10,760 thousand euros) and the Free Press (fall in operating expenses ex non-recurring costs -12,947 thousand euros).

(ii) Audiovisual: continued improvement in efficiency with a reduction in operating expenses ex non-recurring costs of -25,242 thousand euros, based on strict cost control at Regional and Local DTT and Radio.

(iii) Corporate and others: the reduction of central and administrative costs had a positive impact on EBITDA ex non-recurring costs of +5,703 thousand euros.

Non-recurring costs of -35,842 thousand euros are related to the restructuring measures carried out in the year, mainly in the first half at ABC and the Regional Press.

EBITDA

EBITDA adjusted for non-recurring costs in the first nine months of 2009 was 18,695 thousand euros (reported EBITDA -17,146 thousand euros). This performance is due to the following reasons:

(i) The impact of the current fall on advertising spends –65,481 thousand euros.

(ii) The fall of operating expenses ex non-recurring costs of -13.2%, based on the cost control and reduction measures mentioned before, with a reduction in costs of -81,508 thousand euros, which partly offsets the impact of the fall in revenues.

Gains on disposal of tangible and intangible fixed assets

The net capital gain from the second stage of the sale of ABC land has been booked (relevant fact of 10 July 2008), for 21,376 thousand euros.

Operating profit (EBIT)

The operating profit in the first nine months of 2009 was -28,864 thousand euros.

Amortization in the period was -33,961 thousand euros, corresponding mainly to Content, -12,737 thousand euros, Print Media -10,868 thousand euros, and to a lesser degree Printing, -4,028 thousand euros and the Internet, -2,774 thousand euros.

Net financial income

Net financial income reflects the receipt of the dividend from Telecinco of 10,837 thousand euros on 14 May 2009, and was 6,085 thousand euros vs. -5,538 thousand euros in the same period of 2008.

Net gains on disposal of non-current assets

The placing of 5.1% in Telecinco (as stated to the CNMV in the Relevant Facts of 30 and 31 July 2009) has generated pretax capital gains of 70,140 thousand euros.

Corporation tax

The performance of operating profit, the non use of the tax credits, and the booking of the tax expense for the capital gains from the placing of the 5.1% in Telecinco, explains the low level of tax expense (-7 thousand euros).

Minority interests

The variation of +2,858 thousand euros corresponds mainly to the performance of Regional Press results.

Net profit attributable to the parent company

Net profit was 47,179 thousand euros.

Consolidated Balance Sheet

	IFRS			
Thousand of Euros	**9M09**	**2008**	**Var Abs.**	**% Var**
Non current assets	**682,011**	**766,806**	**(84,795)**	**(11.1%)**
Intangible assets	281,901	293,003	(11,101)	(3.8%)
Property, plant and equipment	224,199	214,972	9,228	4.3%
Investments accounted using equity method	22,681	19,116	3,565	18.7%
Other non current assets	153,229	239,716	(86,487)	(36.1%)
Current assets	**366,962**	**347,033**	**19,929**	**5.7%**
Cash and cash equivalents	138,142	85,131	53,011	62.3%
Other current assets	225,129	254,519	(29,391)	(11.5%)
Assets held for sale	3,691	7,383	(3,691)	(50.0%)
Total Assets	**1,048,972**	**1,113,839**	**(64,866)**	**(5.8%)**
Equity of the Parent	469,482	484,836	(15,353)	(3.2%)
Bank borrowings and other fin.liabilities	183,557	177,673	5,884	3.3%
Other liabilities	395,933	451,330	(55,397)	(12.3%)
Total Equity and Liabilities	**1,048,972**	**1,113,839**	**(64,866)**	**(5.8%)**

n.r.: the difference is in absolute terms over 1,000%
n.a.: not applicable as one of the values is zero
Note: for comparative purposes, 2008 data include the early application of IFRS 3

Significant variations are analysed.

Intangible assets

The most significant impact has been the recognition of an increase in goodwill of 51,436 thousand euros due to early application of IFRS 3, as this reflects business combinations better (see Interim Consolidated Management Report 1H09). As this is due to a change in the standard, for comparative purposes the data of 31 December 2008 have also been changed.

Other liabilities

The variation in the amount of Other Liabilities is due to: (i) a fall in the balance with suppliers due partly to lower activity at Content, (ii) the recording of the amount corresponding to the restructuring measures that have been carried out, and (iii) the impact on deferred tax of the placing of the Telecinco stake.

Net financial position

The net financial position in the period was -45,145 thousand euros, including cash and cash equivalents of 138,142 thousand euros. The change in indebtedness is due to:

(i) Cash inflow in July from the placing of 5.1% of TL5 for 95,303 thousand euros.

(ii) Receipt of dividend from Telecinco for 10,837 thousand euros in May 2009.

(iii) Cash inflow in January from the second phase of the sale of ABC land (25,067 thousand euros).

(iv) Cash outflow corresponding to the restructuring plan and the recording as financial debt of the compensation payments corresponding to the restructuring of ABC, to be paid in the long term.

(v) Cash outflow due to non-organic growth: increase of stake to 83.2% in Punto Radio, the acquisition of 33% of 11870.com and other purchases of minorities.

(vi) The rest corresponds to the exit of cash due to normal business operations, including cash outflow for investments in tangible and intangible fixed assets of 33,417 thousand euros, variations in working capital, and others.

		IFRS		
Thousand of Euros	**9M09**	**2008**	**Var Abs**	**Var %**
Bank borrowings and other financial liabilities (short term)	27,834	36,088	(8,254)	(22.9%)
Bank borrowings and other financial liabilities (long term)	155,723	141,585	14,138	10.0%
Gross Debt	**183,557**	**177,673**	**5,884**	**3.3%**
Cash and cash equivalents	138,142	85,131	53,011	62.3%
Net cash position/ (net debt)	**(45,415)**	**(92,542)**	**47,127**	**50.9%**

Short term debt includes debt with credit institutions of 20,532 thousand euros and other current financial liabilities of 7,302 thousand euros, including pension plans.

Long term debt includes debt with credit institutions of 118,571 thousand euros, associated with the leasing of print plants, the content area, Qué! and ABC, and other non-current financial liabilities of 37,152 thousand euros, including mainly pension plans and compensation to be paid under the ABC restructuring plan.

Cash flow statement

Thousand of Euros	IFRS 9M09	9M08	Var Abs	% Var
Net profit attibutable to the parent	**47,179**	**73,734**	**(26,555)**	**(36.0%)**
Adjustments to net profit	(64,768)	(65,460)	692	1.1%
Cash flows from ordinary operating activities before changes in working capital	**(17,589)**	**8,274**	**(25,863)**	**(312.6%)**
Changes in working capital	(3,458)	8,537	(11,995)	(140.5%)
Income tax paid	(2,012)	(7,999)	5,987	74.8%
Net cash flow from operating activities (I)	**(23,059)**	**8,812**	**(31,871)**	**(361.7%)**
Acquisitions of intangible and property, plan and equipment	(34,654)	(28,569)	(6,085)	(21.3%)
Net proceed on disposal of financial assets	91,682	75,277	16,405	21.8%
Interests and dividends received	12,437	43,308	(30,871)	(71.3%)
Other receivables and payables	20,703	31,000	(10,297)	(33.2%)
Net cash flow from investing activities (II)	**90,168**	**121,016**	**(30,848)**	**(25.5%)**
Interests and dividends paid	(12,146)	(42,695)	30,549	71.6%
Cash inflows/ (outflows) relating to bank borrowings & other finan. liabilities	(4,370)	(36,395)	32,025	88.0%
Acquisition of treasury stock	2,417	0	n.a	n.a
Net cash flows from financing activities (III)	**(14,099)**	**(79,090)**	**64,991**	**82.2%**
Net increase in cash and cash equivalents (I + II + III)	**53,010**	**50,738**	**2,272**	**4.5%**
Cash and cash equivalents at beginning of the year	85,131	43,045	42,086	97.8%
Cash and cash equivalents at end of year	**138,141**	**93,783**	**44,358**	**47.3%**

n.r.: the difference is in absolute terms over 1,000%
n.a.: not applicable as one of the values is zero

Net cash flows from operating activities were -23,059 thousand euros due mainly to: (i) the lower operating profit of the period, (ii) adjustments to the results of the period (e.g. capital gains from the placement of the stake in Telecinco are included as net cash flows from investment activities), and (iii) the rise in working capital (payments linked to excess of personnel and the fall in the balance with suppliers due to lower activity in Content).

Net cash flows from investment activities of 90,168 thousand euro are due to: (i) Cash inflow in July from the placing of 5.1% of TI5 for 95,303 thousand euros, (ii) the dividend received from Telecinco (10,837 thousand euros) and (iii) the cash inflow from the sale of ABC land (25,067 thousand euros), partly offset by higher investments in fixed assets (Cash outflow 33,417 thousand euros, related to CAPEX).

Net cash flows from financing activities were -14,099 thousand euros, including mainly interest and dividend payments.

Capex

In the first nine months of 2009, investments have been made in Other Businesses area (the new ABC plant and the improvement to the Bepsa printing plant), while lower investments have been made in acquiring rights for movie productions in the Audiovisual area.

	IFRS								
	9M09			9M08			Var Abs		
Thousand of Euros	**Intang.**	**Tang.**	**Total**	**Intang.**	**Tang.**	**Total**	**Intang.**	**Tang.**	**Total**
Print Media	1,254	2,546	3,800	1,930	5,828	7,758	(676)	(3,281)	(3,958)
Audiovisual	2,284	435	2,719	9,753	2,061	11,815	(7,469)	(1,627)	(9,096)
Internet	1,956	927	2,883	1,884	1,062	2,946	72	(135)	(64)
Other Businesses	116	23,457	23,572	338	4,600	4,938	(223)	18,857	18,634
Corporate and Others	78	1,603	1,681	438	675	1,112	(360)	928	569
TOTAL	**5,687**	**28,968**	**34,654**	**14,343**	**14,226**	**28,569**	**(8,657)**	**14,742**	**6,085**

Information by business area

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

Thousand of Euros	IFRS			
	9M09	9M08	Var Abs	Var %
Total Revenues				
Print Media	375,872	435,417	(59,545)	(13.7%)
Audiovisual	82,007	97,994	(15,987)	(16.3%)
Internet	38,105	44,087	(5,983)	(13.6%)
Other Businesses	158,367	163,527	(5,160)	(3.2%)
Corporate and Other	(100,758)	(103,967)	3,209	3.1%
Total Revenues	**553,593**	**637,059**	**(83,466)**	**(13.1%)**
EBITDA				
Print Media	(16,524)	20,132	(36,656)	(182.1%)
Audiovisual	6,721	(2,335)	9,056	387.8%
Internet	(3,536)	2,244	(5,780)	(257.5%)
Other Businesses	8,564	11,146	(2,582)	(23.2%)
Corporate and Other	(12,370)	(23,753)	11,382	47.9%
Total EBITDA	**(17,146)**	**7,434**	**(24,580)**	**(330.7%)**
EBITDA ex non recurring costs				
Print Media	16,236	26,291	(10,055)	(38.2%)
Audiovisual	7,330	(1,924)	9,255	480.9%
Internet	(2,702)	2,305	(5,007)	(217.2%)
Other Businesses	9,455	11,308	(1,854)	(16.4%)
Corporate and Other	(11,623)	(17,327)	5,703	32.9%
Total EBITDA ex non recurring costs	**18,695**	**20,653**	**(1,957)**	**(9.5%)**
EBIT				
Print Media	(6,265)	38,681	(44,946)	(116.2%)
Audiovisual	(6,712)	(18,420)	11,708	63.6%
Internet	(6,306)	270	(6,576)	n.r.
Other Businesses	4,069	4,833	(764)	(15.8%)
Corporate and Other	(13,650)	(24,961)	11,312	45.3%
Total EBIT	**(28,864)**	**401**	**(29,266)**	**n.r.**

n.r.: the difference is in absolute terms over 1,000%
n.a.: not applicable as one of the values is zero

Print Media

Thousand of Euros	IFRS			
	9M09	9M08	Var Abs	Var %
Total Revenues				
Regional Press	235,246	270,500	(35,255)	(13.0%)
National Press	115,179	118,071	(2,892)	(2.4%)
Supplements & Magazines	42,967	56,787	(13,820)	(24.3%)
Free Press	11,421	18,849	(7,428)	(39.4%)
Adjustments Intersegment	(28,940)	(28,791)	(149)	(0.5%)
Total Revenues	**375,872**	**435,417**	**(59,545)**	**(13.7%)**
EBITDA				
Regional Press	33,238	52,330	(19,092)	(36.5%)
National Press	(46,883)	(26,960)	(19,923)	(73.9%)
Supplements & Magazines	745	3,583	(2,838)	(79.2%)
Free Press	(3,623)	(8,822)	5,198	58.9%
Total EBITDA	**(16,524)**	**20,132**	**(36,656)**	**(182.1%)**
EBITDA ex non recurring costs				
Regional Press	37,181	53,911	(16,730)	(31.0%)
National Press	(19,507)	(23,724)	4,217	17.8%
Supplements & Magazines	1,441	4,501	(3,060)	(68.0%)
Free Press	(2,879)	(8,398)	5,519	65.7%
Total EBITDA ex non recurring costs	**16,236**	**26,291**	**(10,055)**	**(38.2%)**
EBIT				
Regional Press	28,306	47,437	(19,131)	(40.3%)
National Press	(31,241)	(2,900)	(28,340)	(977.1%)
Supplements & Magazines	453	3,134	(2,680)	(85.5%)
Free Press	(3,784)	(8,990)	5,206	57.9%
Total EBIT	**(6,265)**	**38,681**	**(44,946)**	**(116.2%)**

n.r.: the difference is in absolute terms over 1,000%
n.a.: not applicable as one of the values is zero

Note: The main principal eliminations are due to: a) the supplement revenues (XL Semanal, Pantalla Semanal, Mujer Hoy and Mujer Hoy Corazón) that TESA makes to the Regional Press and ABC, and b) revenues from the sale and distribution of subscriptions to the different newspapers of VOCENTO.

Operating Revenues: 375.872 thousand euros compared with 435,417 thousand euros in the same period of 2008. Regional press contributes 235,246 thousand euros (-13.0%), ABC 115,179 thousand euros (9M09 -2.4% vs. 1H09 -3.9%), Supplements and Magazines 42,967 thousand euros (-24.3%), while the Free Press contributed 11,421 thousand euros (-39.4%).

Circulation Revenues: 174,288 thousand euros (+1.2%).

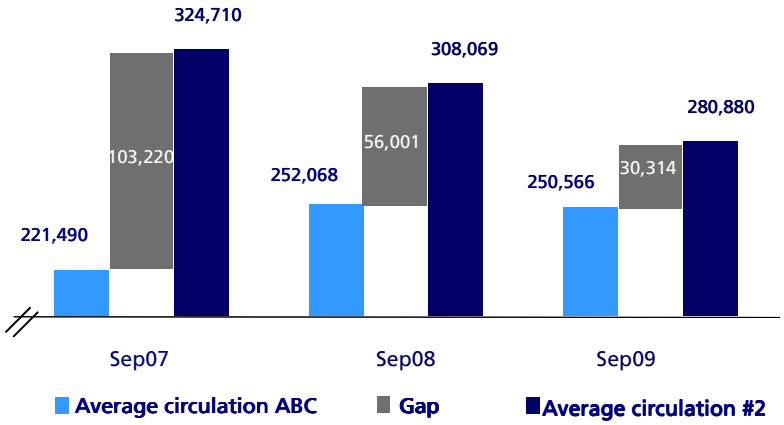
The Regional Press recorded revenues of 109,776 thousand euros (+0.5%), reflecting the change in circulation (-4.6% vs. general press market -6.1% in 9M09) and the rise in the cover prices of some regional dailies. The regional newspapers of VOCENTO continued to be absolute leaders in the first nine months of 2009, with a market share in circulation in the regional press of 26.1% (OJD 9M09 vs. 9M08 25.9%).

ABC contributed 59,219 thousand euros (+12.4%), confirming yet again the increasing trend for ABC circulation, compared to a fall in the national press market, with ABC the only national daily to increase its circulation in the first nine months of 2009 (ABC +2.6% vs. -10.9% national press market).

In addition, the rise in ABC circulation is based mainly on ordinary sales (individual subscriptions and kiosk sales), which rose by +2.6% in the first nine months of 2009 compared with a fall in the national press market (-11.3% ex ABC and Público). These increases are compatible with a reduction in promotional spending in the first nine months of 2009 of -14.6% % (vs. -9.9% 1H09).

This improvement in circulation has enabled ABC to reduce by a third its gap to its most immediate competitor (gap vs. #2 of 30,314 copies in Sep09 vs. 103,220 copies in Sep07).

ABC circulation vs. #2 and national press market



	Average Circulation ABC	Var % YoY ABC	Var % YoY National Market
9M08	250.736	11.4%	-0.3%
9M09	257,326	2.6%	-10.9%

Source: Circulation data Sep09 and 9m09, not audited. Market data ex Público and ABC

Supplements and Magazines contributed 26,463 thousand euros (-14.6%) due to the exit the business of corporate magazines and also the effect on the consolidation perimeter of the divestment of the magazine Motor 16 (circulation revenues adjusted for the perimeter effect +1.6%). The performance of the Supplements area maintained its positive performance in circulation revenues (+2.3%), in line with the good performance of the circulation of ABC.

Advertising Revenues: 159,079 thousand euros compared with 220,420 thousand euros in the same period of 2008. The advertising revenues of the Regional Press were 96,997 thousand euros (9M09 -25.8% vs. 1H09 -27.8%), ABC 36,960 thousand euros (9M09 -22.9% vs. 1H09 -26.7%), Supplements and Magazines 14,103 thousand euros (Supplements 9M09 -33.3%% vs. 1H09 -36.9%) and the Free Press 11,151 thousand euros (-40.6%), reflecting the crisis in advertising spend.

It should be noted that the advertising revenues of the Regional Press, ABC and of the Supplements of VOCENTO have outperformed the market according to the research of i2p Arce Media for the first nine months of 2009: advertising in the press market -28.0% and Sunday supplements 9M09 -37.6%.

Other Revenues: 42,506 thousand euros (-0.8%). Revenues from promotions were practically stable at 22,920 thousand euros in the first nine months of 2009, compared to 9M08.

EBITDA: 16,236 thousand euros ex-non recurring costs (reported EBITDA -16,524 thousand euros):

(i) Regional Press: EBITDA ex non-recurring costs of 37,181 thousand euros (33,238 thousand euros reported EBITDA). Cost control measures are reflected in a reduction of operating expenses ex non-recurring costs of -8.6% (an improvement of -18,525 thousand euros),

cushioning the impact of the fall in advertising. Highlights are the fall in personnel expenses (-11.1% ex non-recurring costs vs. -10.3% in 1H09), and in promotional expenses, down -10.4% compared with the same period in 2008.

(ii) ABC: reduction in negative EBITDA ex non-recurring costs +4,217 thousand euros thanks to the first effects of the cost reduction measures (e.g. personnel expenses ex non-recurring costs -14.0% vs. -8.8% in the first half and a reduction in promotions spending -14.6% vs. -9.9% in the first half). Non-recurring costs (-27,376 thousand euros) correspond to the restructuring that was carried out mainly in the first half of 2009.

(iii) Supplements and Magazines: EBITDA ex non-recurring costs of 1,441 thousand euros. Operating expenses adjusted for the perimeter and ex non-recurring costs fell by -2,554 thousand euros, partly compensated for the fall in revenues of -6,313 thousand euros. These measures, aimed at cost reductions, are focused on personnel expenses (ex non-recurring costs and adjusted for the perimeter 9M09 -12.6%).

(iv) Free Press: despite the fall in advertising, negative EBITDA ex non-recurring costs was reduced by +5.519 thousand euros to -2,879 thousand euros (-3,623 thousand euros reported EBITDA). In this area, cost optimization measures have been adopted (fall in operating expenses ex non-recurring costs of -12,947 thousand euros, -47.5%).

Audiovisual

Thousand of Euros	IFRS			
	9M09	9M08	Var Abs	Var %
Total Revenues				
Local and Regional Television	7,984	10,595	(2,611)	(24.6%)
National Television	13,561	8,768	4,793	54.7%
Radio	11,617	15,348	(3,731)	(24.3%)
Content	51,015	67,157	(16,141)	(24.0%)
Adjustments Intersegment	(2,172)	(3,874)	1,703	43.9%
Total Revenues	**82,007**	**97,994**	**(15,987)**	**(16.3%)**
EBITDA				
Local and Regional Television	(2,136)	(7,093)	4,957	69.9%
National Television	1,882	(882)	2,765	313.3%
Radio	(4,804)	(7,888)	3,084	39.1%
Content	11,779	13,528	(1,749)	(12.9%)
Total EBITDA	**6,721**	**(2,335)**	**9,056**	**387.8%**
EBITDA ex non recurring costs				
Local and Regional Television	(1,749)	(7,043)	5,294	75.2%
National Television	1,882	(882)	2,765	313.3%
Radio	(4,769)	(7,882)	3,113	39.5%
Content	11,966	13,883	(1,917)	(13.8%)
Total EBITDA ex non recurring costs	**7,330**	**(1,924)**	**9,255**	**480.9%**
EBIT				
Local and Regional Television	(2,998)	(8,557)	5,559	65.0%
National Television	1,882	(882)	2,765	313.3%
Radio	(4,639)	(8,541)	3,902	45.7%
Content	(958)	(440)	(518)	(117.7%)
Total EBIT	**(6,712)**	**(18,420)**	**11,708**	**63.6%**

n.r.: the difference is in absolute terms over 1,000%
n.a.: not applicable as one of the values is zero

Note: Eliminations are due to the sale of programmes by the production companies to local television companies and to radio

Operating Revenues: 82,007 thousand euros, -16.3% in the first nine months of 2009, mainly due to the lower activity in Content (-24.0%), the fall of advertising on Local and Regional TV and Radio, offset by the positive evolution of National DTT.

Local and Regional TV revenues were 7,984 thousand euros (-24.6%) impacted by the advertising environment. A highlight has been the implementation in October 2009 of the agreement with Viacom.

At National DTT, after the implementation of the strategic agreement with The Walt Disney Company there has been an improvement in revenues of +4,793 thousand euros, demonstrating the viable business model for National DTT. There has been an increase in the national consumption of DTT[1]

[1] Source: TNS Sofres September 2009

(45.3% +27.9 p.p. vs. Sep08), with the Disney Channel consolidating itself as the leading thematic channel, with audience share of 3.6%[1]

At Radio, revenues were 11,617 thousand euros due mainly to the fall in advertising revenues, which have slowed the pace of fall: 9M09 -26.6% vs. 1H09 -32.4%. Punto Radio consolidated its national network in 2009, with three new licenses in Madrid, two in Castilla La Mancha (Toledo and Albacete) and three in Extremadura (Badajoz, Mérida and Cáceres)

The evolution at Content (51,015 thousand euros) is due partly to the lower activity of the production companies.

EBITDA: increasing efficiency, with an improvement in EBITDA ex non-recurring costs of +9,255 thousand euros thanks to the positive impact of cost reductions:

(i) Local and Regional TV: generalised cost reduction measures (centred on programming and production) and selective divestment in local television have practically halved the cost base, and enabled an improvement in EBITDA ex non-recurring costs of +5,294 thousand euros in an adverse advertising environment.

(ii) National DTT: positive EBITDA of 1,882 thousand euros in 9M09 and an improvement of +2,765 thousand euros, demonstrating the viability of the DTT business model.

(iii) Radio: improvement in EBITDA ex non-recurring costs of +3,113 thousand euros, thanks to the implementation of the cost reduction programme and despite the adverse advertising environment.

(iv) Content: EBITDA ex non-recurring costs 11,966 thousand euros, close to the EBITDA level of 9M08 thanks to an improvement in profitability (EBITDA margin 23.5%, +2.8 p.p.) thanks to the centralisation of corporate services and cost reductions.

Operating Profit: *(because of the level of amortization in this area, the operating profit line is analysed)* was -6,712 thousand euros (an improvement of +11,708 thousand euros compared with the same period of 2008), including amortizations of -12,737 thousand euros in the Content area.

Internet

Thousand of Euros	IFRS			
	9M09	9M08	Var Abs	Var %
Total Revenues				
Digital Editions	13,007	10,981	2,026	18.4%
Vertical Portals & Others	3,004	3,043	(39)	(1.3%)
Classified	8,568	10,839	(2,271)	(21.0%)
B2B	14,978	20,646	(5,668)	(27.5%)
Adjustments Intersegment	(1,453)	(1,421)	(31)	(2.2%)
Total Revenues	**38,105**	**44,087**	**(5,983)**	**(13.6%)**
EBITDA				
Digital Editions	(2,500)	(210)	(2,290)	n.r.
Vertical Portals & Others	(1,120)	(765)	(355)	(46.3%)
Classified	(2,967)	242	(3,208)	n.r.
B2B	3,051	2,978	73	2.4%
Total EBITDA	**(3,536)**	**2,244**	**(5,780)**	**(257.5%)**
EBITDA ex non recurring costs				
Digital Editions	(2,109)	(200)	(1,909)	(952.4%)
Vertical Portals & Others	(1,119)	(772)	(347)	(45.0%)
Classified	(2,668)	298	(2,966)	(995.4%)
B2B	3,195	2,980	215	7.2%
Total EBITDA ex non recurring costs	**(2,702)**	**2,305**	**(5,007)**	**(217.2%)**
EBIT				
Digital Editions	(3,074)	(502)	(2,572)	(512.1%)
Vertical Portals & Others	(1,501)	(1,202)	(299)	(24.9%)
Classified	(4,036)	(202)	(3,834)	n.r.
B2B	2,305	2,175	130	6.0%
Total EBIT	**(6,306)**	**270**	**(6,576)**	**n.r.**

n.r.: the difference is in absolute terms over 1,000%
n.a.: not applicable as one of the values is zero

Note: The main eliminations are due to the connectivity service and content revenues, mainly between companies in the B2B sector and the other companies in the Internet business area.

Operating Revenues: 38,105 thousand euros (-13.6%) due to the effect on the consolidation perimeter of the divestment of La Trastienda Digital in B2B (5,544 thousand euros in revenues, no material impact on EBITDA). Excluding the perimeter effect, the revenues of the area would have remained at similar levels to 9M08 (-1.1%). In pro forma terms, the significant rise in advertising (+25.8% vs. 1H09 +21.9%) compensates for the lower activity in the employment, real estate and automotive sectors.

VOC maintains its growth in monthly unique users according to Nielsen NetView (13% m.u.u. Oct09 vs. Oct08), throughout all its business areas (Digital Editions, Directories and Classified). Highlights in ABC.es (+92% YoY, 6x vs. competitors) online hemerotheque launch. Catches up on the leader and gains market share among the top#3 (+8 p.p. 23% share Oct09 vs.15% in Oct08).

On the other hand, Pisos.com reaches top #3 with 856 thousand m.u.u. in less than a year, and growth in the last months way above its category (165% YoY vs. category +15% YoY).

Finally, 11870.com positioned in leisure and directories, reaches 798 thousand m.u.u. (+110% YoY).

Advertising Revenues: up +25.8% to 16,814 thousand euros. The rise in monthly unique users is reflected in B2C advertising revenues (+28.1%), comparing in the current advertising environment with market growth of +2.6% according to data from i2p Arce Media for the first nine months of 2009.

By business segments: Digital Editions +25.4%, and Classified +44.8% despite the difficult market conditions.

Other Revenues: 21,200 thousand euros, down -30.7%, due to the perimeter effect of the divestment of La Trastienda Digital in B2B (pro forma other revenues -15.3%) and the impact of the recession on the employment, real estate and automotive markets.

EBITDA: -2,702 thousand euros ex non-recurring costs, as a consequence of the strategic commitment to Classified and the continuing development of digital editions.

Other Businesses

Thousand of Euros	IFRS			
	9M09	9M08	Var Abs	Var %
Total Revenues				
Distribution	128,245	130,940	(2,695)	(2.1%)
Printing	22,102	23,580	(1,478)	(6.3%)
Others	8,694	10,018	(1,324)	(13.2%)
Adjustments Intersegment	(674)	(1,011)	337	33.3%
Total Revenues	**158,367**	**163,527**	**(5,160)**	**(3.2%)**
EBITDA				
Distribution	2,258	2,406	(148)	(6.1%)
Printing	6,511	8,356	(1,845)	(22.1%)
Others	(206)	384	(589)	(153.6%)
Total EBITDA	**8,564**	**11,146**	**(2,582)**	**(23.2%)**
EBITDA ex non recurring costs				
Distribution	2,276	2,421	(145)	(6.0%)
Printing	7,285	8,353	(1,068)	(12.8%)
Others	(106)	534	(640)	(119.9%)
Total EBITDA ex non recurring costs	**9,455**	**11,308**	**(1,854)**	**(16.4%)**
EBIT				
Distribution	1,894	2,055	(161)	(7.8%)
Printing	2,483	2,600	(117)	(4.5%)
Others	(308)	178	(486)	(272.8%)
Total EBIT	**4,069**	**4,833**	**(764)**	**(15.8%)**

n.r.: the difference is in absolute terms over 1,000%
n.a.: not applicable as one of the values is zero

Note: Eliminations are due to: a) the distribution of free dailies by the distribution companies, and b) the printing of the free dailies.

Operating Revenues: 158,367 thousand euros, -3.2%, reflecting the ties of the Printing and Distribution business with the Print Media area.

EBITDA: 9,455 thousand euros ex non-recurring costs. In the Printing area, EBITDA ex non-recurring costs was 7,285 thousand euros and in Distribution ex non recurring costs 2,276 thousand euros, with the lower level of activity in the Print Media area compensated by cost efforts and by diversification in distribution products.

Main operating data

Print Media

Average Circulation Data	9M09	9M08	Var Abs	%
National Press				
ABC	257,326	250,736	6,590	2.6%
Regional Press				
El Correo	111,672	115,920	(4,249)	(3.7%)
El Diario Vasco	76,874	80,592	(3,718)	(4.6%)
El Diario Montañés	35,616	37,138	(1,523)	(4.1%)
Ideal	31,221	32,230	(1,009)	(3.1%)
La Verdad	35,945	37,188	(1,243)	(3.3%)
Hoy	20,686	22,079	(1,393)	(6.3%)
Sur	30,264	31,275	(1,011)	(3.2%)
La Rioja	15,496	16,254	(757)	(4.7%)
El Norte de Castilla	33,687	35,164	(1,476)	(4.2%)
El Comercio	24,861	26,076	(1,215)	(4.7%)
Las Provincias	35,591	38,036	(2,446)	(6.4%)
La Voz de Cádiz	6,744	8,823	(2,079)	(23.6%)
TOTAL Regional Press	**458,656**	**480,776**	**(22,119)**	**(4.6%)**

Sources:OJD. 2008 data audited

Audience ('000)	2nd Survey 09	2nd Survey 08	Var Abs	Var%
National Press				
ABC	728	689	39	5.7%
Regional Press				
El Correo	526	513	13	2.5%
El Diario Vasco	309	322	(13)	(4.0%)
El Diario Montañés	208	196	12	6.1%
Ideal	156	162	(6)	(3.7%)
La Verdad	266	248	18	7.3%
Hoy	179	163	16	9.8%
Sur	201	173	28	16.2%
La Rioja	117	100	17	17.0%
El Norte de Castilla	250	233	17	7.3%
El Comercio	150	149	1	0.7%
Las Provincias	169	198	(29)	(14.6%)
La Voz de Cádiz	34	38	(4)	(10.5%)
Supplements				
XL Semanal	3,532	3,340	192	5.7%
Mujer Hoy	2,263	2,134	129	6.0%
Free Press Qué!	1,885	2,266	(381)	(16.8%)

Source: EGM cumulative waves

Audiovisual

National TV Market	9M09	9M08	Var Abs
DTT Penetration in homes (1)	62.7%	37.0%	25.7 p.p.
DTT Market share (2)	45.3%	17.4%	27.9 p.p.
DTT Disney Channel Market Share (2)	3.6%	3.6%	0.0 p.p.

PUNTO RADIO	2nd Survey 09	2nd Survey 08	Var Abs
Listeners (M-F) (3)	601,000	523,000	78,000

Sources:

(1) AIMC- EGM (2) TN Sofres last month (3) EGM waves- Radio XXI

Internet

Monthly Unique uses ('000)	oct-09	oct-08	Var Abs	Var%
Vocento	9,366	8,296	1,070	12.9%