



# 1H09 Results

30 July 2009

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# 1H09 Highlights

- **Advertising continues to outperform the market, supported by leadership of audiences in Press and on the Internet:**
  - Press: leadership in readers<sup>1</sup> 5.2m. Increase in market share: Regional advertising -27.8% and national advertising -26.7% vs. -33.1% for the market<sup>2</sup>
  - Internet: audience +57% (2x the market<sup>3</sup>). Advertising +21.9% vs. +2.6% market<sup>2</sup>
- **EBITDA ex non-recurring costs €22.2m: cost reduction efforts partially offset the revenues fall:**
  - Impact of the fall in advertising revenues €-55.6m
  - Positive effect of cost controls begun in 2008; savings ex non-recurring items €-55.8m (-13.3%): personnel -8.7%, supplies -17.9%, commercial and marketing -31.2%
    - Improvement of EBITDA in Corporate and Others by €+5.9m ex non-recurring costs
    - Non-recurring costs €-31.7 m, due to restructuring measures, mainly at ABC
- **Improved positioning in the Audiovisual area: EBITDA up €+7.6m. Regional DTT agreement with Viacom and greater efficiency at Radio combined with the award of licenses**
- **Strategic focus on the Internet: increase in critical mass and positioning (ABC.es, Que.es, Pisos.com and entry in directories business through 11870.com)**
- **Sound financial position**

Financials highlights 1H09 vs. 1H08				
IFRS €m	1H09	1H08	Var Abs	Var %
Advertising revenues	140.3	195.9	(55.6)	(28.4%)
Costs ex non-recurring costs	(365.2)	(421.0)	(55.8)	(13.3%)
<b>EBITDA ex non-recurring costs</b>	<b>22.2</b>	<b>27.7</b>	<b>(5.5)</b>	<b>(20.0%)</b>
Non-recurring costs	(31.7)	(9.9)	21.8	n/a
<b>Reported EBITDA</b>	<b>(9.5)</b>	<b>17.8</b>	<b>(27.3)</b>	<b>n/a</b>

<sup>2</sup> Sources: Note 1.EGM 2<sup>nd</sup> accum. suvey 09.

<sup>2</sup> Infoadex 1H09.

<sup>3</sup> Nielsen Netview june 09.

# Highlights by business area

- **Print Media: leadership in audiences, a better performance in advertising, and strict cost controls (1H09 ex non-rec. -12.0%)**
  - Regional Press reinforces its dominant position: market share 26.2%<sup>1</sup> with advertising outperforming the market (1H09 -27.8% vs. -33.1%<sup>2</sup>). Reduction in costs ex non-rec. €-12.3m -8.4%
  - ABC increases circulation for 3<sup>rd</sup> half-year in a row (1H09 +4.2%<sup>1</sup> vs. market -12.0%) with less add-ons expenses -9.9%, and advertising outperforming the market 1H09 -26.7% vs. market -33.1%<sup>2</sup>
  - Qué!: cost savings ex non-rec. €-9.8m, -47.5%, with EBITDA up €+4.1m. Online growth<sup>3</sup>: 1.3 m users
- **Audiovisual: improving efficiency EBITDA up €+7.6m (ex non rec. costs 1H09 -21.9%)**
  - Local and Regional TV: EBITDA up €+3.9m based on cost reduction
  - National DTT: market share of Disney Channel 3.7%<sup>3</sup>; #1 DTT thematic channel. Viable business model: positive EBITDA 1H09 €1.2m, up €+2.4m vs. 1H08
  - Radio: increase in EBITDA €+1.1m due to cost savings, with audience rising (>0.6m listeners, +15%) and award of new strategic licenses: 3-Madrid and 2-Castilla La Mancha
  - Content: optimization of the business, allowing the fall in revenues to be absorbed. Improvement in EBITDA margin to 23.4% (+4.3 p.p. vs. 1H08).
- **Internet: the fastest growing media group<sup>4</sup> (+57%, x2 the market):**
  - Advertising revenues 1H09 +21.9% vs. market +2.6%<sup>2</sup>: Digital editions +24.5% and Classified +31.1%
  - Continued increase in critical mass of Digital Editions (ABC.es growth 3x vs. competitors and Que.es 1.3<sup>4</sup>m u.m.u.), Classified (infoempleo #2, pisos.com #4 and HoyMotor #4)

Note 1: OJD 1H09 vs. 1H08. 2009 data not audited. Data for national market calculated ex ABC and Público for comparative purposes.

3 Note 2: Infoadex 1H09 press and Internet. Note 3: TNS Sofres June 09. Note 4: unique users and ranking from Nielsen Netview June 09.

# Ready to face the challenges and emerge a stronger group

- **Improvement in market share and leveraging on brands**
  - Print Media: leadership in audience<sup>1</sup> 5.2m, revenues outperforming the market, and continual improvement at ABC
  - Internet: audience +57% (2x the market<sup>2</sup>)
  - Thematic DTT: Disney Channel market share 3.7%<sup>3</sup>; #1 DTT thematic channel
- **Restructuring capacity to improve the efficiency of the company**
  - Operationally in both product and content (i.e. newspapers, radio, Internet), and in the corporate structure
  - Impact of costs savings ex non-recurring 1H09 €-55.8m (-13.3%)
  - Non-recurring costs €-31.7m
  - Sound financial position enables investment to be made in restructuring the businesses
- **Opportunity to be a player in the new audiovisual landscape**
  - DTT: value creation with a business model based on alliances (Disney, Viacom)
  - Radio: consolidation of national coverage
- **Leadership on the Internet:**
  - Migration of the prescription capacity of its brands from offline to online
  - Support of network in building national brands for local consumption



# 1H09 Results

# Consolidated Profit and Loss Account 1H09

€m	IFRS		
	1H09	1H08	% Var
Circulation revenues	137.8	136.2	1.2%
Advertising revenues	140.3	195.9	(28.4%)
Other revenues	109.2	116.6	(6.3%)
<b>Total Revenue</b>	<b>387.4</b>	<b>448.7</b>	<b>(13.7%)</b>
<b>EBITDA</b>	<b>(9.5)</b>	<b>17.8</b>	<b>(153.6%)</b>
Deprec. & Amortization	(22.4)	(24.6)	(8.9%)
Net gains disposal of fixed assets	22.5	(0.1)	n.r.
<b>EBIT</b>	<b>(9.5)</b>	<b>(6.8)</b>	<b>38.3%</b>
Impairment of other intangible assets	0.0	(15.0)	(100.0%)
Equity accounted income	0.5	11.1	(95.8%)
Net financial income	7.6	(3.6)	309.7%
Net gains disposal non-current assets	(0.2)	49.8	(100.4%)
<b>Profit Before Taxes</b>	<b>(1.6)</b>	<b>35.4</b>	<b>(104.5%)</b>
Corporation tax	2.6	1.0	166.3%
<b>Net profit for the year</b>	<b>1.0</b>	<b>36.4</b>	<b>(97.3%)</b>
Minority interests	(0.9)	(3.7)	77.1%
<b>Net profit for the Dominant</b>	<b>0.1</b>	<b>32.7</b>	<b>(99.6%)</b>
<b>Operating Exp. ex non rec. costs</b>	<b>(365.2)</b>	<b>(421.0)</b>	<b>(13.3%)</b>
<b>EBITDA ex non recurring costs</b>	<b>22.2</b>	<b>27.7</b>	<b>(20.0%)</b>

- Revenues €387.4m:
  - Circulation revenues (+1.2%): ABC (+12.6%), and Regional Press (+1.7%)
  - Advertising (-28.4%): outperforming the market in press and Internet
  - Other revenues (-6.3%): delay of premieres in Content
- EBITDA €22.2m ex non-recurring (€-9.5m reported) vs. €27.7m 1H08
  - Impact of fall in advertising (€-55.6m)
  - Operating expenses ex non-recurring improve by €-55.8m, -13.3%:
    - Cost controls: personnel (-8.7%), supplies (-17.9%), marketing (-31.2%)
    - Improvement in EBITDA of Corporate and Others €+5.9m
  - Non-recurring costs (€-31.7m)
- Result of asset sales: Phase II of sale of ABC land (€21.4m)
- Positive financial result of €7.6m (€-3.6m 1H08) after receipt of dividend from Telecinco (€10.8m)
- Net profit €0.1m

# Consolidated Balance Sheet at 30 June 2009

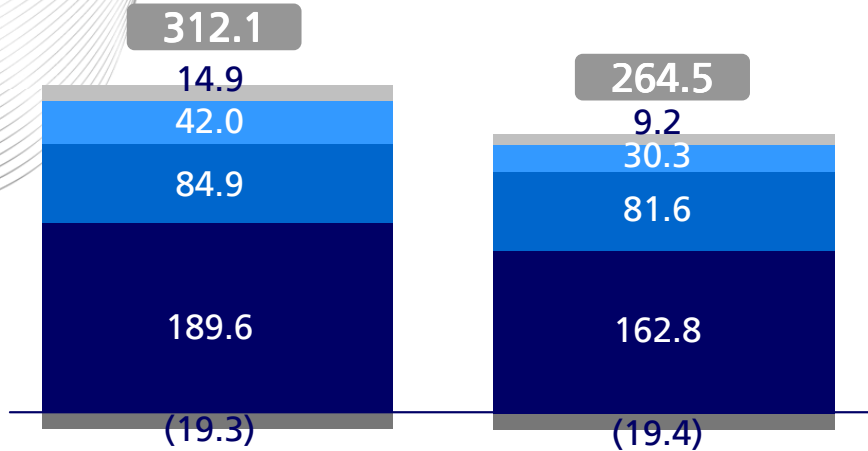
	IFRS			IFRS	
	1H09	2008 <sup>1</sup>		1H09	2008 <sup>1</sup>
<b>Non current assets</b>	<b>753.8</b>	<b>766.8</b>	<b>Equity of the parent co.</b>	<b>473.7</b>	<b>484.8</b>
Intangible assets	285.7	293.0			
Property, plant and equipment	206.9	215.0	<b>Total liabilities</b>	<b>597.5</b>	<b>629.0</b>
Investments equity method	22.3	19.1	Gross Debt	180.1	177.7
Other non current assets	239.0	239.7	Other liabilities	417.4	451.3
<b>Current assets</b>	<b>317.4</b>	<b>347.0</b>			
Cash and cash equivalents	62.3	85.1			
Other current assets	251.3	254.5			
Assets held for sale	3.7	7.4			
<b>Total Assets</b>	<b>1,071.2</b>	<b>1,113.8</b>	<b>Total Equity &amp; Liabilities</b>	<b>1,071.2</b>	<b>1,113.8</b>

- Net financial position €-117.8m with a low risk profile and cash of €62.3m:
  - Cash inflow in January from the second phase of the sale of ABC land (€25.1m)
  - Receipt of €10.8m dividend from Telecinco in May 2009
  - Cash outflows corresponding to the restructuring plan begun in 2008 and debt increased related with ABC restructuring plan indemnities
  - Inorganic growth: increase of stake in Punto Radio to 83.2%, acquisition of stake in 11870.com and other purchases of minorities for a total of €13.2m
  - Cash outflows in business operations: Capex €8.8m, variations in working capital and others
- Variation to shareholder equity due to adjustment of stake in Telecinco (5.1%) to market value

# Print Media

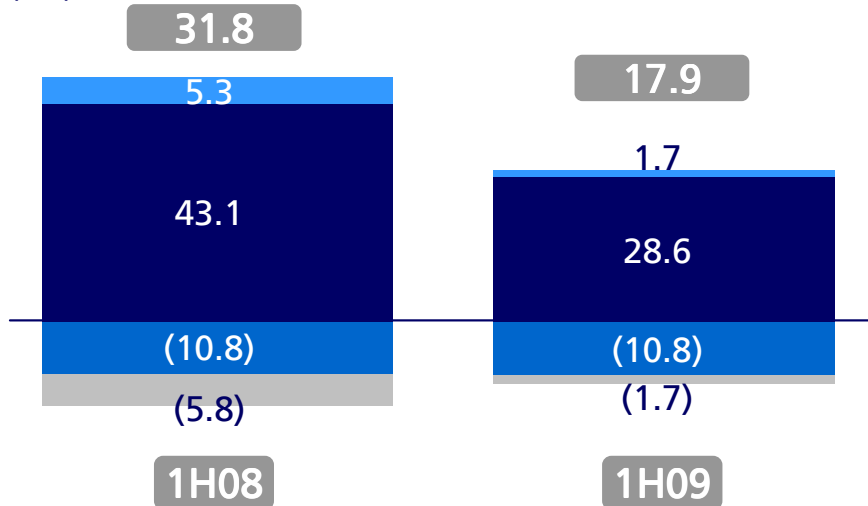
## Revenues

(€ m)



## EBITDA ex non rec. costs

(€ m)



■ Regional Pr. ■ National Pr. ■ Suppl. & Mag. ■ Free Press ■ Adjust.

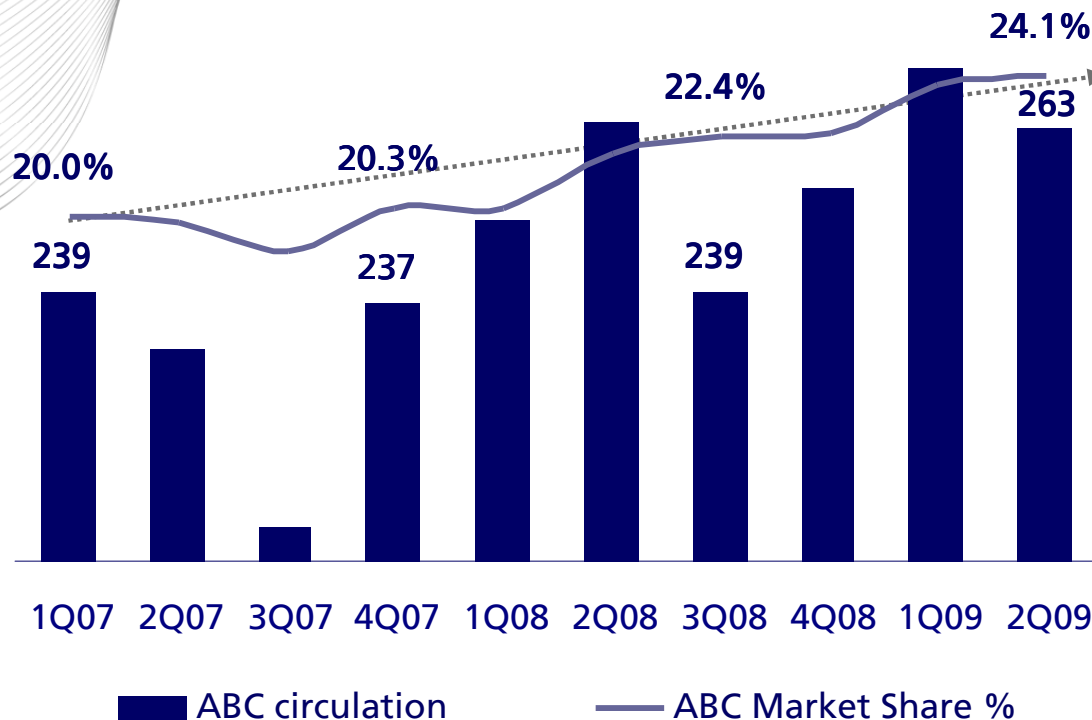
## Highlights

- Press leadership: 5.2m readers (EGM 2<sup>nd</sup> accum. survey 09). ABC national daily to increase readership most (+5.7% EGM 2<sup>nd</sup> 09), Qué! c.2m readers and Suppl. and Magazines consolidates leadership 5.9m readers (+5.9% EGM 2<sup>nd</sup> 09)
- Revenues €264.5m:
  - Circulation revenues (+1.8%): significant performance of ABC (+12.6%), Regional Press (+1.7%) -rise in cover prices- Suppl. and Magazines (-16.3%) due to reduction in print runs of corporate magazines and perimeter (Motor 16)
  - Advertising revenues: Regional Press (-27.8%) and ABC (-26.7%), declining less than the market (Infoadex 1H09 -33.1%). Supplements -36.9% vs. supplement market Infoadex 1H09 -42.4%
- EBITDA ex-non recurring costs €17.9m (reported €-12.5m)
  - Regional Press (€28.6m ex non-rec.): cost control (€-12.3m ex non-rec.) mitigates impact of fall in advertising. Personnel expenses -10.3% (non-recurring costs €-3.8m)
  - ABC: costs +0.6% ex non-rec.: personnel (-8.8% ex non-rec.), supplies (-6.4%) and lower add-ons expenses (-9.9%). Non-recurring costs 1H09 €-26.4m due to restructuring
  - Suppl. and Magazines €1.7m ex non-rec.: fall in revenues offset by cost efficiencies (costs €-8.1m ex non-rec.)
  - Free Press: improvement in EBITDA €+4.1m due to reduction in recurring costs of -47.5%, recovering by 2x the fall in advertising



# Continued growth of ABC circulation

Performance of ABC circulation (thousand copies) and market share of national press<sup>1</sup>

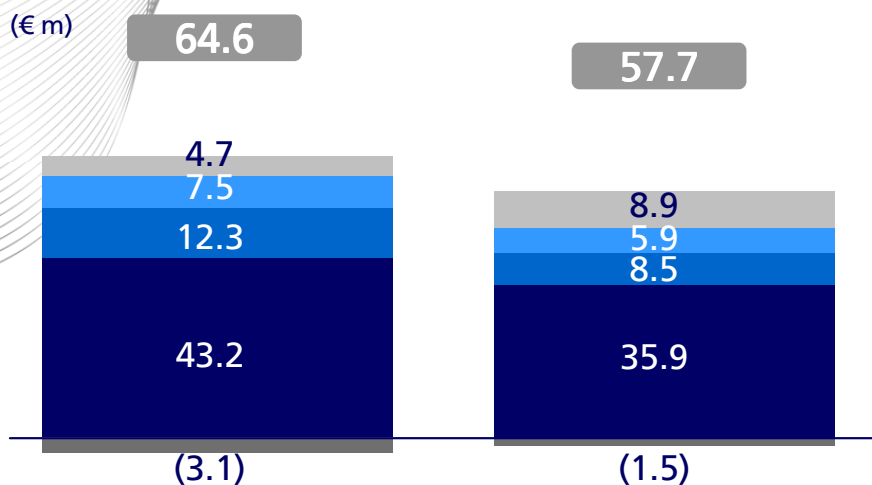


	Average Circulat. ABC	Var % YoY		
		ABC	National Market	Dif%
1H08	256,607	9.1%	2.0%	7.2%
2H08	246,676	11.5%	(5.5%)	17.0%
1H09	267,359	4.2%	(12.0%)	16.2%

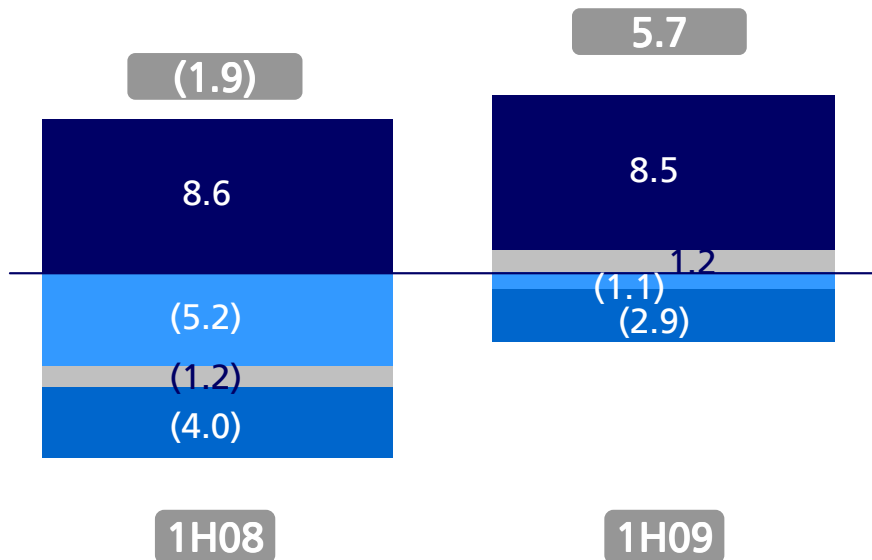
- Confirming the growth trend for circulation that started in 2007; growing for third half-year in a row
- Positive performance compatible with a reduction in add-ons expenses of -9.9% vs. 1H08
- Growth vs. market decline in a context of high competition, and based mainly on ordinary sales:
  - Average circulation 1H09 of 267,359 copies (+4.2%), compared with market<sup>1</sup> -12.0%
  - Ordinary sales 1H09 +3.1% (+5,684 copies) compared with market decline<sup>1</sup> -12.4%

# Audiovisual

## Revenues



## EBITDA ex non rec. costs

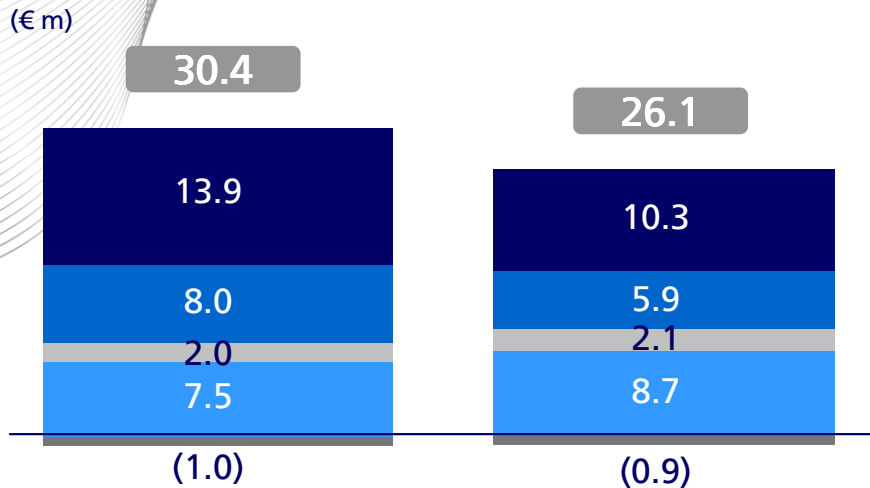


## Highlights

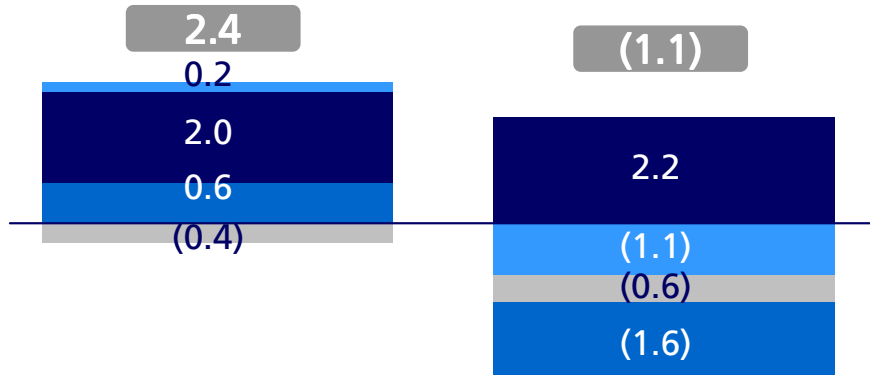
- Disney Channel consolidates leadership: 3.7% share in DTT, the leading thematic channel in the TNS Sofres ranking of Jun09. DTT penetration reaches 62.7% (+25.7 p.p. vs 2<sup>nd</sup> EGM 08) and >10 million households
- Strategic agreement with Viacom in Regional DTT
- Revenues €57.7m (-10.7%): recovery in 2Q09 of part of the delay to activity in Content (-16.8%), decline in advertising on Local and Regional TV and Radio
- EBITDA ex non rec. up €+7.6m, based on continued cost reduction (costs ex non rec. -21.9%)
  - Local and Regional TV: cost reductions by half enable EBITDA ex non rec. improvement of €+4.1m
  - National DTT: viability of business model for DTT. Positive EBITDA €1.2m and improvement of €+2.4m
  - Radio: increase of EBITDA ex non rec. €+1.1m, due to cost reductions in the 2008/9 season (>0.6m listeners 2<sup>nd</sup> survey EGM09, +15% 2<sup>nd</sup> 08; 3 new licenses in Madrid & 2 in C. La Mancha)
  - Content: offset the fall in revenues. EBITDA ex non rec. €8.5m, increase of EBITDA margin to 23.7% (+3.9 p.p. vs. 1H08). EBIT improvement of €+1.4m

# Internet

## Revenues



## EBITDA ex non rec. costs



1H08

1H09

■ Dig. Editions ■ Vertical Port. ■ Classifieds ■ B2B ■ Adjust.

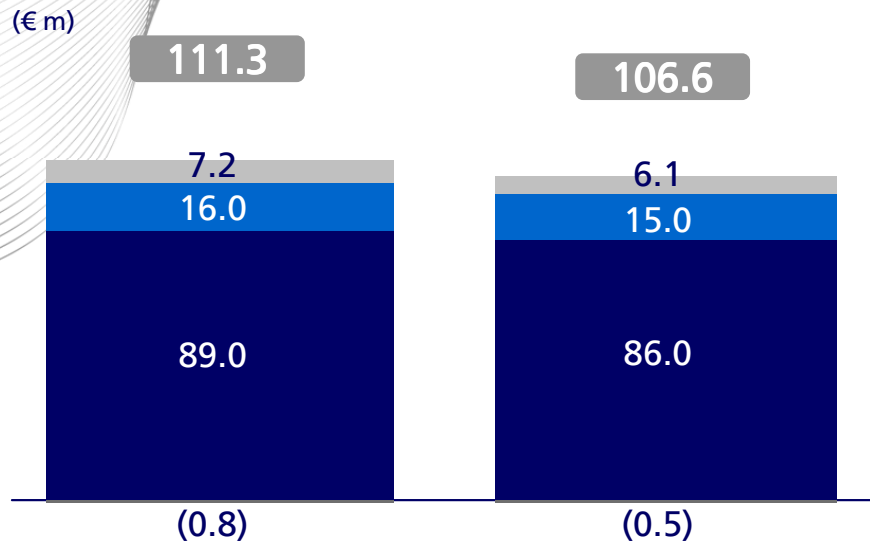
## Highlights

- Continuing increase in critical mass: VOC is the media group<sup>1</sup> which grew by the most in June (+57%, 2x market)
- Acquisition of stake in 11870.com (33%), an innovative play in online directories
- Revenues €26.1m: due to the crisis in the employment, real estate and automotive markets, and the perimeter effect in B2B (sell of La Trastienda Digital- Revenues €3.7m and no impact on EBITDA-)
  - Advertising revenues +21.9%, higher growth than the market (+2.6% according to Infoadex 1H09)
- EBITDA ex non recurring €-1.1m due to the strategic commitment to Classified, and continual modernization of B2C, improving ABC.es and Que.es
  - Strategic positioning in Digital Editions (ABC.es 3x > peers<sup>1</sup>, Que.es 1.3m u.m.u), Classified (infoempleo #2, pisos.com #4, and HoyMotor #4) and Vertical Portals (finanzas.com +44%)

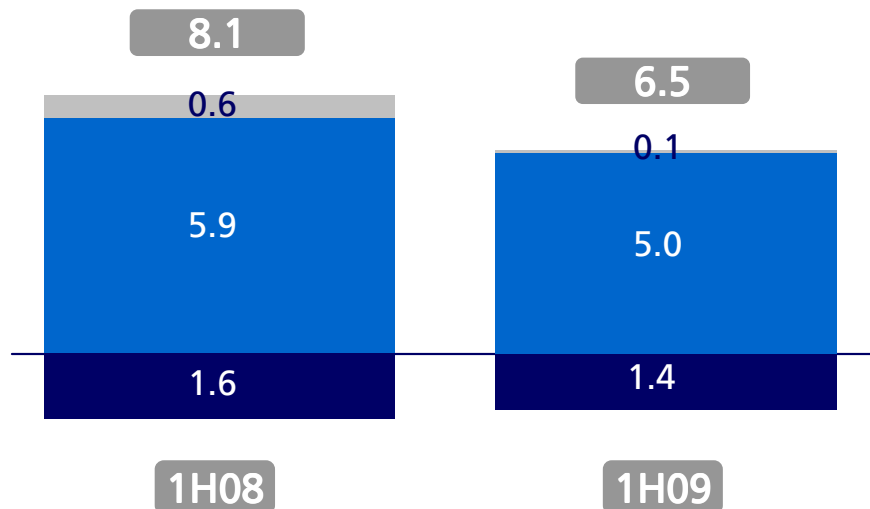
Note 1: ranking, growth and unique monthly users according to Netview Jun09.

# Other Businesses

## Revenues



## EBITDA ex non rec. costs



## Highlights

- Operating revenues €106.6m (-4.3%), reflecting the ties of the Printing and Distribution business to the Print Media area
- EBITDA ex non recurring costs €6.5m
  - Printing €5.0m: drop in activity compensated by efforts in costs
  - Distribution ex non recurring €1.4m: fall in revenues offset by diversification in the distribution of products

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**vocento** ver, escuchar, leer y sentir.

## Thank You

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