

vocento



Vocento, S.A. and Subsidiaries
Results for January-March 2010
13 May 2010

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

PRINT MEDIA

REGIONAL PRESS	NATIONAL PRESS	FREE PRESS	SUPPLEMENTS & MAGAZINES
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- | | | | |
|---|---|---|--|
| <ul style="list-style-type: none"> ▪ El Correo ▪ El Diario Vasco ▪ El Diario Montañés ▪ La Verdad ▪ Ideal ▪ Hoy | <ul style="list-style-type: none"> ▪ Sur ▪ La Rioja ▪ El Norte de Castilla ▪ El Comercio ▪ Las Provincias ▪ La Voz de Cádiz | <ul style="list-style-type: none"> ▪ Diario ABC ▪ Including ABC Sevilla | <ul style="list-style-type: none"> ▪ Qué! ▪ XL Semanal ▪ Mujer Hoy ▪ Mujer Hoy Corazón ▪ Pantalla Semanal ▪ Mi Cartera de Inversión ▪ Colpisa |
|---|---|---|--|

AUDIOVISUAL

NATIONAL TELEVISION	RADIO	CONTENT
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- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ▪ TDT – Net TV - Disney Channel | <ul style="list-style-type: none"> ▪ Punto Radio ▪ 2 digital radio licenses | <ul style="list-style-type: none"> ▪ Veralia <p>Production:</p> <ul style="list-style-type: none"> ▪ BocaBoca ▪ Europroducciones ▪ Hill Valley ▪ Videomedia (30%) <p>Distribution:</p> <ul style="list-style-type: none"> ▪ Tripictures |
|--|---|---|

LOCAL & REGIONAL DTT

- Regional DTT
- Local DTT

INTERNET

DIGITAL EDITIONS	VERTICAL PORTALS	CLASSIFIED & DIRECTORIES	B2B
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- | | | | |
|--|--|--|--|
| <ul style="list-style-type: none"> ▪ 12 Local Portals ▪ ABC.es ▪ Que.es | <ul style="list-style-type: none"> ▪ Mujerhoy.com ▪ Finanzas.com ▪ Hoy Cinema | <p>Classified:</p> <ul style="list-style-type: none"> ▪ Pisos.com ▪ Infoempleo ▪ Autocasión ▪ Tus anuncios | <p>Directories:</p> <ul style="list-style-type: none"> ▪ Sarenet ▪ 11870 ▪ Comunica Mediatrader |
|--|--|--|--|

OTHER BUSINESSES

PRINTING	DISTRIBUTION	OTHER
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- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ▪ Comeco Impresión | <ul style="list-style-type: none"> ▪ Distribuciones Comecosa | <ul style="list-style-type: none"> ▪ Other regional multimedia companies |
|--|---|---|

Highlights of the financial performance

EBITDA 1Q10 9,457 thousand euro, up +12,920 thousand euro from 1Q09, reflecting the positive impact of the restructuring, with costs reduced by -11.5%

ABC closes the gap to number #2 to 46 thousand copies in 1Q10

Improved profitability in the Audiovisual business, and leadership in thematic DTT
Online leadership of Vocento brands, contributing 10.9% of advertising revenues, and increasing by +25.8%, outperforming the market

Sound financial position: net debt of -94,061 thousand euro and cash and cash equivalents of 86,632 thousand euro

- **The pace of the decline in advertising on the press has slowed vs. 2009 in line with the market, and the company's Internet advertising is outperforming the market:** Regional Press -9.3% vs. -28.1% in 1Q09, and ABC -4.7% vs. -29.4% in 1Q09. Internet (which represents 10.9% of the total advertising revenues of VOC) +25.8% compared with +11.4% for the market (Source: i2p report Arce Media), capturing classified advertising gradually migrating from the press to the Internet (online classified advertising revenues +40.5%)
- **Improvement in EBITDA in all business areas: cost controls efforts** (-21,657 thousand euro) **following the restructuring have led to a significant improvement in EBITDA 1Q10: 9,457 thousand euro** vs. -3,463 thousand euro in 1Q09:
 - (i) Decline in advertising revenues 1Q10 -4.7% vs. -28.3% in 1Q09, with Supplements and Internet growing higher than the market.
 - (ii) Circulation revenues -2.3%. ABC (+0.8%) has reduced the gap with El Mundo to 46 thousand copies.
 - (iii) Cost reductions of -21,657 thousand euro (-11.5%), due to cost control measures and the restructuring that has been carried out, leading to a -8.9% reduction in personnel expenses, excluding restructuring costs in 1Q09.

EBITDA by segment IFRS Thousand Euro	1Q10	1Q09 ¹	Var Abs
Print Media	7,008	4,947	2,061
Audiovisual	4,478	2,517	1,961
Internet	(269)	(633)	364
Other Businesses	3,478	2,889	589
Corporate and Other	(5,238)	(3,692)	(1,546)
EBITDA	9,457	(3,463)	12,920

Note 1: includes restructuring costs amounting to 9,492 thousand euro in 1Q09.

- **Improved profitability at Audiovisual:** increase in EBITDA of +2,029 thousand euro based on a combination of growth in National DTT, Radio and Content, and cost efficiencies. Disney Channel is the leading DTT thematic channel (2.2% Kantar Media April 2010) and new programming on Regional DTT after Viacom agreement. Punto Radio now reaches 629 thousand listeners (+20.0%, EGM 1st survey 2010), based on improvements in coverage and bet on communicators.
- **Leadership on the Internet:** VOC is the leading Spanish media company online, according to Nielsen NetView April 2010:
 - (i) Digital Editions: leading brands for news, with growth in advertising revenues of +18.1%. ABC.es +11.6% u.m.u., 5x the news category, with share of 24.1%, +2.3 p.p., in the top 3, and the launch of the iPad application.
 - (ii) Classifieds: growth in advertising revenues of +40.5%. First time that all segment portals are placed in the top categories: auto and real estate #3 position and employment #2.
 - (iii) Directories: 11870.com, focused on leisure, reaches 0.8 million u.m.u. (+22.6%).
- **The financial position remains solid:** net financial debt 94,061 thousand euro, and cash and cash equivalents of 86,632 thousand euro.

Main financial data

Consolidated Profit and Loss Account

Thousand Euro	IFRS			
	1Q10	1Q09	Var Abs	Var %
Circulation revenues	67,922	69,538	(1,616)	(2.3%)
Advertising revenues	62,381	65,480	(3,099)	(4.7%)
Other revenues	45,329	49,351	(4,021)	(8.1%)
Total Revenue	175,632	184,369	(8,737)	(4.7%)
Staff costs	(56,869)	(71,885)	(15,016)	(20.9%)
Procurements	(32,935)	(36,285)	(3,350)	(9.2%)
External Services	(75,737)	(78,961)	(3,224)	(4.1%)
Provisions	(635)	(702)	(67)	(9.5%)
Operating Expenses (without D&A)	(166,176)	(187,833)	(21,657)	(11.5%)
EBITDA	9,457	(3,463)	12,920	373.0%
Depreciation and amortization	(11,843)	(11,165)	677	6.1%
Gains on disposal of tangible & intangible assets ²	(89)	21,339	(21,428)	(100.4%)
EBIT	(2,475)	6,710	(9,185)	(136.9%)
Profit of companies acc. equity method	(46)	329	(375)	(114.0%)
Net financial income	(1,734)	(1,236)	(498)	(40.3%)
Net gains on disposal of non- current assets	(3)	(14)	10	76.3%
Profit Before Taxes	(4,258)	5,790	(10,048)	(173.5%)
Corporation tax	478	(2,810)	3,288	117.0%
Net profit for the year	(3,780)	2,980	(6,760)	(226.8%)
Minority interests	(1,425)	(295)	(1,129)	(382.5%)
Net profit attributable to the parent	(5,204)	2,685	(7,889)	(293.8%)
EBIT adj. for gains on disposal²	(2,475)	(14,666)	12,191	83.1%
Net profit parent adj. for gains disp.²	(5,204)	(14,686)	9,482	64.6%

n.r.: the change in absolute terms is over >1.000%

n.a.: not applicable as one of the values is zero

Note 1: includes restructuring costs amounting to 9,492 thousand euro in 1Q09.

Note 2: capital gains from the sale of ABC land as of January 2009 of 21,376 thousand euro, 17,371 thousand euro net of taxes.

Operating revenues

Revenues in the first quarter of 2010 were 175,632 thousand euro compared with 184,369 thousand euro in the same period in 2009:

- (i) Circulation revenues (-2.3%) with increased revenues at ABC (+0.8%) and declines at Regional Press (-5.7%) and Supplements and Magazines (-18.9% because of the perimeter effect, pro forma revenues -14.9%). In the first quarter of 2010, ABC reached average circulation of 258,060 copies per day, closing the gap to El Mundo.
- (ii) Advertising revenues (-4.7%) have reduced the slow down pace compared to 1Q09 (-28.3%), with a varying performance in paid press -8.0%, free press -37.7%, Supplements and Magazines +10.0% (+13.6% for Supplements) and +25.8% on Internet.

The performance of advertising revenues at ABC (-4.7%) and Regional Press (-9.3%) was similar to the performance of their respective markets (-3.3% and -10.0% respectively, according to internal market sources), while they outperformed at Supplements, +13.6% vs. +9.5% for the market, according to i2p Arce Media 1Q10. A significant highlight was the advertising growth on the Internet (+25.8%) which has again outperformed the

market (+11.4% according to i2p de Arce Media 1Q10), and which now represents 10.9% of the advertising revenues of VOCENTO.

It should be noted that VOCENTO's strategy of focusing on brands with a multichannel presence, and on the development of an online network for classified, enables to:

- a) Increase the advertising target market to all media categories of Infoadex, except for Exterior and Cinema.
 - b) Capture a large part of the advertising budget for the Internet (offline to online migration).
 - c) Access new audiovisual channels after the analogue switch-off (audience fragmentation).
- (iii) Decline in Other Revenues (-8.1%) due mainly to lower revenues of add-ons at ABC and the decline in the B2B segment and change of perimeter in Internet area.

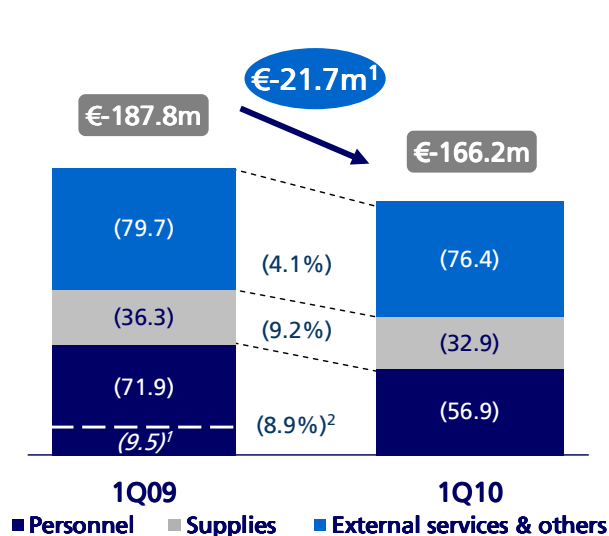
Operating expenses

Measures to control and contain costs, and the investment made in restructuring in all areas in 2008 and 2009, have resulted in a reduction in costs in the first quarter of 2010 of -21,657 thousand euro, a decline of -11.5%. Highlights were the savings in personnel expenses (-20.9%, -8.9%, excluding restructuring costs in 1Q09 for -9,492 thousand euro) and the reduction in supplies (-9.2%), and in external services and others (-4.1%).

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

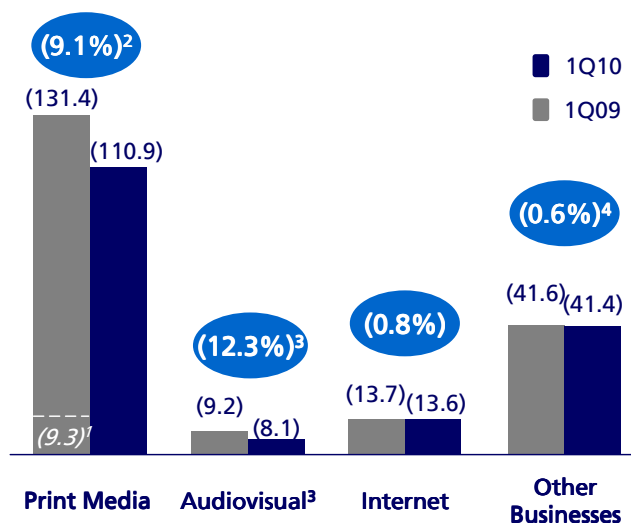
- (i) Print Media (-20,461 thousand euro): cost savings following the investment made in restructuring at ABC in 1Q09 of -8,732 thousand euro (improvement in operating expenses of -11,354 thousand euro), Regional Press (reduction of operating expenses -4,749 thousand euro), Supplements and Magazines (decline in operating expenses of -2,951 thousand euro) and the Free Press (cut in operating expenses of -2,124 thousand euro).
- (ii) Audiovisual: strict cost controls in Regional and Local DTT and Radio have led to a reduction in operating expenses adjusted for the perimeter in 1Q10, due to Onda Rambla, -12.3% (-1,132 thousand euro).
- (iii) Internet: cost controls in the B2B segment (1Q10 costs -9.7%) offset the impact on costs of the increased activity resulting from focus on B2C growth.
- (iv) Corporate and Others: the EBITDA result (an increase in negative EBITDA of -1,575 thousand euro) is due mainly to the provision established for the Management Plan and approved by the Shareholder Meeting.

Operating expenses, excluding depreciation (€m)



Note 1: includes investment in restructuring 1Q09: €9.5m VOC, €9.3m Print Media.
 Note 2: variation in personnel expenses adjusted for 1Q09 restructuring
 Source: Vocento.

Costs (€m) and variation (%)



Note 3: excludes National DTT and Content. Radio pro forma 1Q10 Onda Rambla.
 Note 4: pro forma: in 1Q10 entry of Rotomadrid and in 1Q09 exit of Distrirutas and Sector MD.
 Source: Vocento.

EBITDA

The decline in operating expenses and the focus on cost control and cost reductions enabled an increase in EBITDA in the first quarter of 2010, to 9,457 thousand euro, compared to -3,463 thousand euro in the same period in 2009, despite the fall in advertising revenues and current economic conditions.

Operating result (EBIT)

In 1Q09, gains on disposal of tangible & intangible assets included the capital gains from the sale of ABC land of 21,376 thousand euro (relevant fact of 10 July 2008). The operating result in the first quarter of 2010 was -2,475 thousand euro, an improvement of +12,191 thousand euro compared with adjusted EBIT in 1Q09.

Depreciation and amortization in the period was almost flat at -11,843 thousand euro, corresponding mainly to Content, -4,950 thousand euro, Print Media -3,011 thousand euro, and to a lesser degree Printing -1,729 thousand euro.

Net financial income

Net financial income was -1,734 thousand euro compared with -1,236 thousand euro in the same period of 2009.

Corporation tax

The tax income of +478 thousand euro is derived from the performance of the operating result.

Minority shareholders

The improved results in Regional Press, Supplements, National DTT and Radio drive to a variation of -1,129 thousand euro compared to the results of the first quarter of 2009.

Net profit attributable to the parent company

Net income is -5,204 thousand euro, an improvement of +9,482 thousand euro from 1Q09 when adjusted for the capital gains from the sale of ABC land.

Consolidated Balance Sheet

Thousand Euro	IFRS			
	1Q10	2009	Var abs	% Var
Non current assets	697,107	701,167	(4,060)	(0.6%)
Intangible assets	271,814	277,267	(5,453)	(2.0%)
Property, plant and equipment	232,980	230,352	2,628	1.1%
Investments accounted using equity method	19,973	20,019	(46)	(0.2%)
Other non current assets	172,340	173,529	(1,189)	(0.7%)
Current assets	307,231	349,339	(42,108)	(12.1%)
Cash and cash equivalents	86,632	125,518	(38,885)	(31.0%)
Other current assets	216,907	220,130	(3,222)	(1.5%)
Assets held for sale	3,691	3,691	0	0.0%
TOTAL ASSETS	1,004,338	1,050,506	(46,168)	(4.4%)
Of the Parent	419,017	424,115	(5,098)	(1.2%)
Bank borrowings and other fin.liabilities	180,694	200,197	(19,503)	(9.7%)
Other liabilities	404,627	426,194	(21,567)	(5.1%)
TOTAL EQUITY AND LIABILITIES	1,004,338	1,050,506	(46,168)	(4.4%)

n.r.: the difference is in absolute terms over 1.000%

n.a.: not applicable as one of the values is zero

Significant variations are analysed in addition to the activity impact

Other liabilities

The variation in the amount of Other Liabilities is due to: (i) a decline in the balance with suppliers, due to actions implemented to improve working capital, and (ii) the application of provisions, corresponding to the restructuring measures implemented in 2009.

Net financial position

The net financial position in the period was -94,061 thousand euro, including cash and cash equivalents of 86,632 thousand euro. The most significant variations in the quarter in indebtedness were due to:

- (i) Cash exits in 1Q10 of 10,611 thousand euro corresponding to the restructuring plan implemented in 2009.
- (ii) Investments in fixed and intangible assets, with cash exit totalling -15,222 thousand euro.
- (iii) Payment for the acquisition of minority shares in Las Provincias (see Relevant Fact of 30 November 2009).

Thousand Euro	IFRS			
	1Q10	2009	Var Abs	Var %
Bank borrowings and other financial liabilities (short term)	33,813	54,784	(20,971)	(38.3%)
Bank borrowings and other financial liabilities (long term)	146,880	145,413	1,468	1.0%
Gross Debt	180,694	200,197	(19,503)	(9.7%)
Cash and cash equivalents	86,632	125,518	(38,885)	(31.0%)
Net cash position/ (net debt)	(94,061)	(74,679)	(19,382)	(26.0%)

Short term debt includes debt with credit institutions of 23,698 thousand euro, and other current liabilities with a financial expense of 10,115 thousand euro, including pension plans.

Long term debt includes debt with credit institutions of 119,953 thousand euro, associated with the leasing of printing plants, the Content area, Qué! and ABC, and other non-current liabilities with a financial expense of 26,927 thousand euro, including mainly pension plans and compensation to be paid under the ABC restructuring plan.

Cash flow statement

Thousand Euro	IFRS			
	1Q10	1Q09	Var Abs	% Var
Net profit attributable to the parent	(5,204)	2,685	(7,889)	(293.8%)
Adjustments to net profit	14,763	(5,871)	20,634	(351.5%)
Cash flows from ordinary operating activities before changes in working capital	9,559	(3,186)	12,745	(400.0%)
Changes in working capital	(19,166)	3,078	(22,244)	(722.7%)
Net cash flow from operating activities (I)	(9,607)	(108)	(9,499)	n.r
Acquisitions of intangible and property, plan and equipment	(15,222)	(4,920)	(10,302)	(209.4%)
Net proceed on disposal of financial assets	(7,752)	(26)	(7,726)	n.r
Interests and dividends received	338	781	(443)	(56.7%)
Other receivables and payables	-	20,466	n.a	n.a
Net cash flow from investing activities (II)	(22,636)	16,301	(38,937)	(238.9%)
Interests and dividends paid	(3,191)	(4,385)	1,194	27.2%
Cash inflows/ (outflows) relating to bank borrowings & other finan. liabilities	(4,308)	(33,978)	29,670	87.3%
Acquisition of treasury stock	858	2,212	(1,354)	(61.2%)
Net cash flows from financing activities (III)	(6,641)	(36,151)	29,510	81.6%
Net increase in cash and cash equivalents (I + II + III)	(38,884)	(19,958)	(18,926)	(94.8%)
Cash and cash equivalents provided by acquired companies	125,517	85,131	40,386	47.4%
Cash and cash equivalents at end of year	86,633	65,173	21,460	32.9%

n.r.: the difference is in absolute terms over 1.000%

n.a.: not applicable as one of the value is zero

Net cash flows from ordinary operating activities were -9,607 thousand euro due mainly to the operating result of the period and the impact on working capital of the payments derived from the provisions established for the restructuring process carried out last year (-10,611 thousand euro).

Net cash flows from investment activities of -22,636 thousand euro are due to the investments in fixed assets in the Rotomadrid plant (cash exit of -15,222 thousand euro related to CAPEX), and payments made for the acquisition of minority shareholders in Las Provincias (see Relevant Fact of 30 November 2009).

Net cash flows from financing activities were -6,641 thousand euro, including mainly interest and dividend payments as well as the payment of debt.

CAPEX

Investments in the first quarter of 2010 include the investments in the Other Businesses area (in the printing plant of Rotomadrid and improvements to the Bepsa plant) and in Print Media (investments in single editorial office at ABC).

The difference between the cash exit from investments in fixed assets and Capex recorded in accounts (+4,458 thousand euro) is mainly due to the payments made in the quarter for investments in the new Rotomadrid plant that were carried out in 2009.

Thousand Euro	IFRS								
	1Q10			1Q09			Var abs.		
	Intang.	Tang.	Total	Intang.	Tang.	Total	Intang.	Tang.	Total
Print Media	135	2,158	2,293	585	1,088	1,672	(450)	1,070	620
Audiovisual	198	409	607	42	248	290	156	161	317
Internet	942	311	1,254	797	420	1,217	145	(109)	36
Other Businesses	14	6,116	6,130	52	675	727	(37)	5,440	5,403
Corporate and Others	41	440	481	18	281	299	23	159	182
TOTAL	1,330	9,434	10,764	1,494	2,712	4,205	(164)	6,722	6,559

Information by business area

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

	IFRS			
Thousand Euro	1Q10	1Q09	Var Abs	Var %
Total Revenues				
Print Media	117,949	127,030	(9,081)	(7.1%)
Audiovisual	27,820	26,295	1,525	5.8%
Internet	13,315	12,930	385	3.0%
Other Businesses	51,598	53,213	(1,615)	(3.0%)
Corporate and Other	(35,049)	(35,098)	49	0.1%
Total Revenues	175,632	184,369	(8,737)	(4.7%)
EBITDA				
Print Media	7,008	(4,372)	11,380	260.3%
Audiovisual	4,478	2,449	2,029	82.9%
Internet	(269)	(765)	496	64.8%
Other Businesses	3,478	2,888	590	20.4%
Corporate and Other	(5,238)	(3,663)	(1,575)	(43.0%)
Total EBITDA	9,457	(3,463)	12,920	373.0%
EBIT				
Print Media	3,998	13,284	(9,286)	(69.9%)
Audiovisual	(1,165)	(2,226)	1,061	47.7%
Internet	(1,350)	(1,610)	260	16.2%
Other Businesses	1,618	1,365	253	18.5%
Corporate and Other	(5,576)	(4,103)	(1,473)	(35.9%)
Total EBIT	(2,475)	6,710	(9,185)	(136.9%)

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 Euro	1Q10	1Q09	Var Abs	Var %
Total Revenues				
Regional Press	74,216	78,383	(4,167)	(5.3%)
National Press	37,292	39,590	(2,299)	(5.8%)
Supplements & Magazines	12,567	14,192	(1,625)	(11.4%)
Free Press	2,845	4,553	(1,708)	(37.5%)
Adjustments Intersegment	(8,972)	(9,689)	717	7.4%
Total Revenues	117,949	127,030	(9,081)	(7.1%)
EBITDA				
Regional Press	12,553	11,971	582	4.9%
National Press	(5,694)	(14,750)	9,056	61.4%
Supplements & Magazines	1,105	(221)	1,326	599.6%
Free Press	(956)	(1,372)	416	30.3%
Total EBITDA	7,008	(4,372)	11,380	260.3%
EBIT				
Regional Press	10,938	10,333	605	5.9%
National Press	(7,025)	4,665	(11,690)	(250.6%)
Supplements & Magazines	1,031	(343)	1,374	401.0%
Free Press	(947)	(1,370)	424	30.9%
Total EBIT	3,998	13,284	(9,286)	(69.9%)

n.r.: the difference is in absolute terms over 1.000%

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Note: The main adjustments intersegments 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: 117,949 thousand euro compared with 127,030 thousand euro in the same period of 2009. Regional Press contributed 74,216 thousand euro (-5.3%), ABC 37,292 thousand euro (-5.8%), Supplements and Magazines 12,567 thousand euro (-11.4%), while the Free Press contributed 2,845 thousand euro (-37.5%).

Circulation revenues: 56,401 thousand euro (-4.6%).

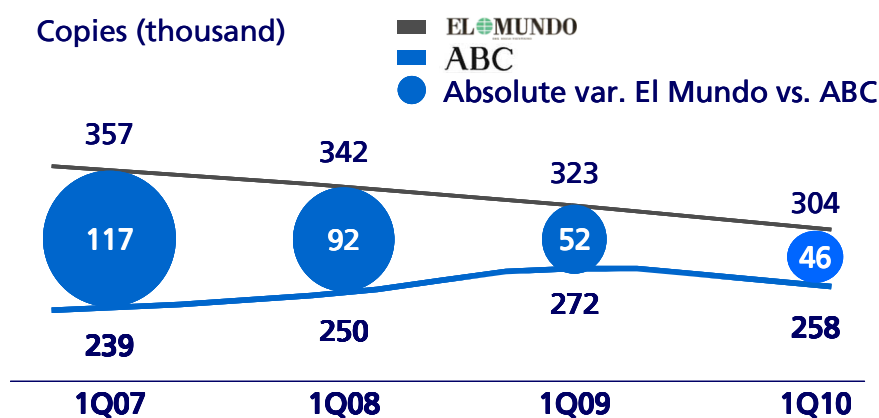
Regional Press reported sales of 34,612 thousand euro (-5.7%) reflecting the variation in circulation. The regional newspapers of VOCENTO continued to hold the undisputed leadership of the regional press market in the first quarter of 2010, with market share at regional press of 25.9% (OJD 1Q10).

It should be noted that in the first quarter of 2010, cover prices were in general unchanged from the first quarter of 2009, increasing the difference with the national press to 0.10 euro on Mondays to Fridays and 0.50 euro on Sundays.

ABC contributed 20,755 thousand euro (+0.8%), with the fall in circulation offset by the rise in cover price (by +0.10 euro on Monday to Friday and +0.20 euro on Sundays), and confirming the better relative performance of ABC compared with El Mundo.

In the last three years, ABC has cut by a third the gap to El Mundo, to 45,500 copies in the first quarter of 2010 vs. 117,443 copies in the same quarter in 2007.

Performance of El Mundo vs. ABC circulation



Source: OJD (data 2010 not audited)

Supplements and Magazines contributed 7,169 thousand euro (-18.9%) due to the exit from the corporate magazine business in 2009 (pro forma circulation revenues -14.9%), the seasonal effect of having one weekend less in 1Q10 vs. 1Q09, the lower circulation of the newspapers that the supplements are distributed with, and Vocento's magazine strategy of focusing on gradually capturing revenues coming from the brands migration to Internet (Inversor and Finanzas.com).

Advertising revenues: 49,445 thousand euro -8.9% compared to the same period in 2009. For the fifth consecutive quarter, there was a slowdown in the decline in the paid press: Regional Press 30,034 thousand euro (-9.3% vs. -28.1% in 1Q09 compared with a -10,0% market decline based on internal sources), and ABC 11,932 thousand euro (-4.7% vs. -29.4% in 1Q09 compared with a -3,3% market decline based on internal sources). Advertising revenues in Supplements and Magazines of 4,714 thousand euro, benefited from their differentiated niche profile and the wide coverage of the Supplements, with growth of +13.6% vs. +9.5% registered by the market according to i2p Arce Media). Finally, advertising revenues at Qué! (2,785 thousand euro, -37.7%) reflect the difficult advertising scenario for the free press.

Due to the strategy for gradually capturing the advertising sales coming from the migration of classified from paper formats to Vocento online network, advertising revenues from Classifieds in the paid press (excluding obituaries and TV guide) represents 8.6% of advertising sales, vs. 34.7% on the Internet.

Other revenues: 12,103 thousand euro (-11.0%), reflecting the reduction in revenues coming from add-ons at ABC in the first quarter of 2010.

EBITDA: 7,008 thousand euro in the first quarter of 2010, compared with -4,372 thousand euro in the same period in 2009, with an improvement in all segments of the business area, thanks to cost reductions:

Detail of operating expenses by segment

Opex IFRS Thousand Euro	1Q10	1Q09 ¹	Var Abs
Regional Press	(61,663)	(66,412)	(4,749)
National Press	(42,986)	(54,340)	(11,354)
Supplements & Magazines	(11,462)	(14,414)	(2,951)
Free Press	(3,801)	(5,925)	(2,124)
Print Media²	(110,940)	(131,402)	(20,461)

Note 1: includes restructuring costs amounting to 9,315 thousand euro.

Note 2: includes adjustments intersegment.

- (i) Regional Press: EBITDA of 12,553 thousand euro, +582 thousand euro from the first quarter of 2009. Cost control measures and the restructuring in 2009 have led to a -7.2% reduction in costs (with a -4,749 thousand euro improvement), offsetting the impact of the fall in advertising. A highlight was the fall in personnel expenses (-10.5%, -9.0% excluding restructuring costs of -353 thousand euro) from the same period in 2009.

These savings led to an improvement in the profitability of the Regional Press, with the EBITDA margin rising to 16.9% in the first quarter of 2010, up +1.6 p.p. from the first quarter of 2009, although there are still no clear indications of a recovery in advertising spend.

- (ii) ABC: reduction in negative EBITDA of +9,056 thousand euro thanks to cost reduction measures with costs down -11,354 thousand euro, -20.9% compared with the first quarter of 2009. 1Q09 personnel expenses are reduced by -30.0% excluding the restructuring investment that amounted to -8,732 thousand euro in 1Q09.
- (iii) Supplements and Magazines: EBITDA of 1,105 thousand euro. Operating expenses have been reduced by -2,951 thousand euro (-2,358 thousand euro adjusted for consolidation perimeter), leading to improved profitability in the segment, with an EBITDA margin in the first quarter of 2010 of 8.8% compared with -1.6% in the first quarter of 2009.
- (iv) Free Press: despite the fall in advertising, negative EBITDA has been reduced by +416 thousand euro to -956 thousand euro, thanks to cost optimisation measures, with a decline in operating expenses of -2,124 thousand euro, or -35.8% from the first quarter of 2009.

Audiovisual

Thousand Euro	IFRS			
	1Q10	2009	Var Abs	Var %
Total Revenues				
Regional and Local DTT	2,156	2,865	(708)	(24.7%)
National DTT	5,710	4,260	1,450	34.0%
Radio	4,587	3,847	740	19.2%
Content	17,146	16,061	1,085	6.8%
Adjustments Intersegment	(1,779)	(738)	(1,041)	(141.2%)
Total Revenues	27,820	26,295	1,525	5.8%
EBITDA				
Regional and Local DTT	(1,292)	(656)	(636)	(96.9%)
National DTT	1,078	512	566	110.6%
Radio	(1,056)	(1,864)	808	43.3%
Content	5,748	4,457	1,291	29.0%
Total EBITDA	4,478	2,449	2,029	82.9%
EBIT				
Regional and Local DTT	(1,722)	(1,051)	(671)	(63.8%)
National DTT	1,078	512	566	110.6%
Radio	(1,320)	(2,084)	764	36.7%
Content	798	397	401	101.0%
Total EBIT	(1,165)	(2,226)	1,061	47.7%

n.r.: the difference is in absolute terms over 1,000%

n.a.: not applicable as one of the values is zero

Note: Adjustments intersegments are due to the sale of programmes by the production companies to National DTT and to Radio.

Operating revenues: 27,820 thousand euro, +5.8% in the first quarter of 2010 due to the positive performance of National DTT, the increased activity of production companies in Content, and increased Radio advertising due to the incorporation of the Catalonian radio network, Onda Rambla to the consolidation perimeter.

Revenues in Regional and Local DTT were 2,156 thousand euro (-24.7%), impacted by selective divestments in Local TV. At Regional DTT, new programming was launched in 2010 under the agreement with Viacom.

At National DTT, following the implementation of the strategic agreement with The Walt Disney Company there has been an improvement in revenues of +1,450 thousand euro, due to the positive performance of the Net TV channels. There has been a notable rise in the penetration of DTT¹ even before any impact from the analogue switch-off on numbers (86.7%, +29.4 p.p. vs. 1st survey 2009). Disney Channel is consolidating its position as the leader of thematic channels within advertising target, with audience share of 2.2%².

¹ Source: EGM 1st survey 2010

² Source: Kantar Media April 2010

Radio reported revenues of 4,587 thousand euro (+19.1%, -5.0% excluding Onda Rambla) in 1Q10. Punto Radio has increased its listenership significantly (629,000³ listeners, +105,000 vs. 1st survey of 2009), reflecting its improved coverage and its bet on communicators.

The increase in Content to 17,146 thousand euro is due to the increased activity of the production companies, especially in international markets. The diversification strategy implemented last year has meant that clients of the production companies now include general channels (Cuatro), thematic channels (Antena 3 Neox), regional channels (Canal Sur), international channels (Canale 5), Disney Channel and even new media (Terra).

EBITDA: improving efficiency, with a rise in EBITDA of +2,029 thousand euro and a positive impact from cost reductions:

- (i) Regional and Local DTT: EBITDA -1,292 thousand euro, with cost control measures and selective divestments in local television partly offsetting the impact on costs of the strategic investments in Regional DTT.
- (ii) National DTT: EBITDA of 1,078 thousand euro in the first quarter of 2010, more than double the level of the same period in 2009, signifying the profitability of the DTT business model. Margins improved by +6.9 p.p. in 1Q10, to 18.9% from 12.0% in 1Q09.
- (iii) Radio: a reduction in negative EBITDA of +808 thousand euro, because of change in perimeter due to Onda Rambla and cost reductions.
- (iv) Content: EBITDA 5,748 thousand euro, reflecting the higher level of activity in the area. There was an improvement in profitability (EBITDA margin 33.5%, +5.8 p.p.) due, among other factors, to the centralisation of corporate services and the optimisation of structures.

Operating profit: (because of the level of amortization in this area, it is more appropriate to analyse the operating profit line) was -1,165 thousand euro (an improvement of +1,061 thousand euro from the same period in 2009), including amortisation of -4,950 thousand euro in the Content area.

³ Source: EGM 1st survey 2010

Internet

Thousand Euro	IFRS			
	1Q10	2009	Var Abs	Var %
Total Revenues				
Digital Editions	4,463	4,047	417	10.3%
Vertical Portals & Others	820	973	(154)	(15.8%)
Classified	3,448	3,055	394	12.9%
B2B	4,934	5,248	(314)	(6.0%)
Adjustments Intersegment	(350)	(393)	43	10.9%
Total Revenues	13,315	12,930	385	3.0%
EBITDA				
Digital Editions	(626)	(753)	128	17.0%
Vertical Portals & Others	(167)	(316)	149	47.2%
Classified	(708)	(844)	137	16.2%
B2B	1,231	1,149	82	7.2%
Total EBITDA	(269)	(765)	496	64.8%
EBIT				
Digital Editions	(882)	(939)	57	6.0%
Vertical Portals & Others	(320)	(437)	117	26.8%
Classified	(1,113)	(1,134)	21	1.8%
B2B	966	900	66	7.3%
Total EBIT	(1,350)	(1,610)	260	16.2%

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 adjustments intersegments are due to the connectivity service and content revenues, mainly between Sarenet (B2B) and the other companies in the Internet business area.

Operating revenues: 13,315 thousand euro (+3.0%). The significant rise in advertising (+25.8%) offsets the decline in other revenues that was the result of the reduced activity in B2B and the strategic focus on B2C in the advertising business.

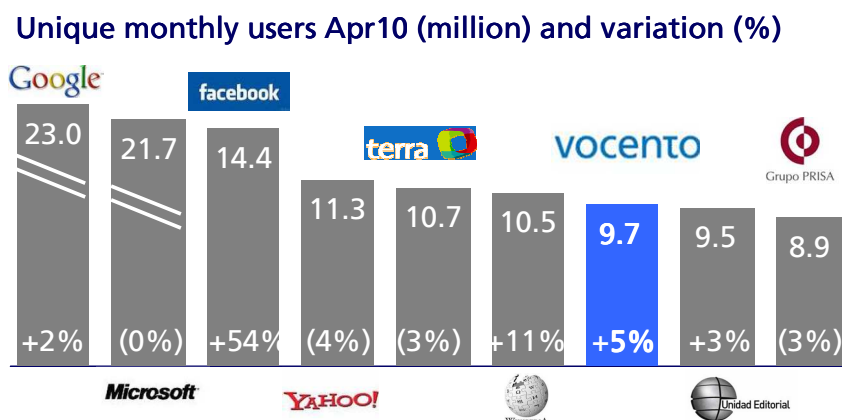
VOCENTO has again confirmed its leadership of media companies on the Internet, with an audience close to ten million users, and a rise in unique monthly users of +5.4% according to Nielsen NetView in April 2010, with growth across all its business segments: Digital Editions, Vertical Portals, Classifieds and Directories.

ABC.es increased its monthly traffic by +11.6%, 5x the news category. The portal is closing the gap with the leader in its category, increasing market share and joining the top #3 (+2.3p.p, market share of 24.1% in April 2010 vs. 21.8% in April 2009). The multi-channel strategy for the ABC brand includes the development and launch of the application for the Apple iPad (a platform that is a hybrid e-reader and iPhone) in April.

In Classifieds, all portals are positioned among the top in their categories for first time: auto and real estate #3 and employment #2. A highlight at Pisos.com was the development of applications for smart phones such as the iPhone. The portal has consolidated its top #3 position in real estate portals, with over one million users (1,016 million unique monthly users), and with an increase (+89.9%) that compares with 4.6% on its category in the last year. Autocasión reaches top #3 position in motor category with more than half a million u.m.u. Lastly, Infoempleo consolidates top #2 position in the employment ranking with an audience of one million u.m.u.

Finally, 11870.com, Vocento's play in the leisure and directories space, has 798 thousand unique monthly users, up +22.6% from April 2009.

The chart shows the Nielsen Netview ranking of Internet audiences:



Advertising revenues: up +25.8% to 6,811 thousand euro, with an improvement in unique monthly users and a leading position for Vocento brands in the news category.

The weight of Internet advertising revenues contributes 10.9% to total VOC's advertising revenues. By business segment: Digital Editions +18.1%, Vertical Portals +20.9% and Classifieds +40.5%.

The commitment to Classifieds has resulted in the development of an online network covering the real estate, employment and automotive markets, with the regional leveraging of national brands and the strengthening of the sales network. The growth in advertising revenues of Classifieds, up +40.5%, is above the +11.4% growth of the Internet market, according to i2p Arce Media in the first three months of 2010. Online Classified advertising revenues represents 34.7% of total internet advertising revenues in first quarter of 2010.

Other revenues: 6,491 thousand euro, down -13.2%, due to lower activity in B2B and the strategic focus of VOCENTO on the advertising business in Digital Editions and Vertical Portals.

EBITDA: -269 thousand euro, with the growth in advertising and cost controls in B2B offsetting the strategic investments in Classifieds and Digital Editions (costs in the Internet area down -0.8% in 1Q10).

Other Businesses

Thousand Euro	IFRS			
	1Q10	2009	Var Abs	Var %
Total Revenues				
Distribution	39,921	43,508	(3,586)	(8.2%)
Printing	10,222	7,477	2,745	36.7%
Others	1,535	2,490	(955)	(38.4%)
Adjustments Intersegment	(81)	(262)	181	69.2%
Total Revenues	51,598	53,213	(1,615)	(3.0%)
EBITDA				
Distribution	636	638	(2)	(0.3%)
Printing	2,885	2,465	420	17.0%
Others	(43)	(216)	173	80.1%
Total EBITDA	3,478	2,888	590	20.4%
EBIT				
Distribution	530	514	16	3.0%
Printing	1,157	1,100	57	5.1%
Others	(68)	(249)	181	72.5%
Total EBIT	1,618	1,365	253	18.5%

n.r.: the difference is in absolute terms over 1,000%

n.a.: not applicable as one of the values is zero

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

Operating revenues: 51,598 thousand euro, -3.0%, reflecting the incorporation of the Rotomadrid plant which started operating at the end of 2009, the change in the consolidation perimeter (pro forma revenues -1.5% due to the incorporation in 1Q10 of Rotomadrid and the exit in 1Q09 of Distrirutas and Sector MD), and the ties of Printing and Distribution to the Print Media area.

EBITDA: 3,478 thousand euro. In the printing area, EBITDA was 2,885 thousand euro and in Distribution it was 636 thousand euro, with the lower level of activity in Distribution offset by cost efforts, and by the diversification of products (magazines). It should be noted that the plant that prints ABC (Rotomadrid) obtained EBITDA of 1,097 thousand euro.

Main operating data

Print Media

Average Circulation Data	1Q10	1Q09	Var Abs	Var %
National Press - ABC	258,060	271,671	(13,611)	(5.0%)
Regional Press	434,764	468,540	(33,777)	(7.2%)

Sources:OJD. 2009 data audited

Audience ('000)	1ª Survey 10	1ª Survey 09	Var Abs	%
National Press - ABC	756	730	26	3.6%
Regional Press	2,386	2,551	(165)	(6.5%)
Supplements				
XL Semanal	3,290	3,475	(185)	(5.3%)
Mujer Hoy	1,975	2,130	(155)	(7.3%)
Mujer Hoy Corazón	343	0	343	na
Pantalla Semanal	358	0	358	na
Inversión y Finanzas	76	136	(60)	(44.1%)
Free Press - Qué!	1,563	2,116	(553)	(26.1%)

Source: EGM cumulative waves. Regional Press data as aggregated of the Regional newspapers' audiences

Audiovisual

DTT National Market	1Q10	1Q09	Var Abs
DTT Penetration in homes ⁽¹⁾	86.7%	57.3%	29.4 p.p.
DTT Market share ⁽²⁾	67.5%	27.3%	40.2 p.p.
Disney Channel Market Share ⁽²⁾	2.2%	1.1%	1.2 p.p.

PUNTO RADIO	1ª Survey 10	1ª Survey 09	Var Abs
Listeners (M-F) ⁽³⁾	629,000	524,000	105,000

Sources:

(1) AIMC- EGM (2) Kantar Media last month (3) EGM waves- Radio XXI

Internet

Monthly Unique uses ('000)	apr 10	apr 09	Var Abs	Var%
Vocento	9,743	9,244	499	5.4%

Source: Nielsen Net View

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