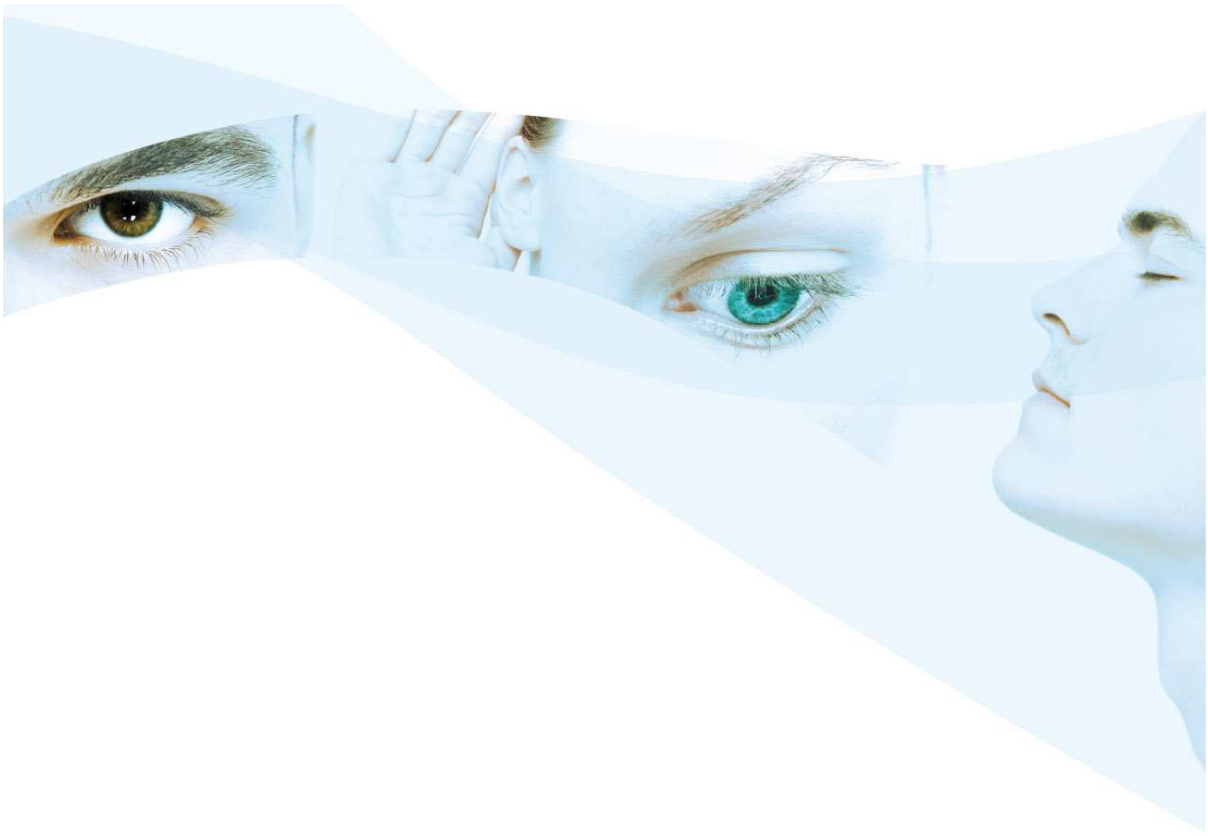
vocento



VOCENTO, S.A. and Subsidiaries

Consolidated Intermediate Management Report corresponding to the first half of 2012

27 July 2012

INTRODUCTION: THE ECONOMIC CONTEXT

In the first half of 2012, the difficult macroeconomic conditions in Spain appeared to deteriorate, with short term expectations pointing to weaker consumption and additional tensions in the debt and capital markets. The main official institutions and public bodies have downgraded their macroeconomic forecasts for 2012 and 2013, and as result advertising spending has continued its negative trend. In the first half of 2012, the decline in advertising revenues on conventional media was estimated at -15.6% by InfoAdex and -14.9% by i2p.

In this context, over three years since the beginning of the recession, VOCENTO continues to demonstrate its capacity to actively respond to current conditions. VOCENTO is focused on the management of key variables: increasing advertising market share using its *Tarifa Única 3.0* sales strategy, which it implemented at the end of 2011 and which provides advertisers with increased coverage and which has resulted in VOCENTO outperforming the market in terms of advertising spend; maintain its quality circulation, focused on the most loyal readers, which increases the profitability of circulation revenues; search for new sources of revenues, such as Oferplan.com and Kiosko y Más, which leverage the strength of its brands and its sound positioning on the Internet. Meanwhile, it is focused on cost reductions and efficiencies, especially in loss-making businesses, as demonstrated by the success of the television business model and the decision to close the print edition of the free daily Qué!. This execution and the well-balanced strategy between looking for revenues and controlling costs, can be implemented thanks to the strength of VOCENTO's balance sheet and its differentiating net financial position compared with the sector.

As a result, VOCENTO is positioning itself for the future as one of the main players leading the Spanish media sector.

PERFORMANCE OF VOCENTO BUSINESSES

VOCENTO is a multimedia group, whose parent company is VOCENTO, S.A., and it is dedicated to the various different areas that compose the media business.

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

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

For information purposes, the following chart shows the areas where VOCENTO operates:

Breakdown of the business areas of VOCENTO

PRINT MEDIA

REGIONAL PRESS

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

NATIONAL PRESS

- ABC

FREE PRESS

- Qué!

SUPPLEMENTS & MAGAZINES

- XL Semanal
- Mujer Hoy
- Hoy Corazón
- Inversión y Finanzas

AUDIOVISUAL

DTT

- National DTT – Net TV
- Regional DTT

RADIO

- ABC Punto Radio
- 2 digital radio licenses

CONTENT

- Veralia

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

Distribution:
- Tripictures

INTERNET

DIGITAL EDITIONS

- 12 Local Portals
- ABC.es
- Que.es

VERTICAL PORTALS

- Mujerhoy.com
- Finanzas..com

CLASSIFIEDS & DIRECTORIES

Classifieds:
- Pisos.com
- Infoempleo
- Autocasión
- Tus anuncios

Directories:
- 11870 (30%)

B2B

- Sarenet

OTHER BUSINESSES

PRINTING

- Comeco Impresión

DISTRIBUTION

- Distribuciones Comecosa

OTHER

- Other regional multimedia companies

IMPORTANT NOTE

To facilitate the analysis of this information, the report excludes from operating expenses, EBITDA, EBIT and Net Income the extraordinary impacts that affected both reporting periods. The most significant impacts include: investment in restructuring in 1H12 of -2,922 thousand euros and in 1H11 of -13,088 thousand euros, the result from impairments and fixed assets sale of -415 thousand euros in 1H12 and 11,729 thousand euros in 1H11, the write down of goodwill due to the ending of the print edition of Qué! in 1H12, of 19,146 thousand euros, and the reversal of the provision for tax regularization and the tax effects derived from these.

The reported and comparable information, reflecting these adjustments, is included in the tables of this report and in the information in the appendices.

Highlights of the financial performance of the businesses

Management of key variables, circulation and advertising enabled VOCENTO to outperform the Market

Continued efficiency and cost discipline 1H12 -12.4%

EBITDA improves at loss-making businesses (ABC, DTT and Radio)

Net Result maintained at levels close to 1H11 despite the cycle

A financial position which differentiates VOC from the sector

- **Management of key variables:**
  (i) Focus on high quality, profitable circulation: ABC was the best performing newspaper at kiosks (1H12 -2.5%[1]) vs. peers (-7.8%[1]). Cover price increase at ABC and Regional Press in 2Q12 and 2H12.
  (ii) Advertising revenues outperformed peers in 1H12: ABC -18.4% and Regional Press -17.1% vs. market -20.5%[2] and ABC Punto Radio -7.8% vs. market -12.8%[2].
  (iii) Commercial strategy: enabling increase in average ad price and ad space (price variation ABC +4.2% vs. peers -13.8%).
  (iv) Internet ad revenues in 1H12 contributed 15.2% of VOC ad revenues (+2.2 p.p. vs. 1H11).
  (v) Search for new sources of revenues: development of Oferplan.com and Kiosko y Más.
- **Continued efficiency in costs:** total comparable costs -12.4%[3] and personnel costs -11.2%[3].
- **Focus on profitability: Comparable EBITDA 1H12 20,759 thousand euros (-3,573 thousand euros vs. 1H11) with a drop in advertising revenues amounting to -22,337 thousand euros. Close of print edition of Qué! and EBITDA improvement in loss-making businesses:**
  (i) Print Media: variation in comparable EBITDA 1H12/11 -8,545 thousand euros, despite a fall in advertising of -18,901 thousand euros in the 1H12/11 period. ABC improved comparable EBITDA 1H12/11 by +832 thousand euros. Closure of the print edition of Qué! with an impact of -19,146 thousand euros due to write down of goodwill, releasing EBITDA of -2,071 thousand euros in 1H12.
  (ii) Audiovisual: improvement in comparable EBITDA by +5,449 thousand euros. Positive EBITDA at DTT of 3,709 thousand euros vs. -2,554 thousand euros in 1H11 and improvement at Radio by +786 thousand euros.
- **EBIT and Net Result maintained closed to 1H11 levels, excluding extraordinary impacts of -13,851 thousand euros in 1H12 and -572 thousand euros in 1H11.**
- **The financial position differentiates VOCENTO in an uncertain cycle, and below closing 2011, excluding the impact of the agreement with minority shareholders in Las Provincias.**

€m	1H12	1H11	Var
Revenues	316.1	361.6	(45.5)
Comparables Operating expenses	(295.3)	(337.2)	41.9
EBITDA ex compensation	20.8	24.3	(3.6)
Compensation	(2.9)	(13.1)	10.2
EBITDA	17.8	11.2	6.6
EBIT ex extraord. and compensation	3.4	3.8	(0.4)
Compensation	(2.9)	(13.1)	10.2
Impairments and net capital gains	(0.5)	11.7	(12.2)
EBIT	0,0	2.4	(2.4)
Comparable net income attributable to de parent	(4.6)	(3.4)	(1.2)
Compensation, Impairments and net capital gains	(3.4)	(1.4)	(2.0)
Writedown from close of Qué	(19.1)	0	(19.1)
Las Provincias: capital gains from put	2.7	0	2.7
Tax affects related to extraordinaries	6.0	0.8	5.2
Comparable net income attributable to de parent	(18.5)	(4.0)	(14.5)

[1] *Source: OJD 1H12. Data non audited. Average data from peers El Mundo and La Razón.*
[2] *Source: InfoAdex 1H12.*
[3] *Excluding investment in restructuring VOC 1H12 -2,922 thousand euros and 1H11 -13,088 thousand euros.*

Main financial data

Consolidated Profit and Loss Account

	IFRS			
Thousand Euro	**1H12**	**1H11**	**Var Abs**	**Var %**
Circulation revenues	118,382	129,667	(11,285)	(8.7%)
Advertising revenues	105,767	128,103	(22,337)	(17.4%)
Other revenues	91,949	103,807	(11,858)	(11.4%)
Total revenue	**316,097**	**361,577**	**(45,480)**	**(12.6%)**
Staff costs	(97,433)	(119,470)	(22,037)	(18.4%)
Procurements	(55,014)	(62,152)	(7,139)	(11.5%)
External Services	(143,459)	(166,913)	(23,454)	(14.1%)
Provisions	(2,354)	(1,797)	557	31.0%
Operating expenses (without D&A)	**(298,260)**	**(350,333)**	**(52,073)**	**(14.9%)**
EBITDA	**17,838**	**11,245**	**6,593**	**58.6%**
Depreciation and amortization	(17,420)	(20,614)	(3,194)	(15.5%)
Impairment/gains on disposal of tan. & intan. assets	(415)	11,729	(12,144)	(103.5%)
EBIT	**3**	**2,359**	**(2,356)**	**(99.9%)**
Impairments/reversal of other intangible assets	(19,146)	0	19,146	n.a.
Profit of companies acc. equity method	(489)	(313)	(176)	(56.2%)
Net financial income	(1,754)	(3,273)	1,520	46.4%
Net gains on disposal of non- current assets	(6)	55	(62)	(110.9%)
Profit before taxes	**(21,392)**	**(1,172)**	**(20,220)**	**n.r.**
Corporation tax	7,508	432	7,076	n.r.
Profit after taxes	**(13,884)**	**(740)**	**(13,144)**	**n.r.**
Net result of assets as maintained for sale	0	0	0	n.a.
Net profit for the year	**(13,884)**	**(740)**	**(13,144)**	**n.r.**
Minority interests	(4,575)	(3,220)	(1,355)	(42.1%)
Net profit attibutable to the parent	**(18,459)**	**(3,959)**	**(14,500)**	**(366.2%)**
Operating Expenses ex non recurring costs	(295,338)	(337,245)	(41,906)	(12.4%)
Comparable EBITDA[1]	20,759	24,333	(3,573)	(14.7%)
Comparable EBIT[1] [2]	3,340	3,719	(379)	(10.2%)
Comp. net profit attibutable to the parent[3]	(4,608)	(3,387)	(1,221)	(36.0%)

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

[1] *Excludes investment in 1H12 -2,922 thousand euros and restructuring 1H11 -13,088 thousand euros.*
[2] *Excludes Impairments & result from sale of fixed assets mainly due to closing of Qué! in 1H12 and sale of ABC land in1H11.*
[3] *See item Net result attributable to parent company.*

Operating revenues

Revenues in the first half of 2012 reached 316,097 thousand euros, -12.6% compared with the first half of 2011:

(i) Circulation revenues, -8.7%, with a decrease at Regional Press of -6.3% and at ABC of -12.3%. This performance reflects the strategy of reducing unprofitable circulation: non-ordinary circulation at ABC -76.9%[4] and Regional Press -24.7%[3].

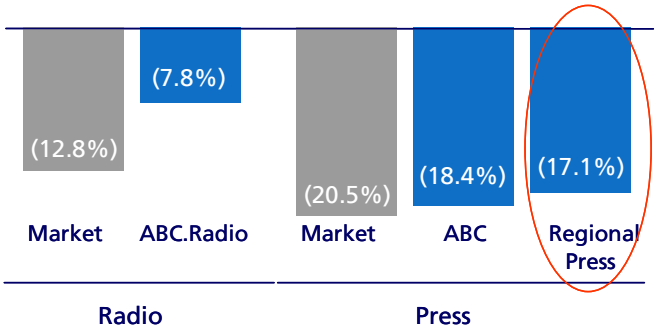
At ABC, revenues from kiosk sales increased by +3.8%, a result of the increase in the weekday cover price (€+0.1) in January and the focus on kiosk sales, where the title outperformed its peers (ABC -2.5%[4] vs. competitors -7.8%[4]).

[4] *Source: OJD 1H12. Data not audited. Average competitors El Mundo and La Razón*

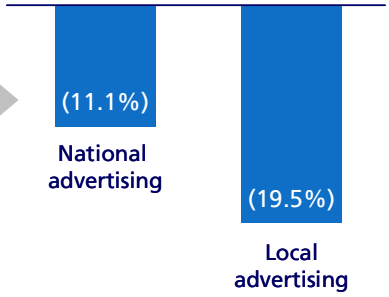
(ii) Advertising revenues, -17.4%, reflecting the difficult stage of the advertising cycle. Adjusted for the close of La 10 and local radio stations, the decline would be -16.3%.

The advertising revenues of ABC (-18.4%), Regional Press (-17.1%) and Radio (-7.8% excluding local stations) all outperformed the press and radio market in the first half of 2012, which according to InfoAdex declined by -20.5% and -12.8% respectively.

Variation in advertising 1H12/11 (%)



Var. in advertising Regional Press 1H12/11 (%)

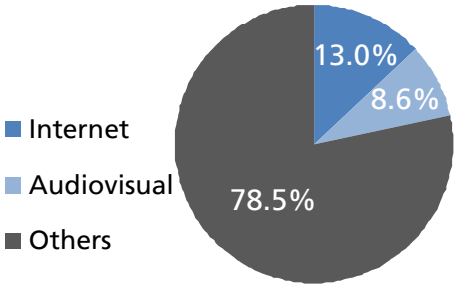


The search for measures to optimize the commercial success of VOCENTO's brands has resulted in the launch of *Tarifa Única 3.0* for nationwide advertising in the Regional Press of VOCENTO, other regional titles and ABC. This advertising plan offers advertisers a wide coverage offline and online (69%[5]). The success of this plan can be seen in VOCENTO's outperformance in advertising compared with the market.

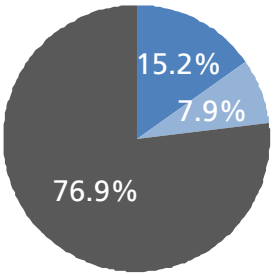
Advertising revenues from the Internet area represented 15.2% of the advertising revenues of VOCENTO in the first half of 2012 (+2.2 p.p. vs. 1H11).

Development of advertising mix (%)

1H11



1H12



(iii) Decline in Other Revenues of -11.4% due, among other factors, to the reduced activity in the Content area.

A highlight in Other Revenues has been the development of Oferplan.com, which is making an increasing contribution to the revenues of the digital regional editions of VOCENTO, leveraging the power of the regional brands.

[5] *Source: Nielsen Netview June 2012.*

Operating expenses

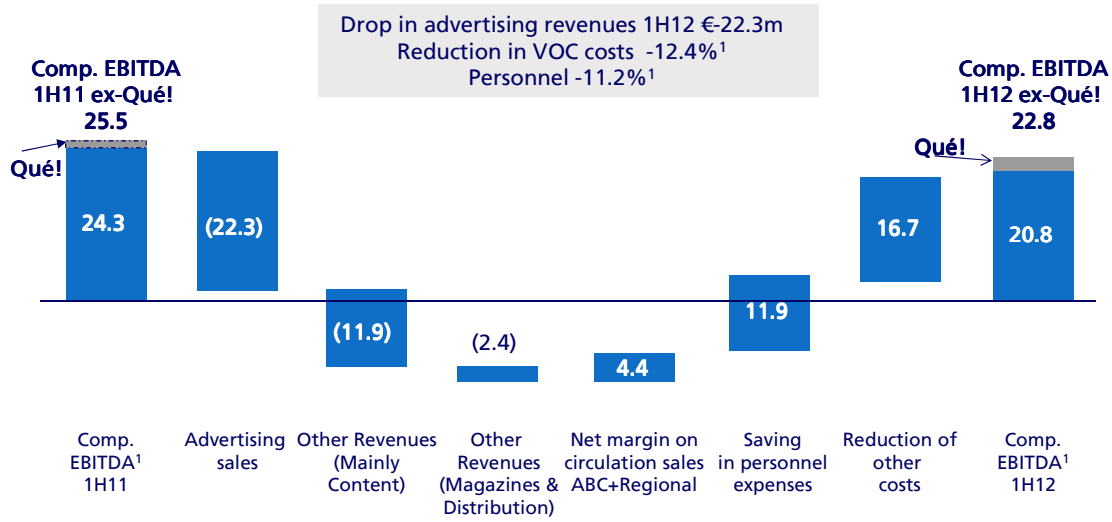
Comparable costs in the first half of 2012 decreased by -12.4%, -41,906 thousand euros (excluding the investment in restructuring in 1H12 of -2,922 thousand euros and in 1H11 of -13,088 thousand euros). Cost control measures were applied across all areas, except for Internet where investments have been maintained in accordance with the strategy of supporting this area.

The continued target for efficiency and cost discipline has been reflected in all expense items, in particular in a -11.2% reduction in personnel expenses in the first half of 2012 on a comparable basis, due to the restructuring measures implemented in recent years and lower activity in the Content segment. In addition, other measures with a significant impact on savings included the negotiation of raw material prices, the reduction in pagination, the closure of television channel La 10, as well as lower operating costs because of the controlled decrease in non-ordinary circulation at ABC and Regional Press.

Comparable EBITDA

Comparable EBITDA in the first half of 2012 was 20,759 thousand euros vs. 24,333 thousand euros in 1H11. Excluding the EBITDA of Qué!, where the print activity was terminated at the end of June 2012, comparable EBITDA would be 22,830 thousand euros vs. 25,479 thousand euros in 1H11:

Development of comparable EBITDA[6] 1H12/11 (€m)



(i) Print Media[7]: Comparable EBITDA in the first half of 2012 was 16,268 thousand euros vs. 24,813 thousand euros in 1H11, a decrease of -8,545 thousand euros because of the fall in advertising (variation 1H12/11 -18,901 thousand euros). ABC improved its comparable EBITDA 1H12/11 by +832 thousand euros.

(ii) Audiovisual[8]: improved comparable EBITDA in 1H12 by +5,449 thousand euros as a result of the implementation of the niche, profitable strategy in DTT and the improved performance in Radio thanks to the combined brand strategy for ABC. In Content, the decline in EBITDA is due to the cinema releases in 1H12 at Tripictures and the lower level of activity at the production companies, impacted by the performance of the television sector.

(iii) Internet[9]: the variation in comparable terms 1H12/11 (-1,066 thousand euros) is due to the change in revenues and the investment in this growth area, via operating expenses.

[6] *VOC: excludes investment in restructuring 1H12 – 2,922 thousand euros and 1H11 -13,088 thousand euros.*
[7] *Print Media: excludes investment in restructuring 1H12 -2,409 thousand euros and 1H11 -7,076 thousand euros.*
[8] *Audiovisual: excludes investment in restructuring 1H12 -46 thousand euros and 1H11 -1,418 thousand euros.*
[9] *Internet: excludes investment in restructuring 1H12 -69 thousand euros and 1H11 -358 thousand euros.*

Comparable operating result (EBIT)

The comparable operating result was practically at the same level as in 1H11 (a variation of -379 thousand euros) in 1H12/11, despite a fall in advertising of -22,337 thousand euros.

The operating result reported in 1H12 includes impairment to fixed assets due to the closure of the print edition of Qué! (result from sale of fixed assets in 1H12, -469 thousand euros). The reported operating result in 1H11 included, among others, net capital gains from the third stage of the sale of ABC land and other smaller amounts (1H11 11,729 thousand euros).

Amortization in the period (1H12 -17,420 thousand euros) decreased by -3,194 thousand euros compared with 1H11, due to the lower level of amortization in the Content segment (-5,062 thousand euros vs. -7,036 thousand euros in 1H11) due to the decrease in amortization in the Tripictures catalogue in 1H12.

Financial result and others

The financial result of -1,754 thousand euros in the first half of 2012 includes financial income of 2,698 thousand euros from the renegotiation at a lower price of the put option on Las Provincias (see Relevant Fact of 10 May 2012 and Note 3 of the Interim Accounts).

Writedown of goodwill

As a consequence of the ending of the print activity of Qué!, all the goodwill associated with the asset was written down, a total of 19,146 thousand euros.

Corporation tax

Corporation tax in the first half of 2012 reflects the performance of the operating result and the following effects: 1) the deduction of the write down of goodwill at Qué!, and 2) the reversal of the excess provision due to the regularisation of tax at the end of last year.

Net result

The net result for the first half of 2012 was -13,884 thousand euros, impacted in the comparison with the non-recurring items mentioned previously, and in particular by the decision to end the print version of Qué! and the write down of goodwill in 1H12.

Minority interest

Minority interest in the first half of 2012 was -4,575 thousand euros vs. 1H11 -3,220 thousand euros, with the improved performance in National DTT and Radio offset by a weaker performance in Supplements and Distribution.

Net result attributable to parent company

The net consolidated result in the first half of 2012 was -18,459 thousand euros. On a comparable basis, excluding extraordinary items, the Net Result would be -4,608 thousand euros, a decrease of -1,221 thousand euros compared with 1H11.

Analysis of comparable P&L 1H12/11 and detail of main impacts (€m)

€m	1H12	1H11	Var
Revenues	316.1	361.6	(45.5)
Comparables Operating expenses	(295.3)	(337.2)	41.9
EBITDA ex compensation	20.8	24.3	(3.6)
Compensation	(2.9)	(13.1)	10.2
EBITDA	17.8	11.2	6.6
EBIT ex extraord. and compensation	3.4	3.8	(0.4)
Compensation	(2.9)	(13.1)	10.2
Impairments and net capital gains	(0.5)	11.7	(12.2)
EBIT	0,0	2.4	(2.4)
Comparable net income attributable to de parent	(4.6)	(3.4)	(1.2)
Compensation, Impairments and net capital gains	(3.4)	(1.4)	(2.0)
Writedown from close of Qué	(19.1)	0	(19.1)
Las Provincias: capital gains from put	2.7	0	2.7
Tax affects related to extraordinaries	6.0	0.8	5.2
Comparable net income attributable to de parent	(18.5)	(4.0)	(14.5)

Note: Impairments account includes only the effect of the write down at Qué! (reported data €-0.4m).

Consolidated Balance Sheet

	IFRS			
Miles de Euros	**1H12**	**2011**	**Var abs**	**% Var**
Non current assets	**617,108**	**639,710**	**(22,602)**	**(3.5%)**
Intangible assets	198,301	222,211	(23,909)	(10.8%)
Property, plant and equipment	205,640	212,176	(6,536)	(3.1%)
Investments accounted using equity methoc	18,864	19,210	(346)	(1.8%)
Other non current assets	194,302	186,113	8,190	4.4%
Current assets	**225,156**	**269,394**	**(44,238)**	**(16.4%)**
Cash and cash equivalents	42,338	53,346	(11,008)	(20.6%)
Other current assets	182,818	216,048	(33,230)	(15.4%)
Assets held for sale	**193**	**193**	**0**	**0.0%**
TOTAL ASSETS	**842,457**	**909,298**	**(66,840)**	**(7.4%)**
Equity	407,694	427,124	(19,429)	(4.5%)
Bank borrowings and other fin. liabilities	186,993	192,003	(5,010)	(2.6%)
Other liabilities	247,769	290,170	(42,401)	(14.6%)
TOTAL EQUITY AND LIABILITIES	**842,457**	**909,298**	**(66,840)**	**(7.4%)**

Intangible assets

The reduction is due mainly to the write down of goodwill, associated with the decision to close the publishing activity of the free newspaper Qué!.

Other current assets

There was a lower balance from clients, mainly due to receivables from Public Administration and the lower level of business, as well as the reduction of stocks.

Net financial position

The net financial position in the period was -144,656 thousand euros, including cash and cash equivalents of 42,338 thousand euros.

It should be noted that net financial debt in the first half of 2012 would be less than at the end of 2011 (138,657 thousand euros), excluding the non-recurring impact of the agreement with minority shareholders in Las Provincias.

	IFRS			
Thousand Euro	**1H12**	**2011**	**Var Abs**	**Var %**
Bank borrowings and other financial liabilities (short term)	99,694	67,023	32,671	48.7%
Bank borrowings and other financial liabilities (long term)	87,299	124,980	37,682	(30.1%)
Gross Debt	**186,993**	**192,003**	**(5,010)**	**(2.6%)**
Cash and cash equivalents	42,338	53,346	(11,008)	(20.6%)
Net cash position/ (net debt)	**(144,656)**	**(138,657)**	**(5,998)**	**(4.3%)**
Included Las Provincias impact	13,577	2,664	10,913	409.6%
Net debt ex Las Provincias	**(131,079)**	**(135,993)**	**4,915**	**(3.6%)**

The most significant variations were due to:

(i) Variation in working capital of +4,890 thousand euros, including receivables from Public Administration under Law 4/2012 for Local Institutions and 7/2012 for Autonomous Communities, a total amount of 10,734 thousand euros.

(ii) Additional booking of the agreement for the exercise of options in Las Provincias, for an amount of -10,913 thousand euros. In the second half of 2012, -1,581 thousand euros will be booked (see Relevant Fact of 10 May 2012 and Note 3 of the Interim Accounts).

(iii) Investment in restructuring: cash exit in the first half of 2012 of -6,011 thousand euros.

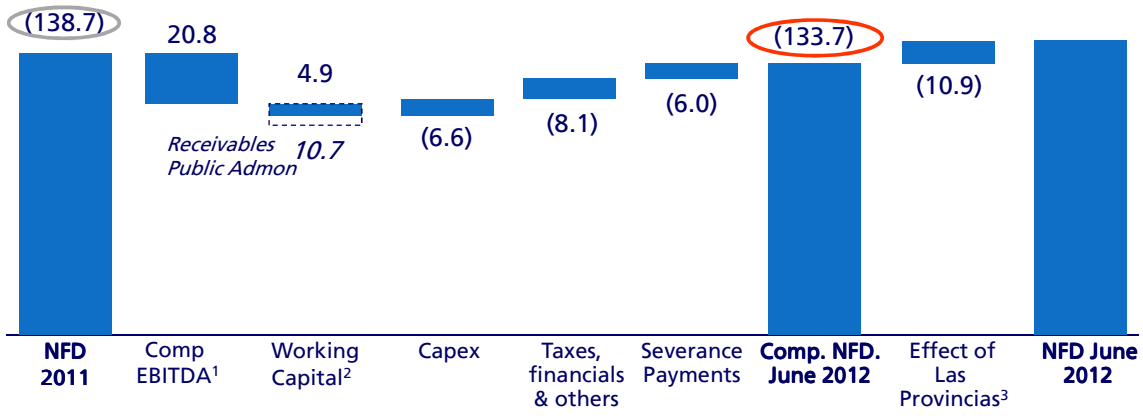
(iv) Investment in fixed and intangible assets: total cash exits of -6,635 thousand euros, mainly in Internet and Print Media.

Short term borrowings and other financial liabilities include debt with credit institutions of 89,888 thousand euros, which increased because of the reclassification of long term debt as short term, and other liabilities with a current financial cost of 7,027 thousand euros, including pension plans and the remaining payment of Las Provincias.

Long term bank borrowings and other financial liabilities include: a) debt with credit institutions of 70,923 thousand euros, which was reduced because of the reclassification to short term mentioned above and the lower use of credit lines, which also resulted in less cash in 1H12, and b) other liabilities with a non-current financial cost of 19,156 thousand euros, including mainly pension plans and compensation pending payment, associated with the downsizing at ABC in 2009 and the remaining payment of Las Provincias.

VOCENTO also has available to it unused credit lines of about 65,000 thousand euros at the corporate level.

Analysis of change in Net Financial Debt 31 December 2011-30 June 2012



Note 1: excludes investment in restructuring in 1H12 of €-2.9m. Note 2: variation of stocks, clients, suppliers and current taxes (VAT). Note 3: see note 3 First Half Accounts.

Other liabilities

The variation in the amount of Other Liabilities is due mainly to the booking of the agreement for the exercise of options on Las Provincias (see note 3 of the Interim Accounts), the decline of balances with suppliers and the application of provisions corresponding to the restructuring measures.

Cash flow statement

	IFRS			
Thousand Euro	**1H12**	**1H11**	**Var Abs**	**% Var**
Net profit attibutable to the parent	**(18,459)**	**(3,959)**	**(14,500)**	**(366.3%)**
Adjustments to net profit	37,940	17,428	20,512	117.7%
Cash flows from ordinary operating activities before changes in working capital	**19,481**	**13,469**	**6,012**	**44.6%**
Changes in working capital	4,890	(5,839)	10,729	(183.7%)
Other payables	(14,672)	(7,687)	(6,985)	(90.9%)
Income tax paid	(8)	(276)	268	97.1%
Interests deduction for tax purposes	(3,107)	(1,703)	(1,404)	(82.4%)
Net cash flow from operating activities (I)	**6,584**	**(2,036)**	**8,620**	**(423.4%)**
Acquisitions of intangible and property, plan and equipment	(6,635)	(10,398)	3,763	36.2%
Net proceed on disposal of financial assets	0	(79)	n.a	n.a
Interests and dividends received	530	1,229	(699)	(56.9%)
Other receivables and payables (investing)	0	19,500	n.a	n.a
Net cash flow from investing activities (II)	**(6,105)**	**10,252**	**(16,357)**	**(159.5%)**
Interests and dividends paid	(9,572)	(7,802)	(1,770)	(22.7%)
Interests deduction for tax purposes	(4,026)	(17,247)	13,221	76.7%
Cash inflows/ (outflows) relating to bank borrowings & other finan. liabilities	8,751	(358)	9,109	n.r
Other receivables and payables (financing)	(6,640)	(18)	(6,622)	n.r
Equity related instruments	0	276	n.a	n.a
Net cash flows from financing activities (III)	**(11,487)**	**(25,149)**	**13,662**	**54.3%**
Net increase in cash and cash equivalents (I + II + III)	**(11,008)**	**(16,933)**	**5,925**	**35.0%**
Cash and cash equivalents at beginning of the year	**53,346**	**68,975**	**(15,629)**	**(22.7%)**
Cash and cash equivalents at end of year	**42,338**	**52,042**	**(9,704)**	**(18.6%)**

Net cash flow from operating activities 6,584 thousand euros, including: a) a variation in working capital of 4,890 thousand euros due to the recovery of client balances, receivables from Public Administration, and falling by lower stocks (paper), and b) movements associated with the investment in restructuring, for -5,680 thousand euros, and others.

Net cash flow from investing activities was -6,105 thousand euros, due mainly to the investment in fixed assets (see Capex section).

Net cash flow from financing activity was -11,487 thousand euros, including interest and dividend payments by VOCENTO subsidiaries, the booking of the exercise of the option for the partial sale of Las Provincias, and the repayment of debt in the period.

Capex

The difference between the cash exit from investments in fixed assets and the Capex reported in accounts (-46 thousand euros) is mainly because of payments pending for investments made in 2011.

A highlight in the first half of 2012 was the reduction of investments in the Audiovisual area because of reduced acquisition of rights and in Other Businesses, because of lower investments in printing plants.

	IFRS (Thousand Euro)								
	1H12			1H11			Var abs.		
	Intang.	Tang.	Total	Intang.	Tang.	Total	Intang.	Tang.	Total
Print Media	687	2,541	3,228	258	2,215	2,473	429	326	755
Audiovisual	933	325	1,258	2,379	768	3,147	(1,446)	(443)	(1,889)
Internet	749	835	1,584	1,089	749	1,838	(340)	86	(254)
Other Businesses	33	190	222	66	1,774	1,840	(33)	(1,585)	(1,618)
Corporate and Others	239	58	297	73	81	153	166	(22)	144
TOTAL	**2,641**	**3,949**	**6,589**	**3,864**	**5,587**	**9,451**	**(1,223)**	**(1,638)**	**(2,861)**

Information by business area

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

	IFRS			
Thousand Euro	**1H12**	**1H11**	**Var Abs**	**Var %**
Total Revenues				
Print Media	203,912	232,570	(28,658)	(12.3%)
Audiovisual	54,893	68,455	(13,562)	(19.8%)
Internet	27,900	28,310	(410)	(1.4%)
Other Businesses	89,784	96,012	(6,228)	(6.5%)
Corporate and Other	(60,392)	(63,770)	3,378	5.3%
Total Revenues	**316,097**	**361,577**	**(45,480)**	**(12.6%)**
EBITDA				
Print Media	13,859	17,737	(3,878)	(21.9%)
Audiovisual	5,437	(1,383)	6,820	493.2%
Internet	410	1,187	(777)	(65.5%)
Other Businesses	6,215	7,100	(885)	(12.5%)
Corporate and Other	(8,084)	(13,397)	5,313	39.7%
Total EBITDA	**17,838**	**11,245**	**6,593**	**58.6%**
Comparable EBITDA[1]				
Print Media	16,268	24,813	(8,545)	(34.4%)
Audiovisual	5,484	35	5,449	n.r.
Internet	479	1,545	(1,066)	(69.0%)
Other Businesses	6,310	7,352	(1,043)	(14.2%)
Corporate and Other	(7,780)	(9,412)	1,632	17.3%
Total comparable EBITDA	**20,759**	**24,333**	**(3,573)**	**(14.7%)**
EBIT				
Print Media	9,726	24,927	(15,201)	(61.0%)
Audiovisual	(237)	(9,282)	9,045	97.5%
Internet	(1,879)	(1,034)	(844)	(81.6%)
Other Businesses	1,098	1,886	(788)	(41.8%)
Corporate and Other	(8,706)	(14,138)	5,431	38.4%
Total EBIT	**3**	**2,359**	**(2,356)**	**(99.9%)**
Comparable EBIT[1] [2]				
Print Media	12,497	20,275	(7,779)	(38.4%)
Audiovisual	(189)	(7,914)	7,725	97.6%
Internet	(1,758)	(620)	(1,138)	(183.6%)
Other Businesses	1,193	2,139	(946)	(44.2%)
Corporate and Other	(8,403)	(10,162)	1,758	17.3%
Total comparable EBIT	**3,340**	**3,719**	**(379)**	**(10.2%)**

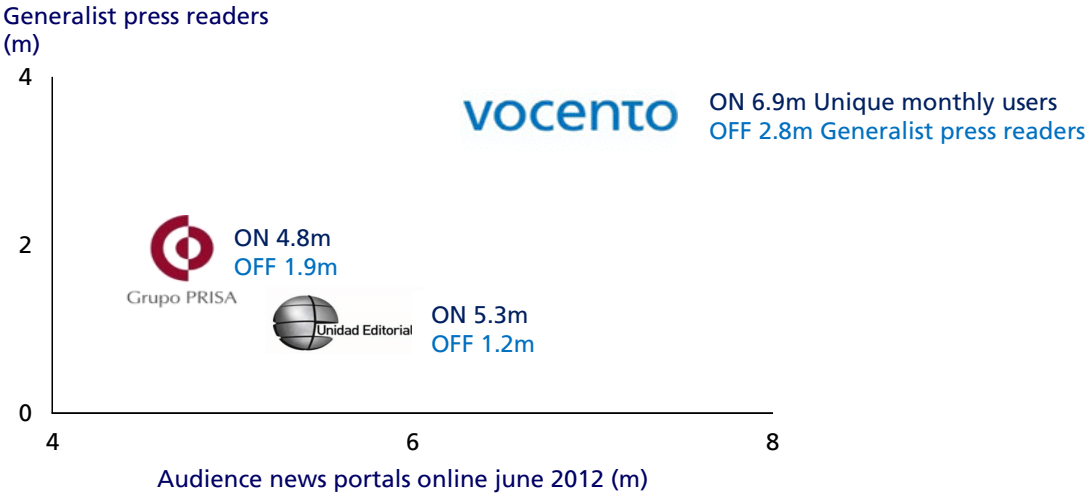
n.r.: the change in absolute terms is over >1.000%

[1] Excluding investment in restructuring in 1H12 of -2,922 thousand euros and 1H11 of -13,088 thousand euros.
[2] Excluding impairments and result from sale of fixed assets 1H12 -415 thousand euros and 1H11 -11,729 thousand euros.

Print Media

VOCENTO has consolidated its undisputed leadership of the press, with 2.8 million readers, excluding Qué!, according to the second survey of the EGM. This leadership is supported by 7 million unique monthly users on the Internet, according to Nielsen Net View (June 2012).

Offline audience[10] and online[11]



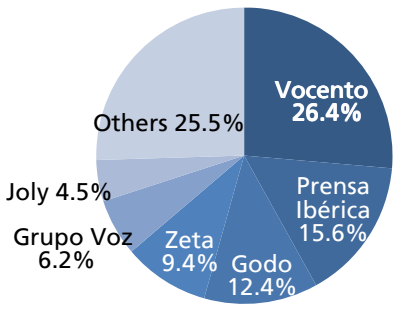
Regional Press

VOCENTO is the undisputed leader of the Spanish press due to the deep roots and excellent positioning of its 12 regional newspapers: El Correo, El Diario Vasco, El Diario Montañés, El Norte de Castilla, La Verdad, Ideal, Las Provincias, Sur, El Comercio, Hoy, La Rioja and La Voz de Cádiz. The strength of these brands, their high level of local recognition and their strong links to their regions have turned them into clear references in their areas.

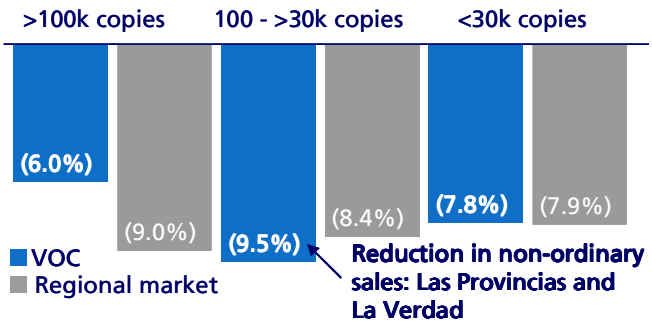
VOCENTO's regional newspapers maintained their leadership in the first half of 2012, with market share in regional press of 26.4%[12], ahead of the second largest group on 15.6%.

In the first half of 2012, the total circulation of the regional newspapers of VOCENTO (-8.4%[12]) was slightly better than the overall regional market (-8.6%[12]). Analysed by market, this outperformance was maintained in all segments except for newspapers with daily circulation of between 30,000 and 100,000 copies, due to the decline in non-ordinary sales for La Verdad and Las Provincias, in accordance with the strategy of maintaining high quality, profitable circulation.

Regional press circulation share[12]



Regional press circulation vs. peers[12]



[10] *Source: 2nd EGM survey 2012.*
[11] *Source: Nielsen Netview June 2012, combined audience of the twelve regional portals).*
[12] *Source: OJD Jan-June 2012. Data not audited. Comparative for Jan-June 2011 excludes La Voz de Cádiz.*

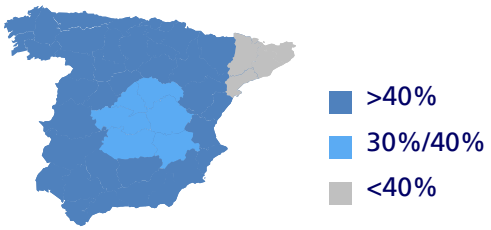
In terms of readership for regional newspapers, VOCENTO remains the leader both in offline (2,191[13] thousand readers, 741 thousand readers more than the second largest group), and online, reaching 47% of unique monthly users in the news category (Source: Nielsen Netview June 2012, combined audience of the twelve regional portals).

VOCENTO's strategy in the first half of 2012 aimed to maintain its leadership of the print press and online, increase its advertising market share, continue to transform its business from one of media vehicles to a business of brands in order to access new audiences and revenues, and obtain operational efficiencies in a recessionary environment.

In terms of advertising, the *Tarifa Única 3.0* strategy has enabled a lower decline in revenues, by attracting national advertising to regional media, while increasing advertising space and average prices.

Strategy 3.0: geographical coverage

84% exclusive coverage



Source: 2nd EGM survey 2012.

Online coverage (%)

Tarifa Única 3.0: 7.6m de u.m.u.

vocento + HERALDO DE ARAGÓN = 69%

Diario de Navarra + La Voz de Galicia = Main comparable 51%

Source: Nielsen Netview June 2012.

Initiatives for new readers and revenues include the Kiosko y Más platform, a pay platform with audiovisual content, and Oferplan.com, which enables discount offers to be provided to users of the digital editions of VOCENTO, leveraging brand strength in both print and digital editions (see more detail in the Internet business area).

Finally, the operational and commercial improvements that have been made, enable profitability to be maintained in today's difficult market. The measures taken include refocusing the business model of La Voz de Cádiz, with a significant reduction in the structure and a strengthening of local content, cost savings in raw materials and pagination, and offering optional sales of leading products such as Hoy Corazón.

National Press- ABC

With a history of over one hundred years, ABC is a landmark in the history of Spain in the twentieth and twenty first century.

In the first six months of 2012, there have been several highlights in the performance of ABC:

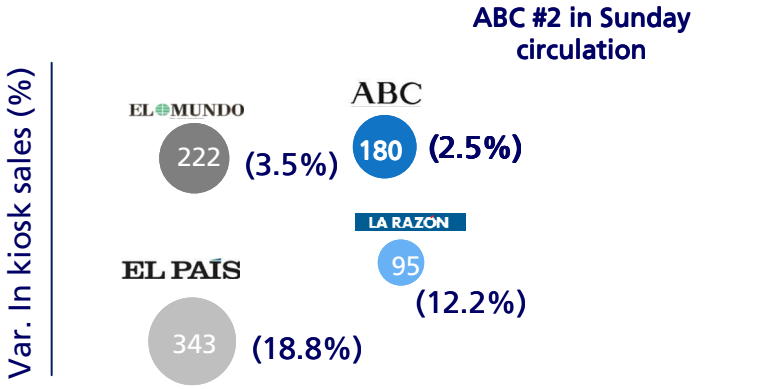
a) Outperforming its peers in advertising: ABC -18.4% vs. press market -20.5%[14],

b) Improving performance in ordinary circulation, maintaining the focus on high quality circulation, ABC again outperformed compared with the market in kiosk sales in the first six months of the year[15].

In addition, ABC has maintained its position as the number two nationwide newspaper on Sundays in total circulation.

[13] *Source: 2nd EGM survey 2012.*
[14] *Source: InfoAdex 1H12.*
[15] *Source: OJD Jan-May 2012. Data not audited.*

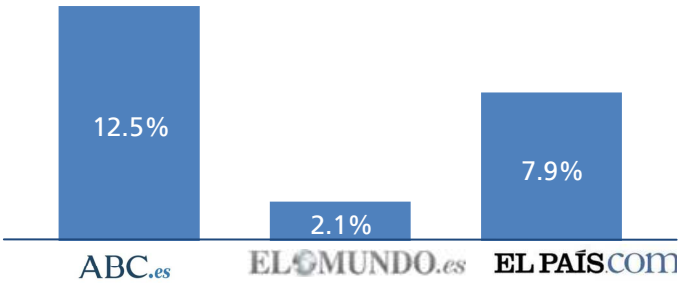
ABC average circulation vs. peers and variation in kiosk sales (%)



Source: OJD. Data not certified.

c) ABC.es is increasing its online audience, with more than 3[16] million unique users, the fastest growing national newspaper from June 2011 to June 2012, +12.5% or +0.4 million unique users.

Performance of ABC.es audience and competition (%)



Source: Nielsen Netview June 2012 vs. June 2011.

d) Despite the controlled reduction in non-ordinary circulation, ABC maintained its readership level at 641[17] thousand readers, levels of 2007, compared with an average loss for its competitors of over 200 thousand readers in the same period.

In the first six months of 2012, ABC has focused on positioning the brand via cross-selling in different media vehicles: print ABC+ ABC.es+ ABC on Kiosco y Más + ABC Punto Radio. By joining forces, ABC is finding editorial synergies, obtaining new and larger audiences, and complying with the target for profitability. In addition, the radio business can be connected more closely to the content of ABC, and ABC can complete its offering for smartphones and tablets (both Apple and Android) on Kiosko y Más, and incorporate new functionalities and audiovisual content on ABC.es.

The continual quarterly improvement in the results of ABC demonstrates the balance between editorial efforts, product, advertising sales, and cost control and saving measures.

Free Press- Qué!

In the current context of economic crisis, the free press has been among the most affected sectors, enduring the daily Qué! a fall in advertising spend of around 70% since 2007.

[16] *Source: Nielsen Net View June 2012.*
[17] *Source: EGM 2nd survey 2012. Competitors average of El Mundo and La Razón.*

In recent years, the company has focused its efforts on optimising its business through various initiatives (i.e. reducing costs, reducing editions, focusing on more profitable markets, new editorial strategies) but the difficult economic environment has not enabled levels of profitability, and VOCENTO has made the decision to close the print edition of Qué!, which will now be an exclusively digital medium.

Following the redesign of Que.es in January 2012, associated with new devices, and to attract new readers, the company is working to convert the website into the leading free daily newspaper online. The most recent operating data support this trend, with traffic to June 2012 of 3.7 million unique monthly users (Nielsen Site Census).

For more information about the financial impact of the ending of the printing activity for Qué!, see the items for comparable EBITDA and net result attributable to the parent company.

Supplements and Magazines

VOCENTO publishes the two leading supplements in Spain: XL Semanal and Mujer Hoy, by readers. XL Semanal is the leading Sunday supplement in Spain, with high quality and ground breaking content. Mujer Hoy continues to be the most widely read women's supplement in Spain, in an extremely competitive market, while celebrity magazine Hoy Corazón has been very positively welcomed by readers.

VOCENTO's Magazines and Supplements reached a combined readership of 4,868[18] thousand readers, with the clear leaders in their fields being XL Semanal (around 750 thousand readers more than its most immediate competitors) and Mujerhoy.

The strategic process of online migration has been reflected in the Strong positioning for audiences of the Mujerhoy and Finanzas portals, with the latter reporting growth of +49.1%[19].

[18] *Source: EGM 2nd survey 2012.*

[19] *Source: Nielsen Net View June 2012 vs. June 2011.*

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

	IFRS			
Thousand Euro	**1H12**	**1H11**	**Var Abs**	**Var %**
Total Revenues				
Regional Press	126,155	144,322	(18,167)	(12.6%)
National Press	66,512	73,067	(6,555)	(9.0%)
Supplements & Magazines	19,358	24,682	(5,324)	(21.6%)
Free Press	3,967	6,087	(2,120)	(34.8%)
Adjustments Intersegment	(12,081)	(15,589)	3,508	22.5%
Total Revenues	**203,912**	**232,570**	**(28,658)**	**(12.3%)**
EBITDA				
Regional Press	17,495	23,797	(6,302)	(26.5%)
National Press	(2,933)	(8,243)	5,310	64.4%
Supplements & Magazines	1,994	3,473	(1,479)	(42.6%)
Free Press	(2,698)	(1,291)	(1,407)	(108.9%)
Total EBITDA	**13,859**	**17,737**	**(3,878)**	**(21.9%)**
Comparable EBITDA[1]				
Regional Press	18,451	25,209	(6,758)	(26.8%)
National Press	(2,118)	(2,950)	832	28.2%
Supplements& Magazines	2,006	3,700	(1,693)	(45.8%)
Free Press	(2,071)	(1,146)	(925)	(80.7%)
Total comparable EBITDA	**16,268**	**24,813**	**(8,545)**	**(34.4%)**
EBIT				
Regional Press	15,254	20,711	(5,457)	(26.3%)
National Press	(4,123)	2,449	(6,572)	(268.4%)
Supplements & Magazines	1,788	3,351	(1,563)	(46.6%)
Free Press	(3,193)	(1,583)	(1,609)	(101.6%)
Total EBIT	**9,726**	**24,927**	**(15,201)**	**(61.0%)**
Comparable EBIT[1] [2]				
Regional Press	16,162	22,391	(6,229)	(27.8%)
National Press	(3,317)	(4,439)	1,122	25.3%
Supplements& Magazines	1,800	3,577	(1,777)	(49.7%)
Free Press	(2,148)	(1,254)	(895)	(71.4%)
Total comparable EBIT	**12,497**	**20,275**	**(7,779)**	**(38.4%)**

Note: The main principal eliminations are due to: a) the supplement revenues (XL Semanal, Mujer Hoy and 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..

[1] Excludes investment in restructuring 1H12 -2,409 thousand euros and 1H11 -7,076 thousand euros.
[2] Excluding impairments and result from sale of fixed assets 1H12 -362 thousand euros and 1H11 11,727 thousand euros.

Operating Revenues: 203,912 thousand euros (-12.3%) mainly due to the decline of advertising revenues and the impact of the controlled reduction in non-ordinary circulation, with less of an impact on results.

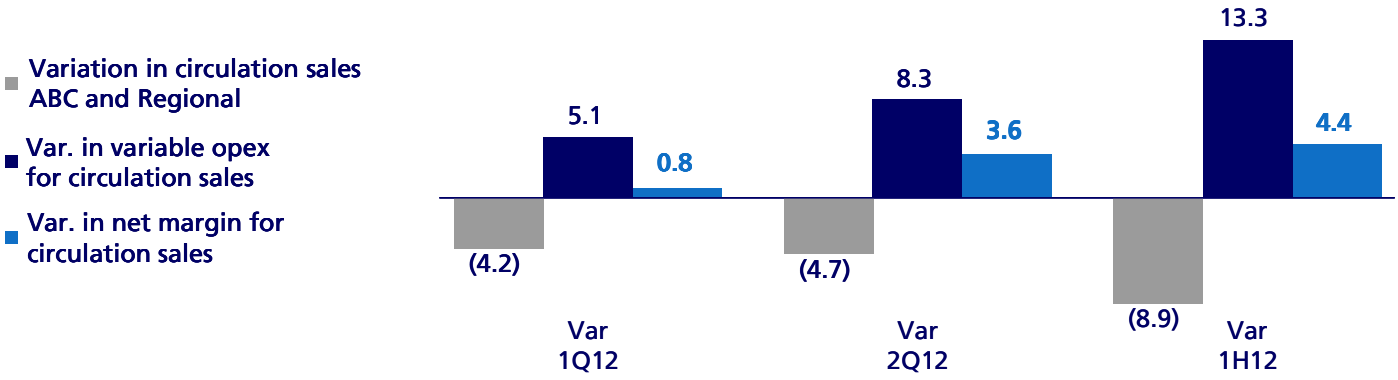
Circulation revenues: 98,381 thousand euros (-8.0%). VOCENTO is focusing its efforts on high quality, profitable circulation, reducing block sales and collective subscriptions.

Regional Press revenues declined by -6.3% in the first half of 2012. At the end of the period, the cover price of El Correo on weekdays was increased by 0.10 euros, and this will be implemented by the other regional newspapers in 2H12, enabling part of the effect of lower circulation to be offset.

The reduction at ABC (-12.3%) was due to the controlled fall in non-ordinary circulation of -76.9%. The good performance at kiosks (-2.5%) and the price increase in January on week days (+0.10 euros), led to a rise in ordinary circulation revenues of +3.8% in 1H12.

The variable net margin on circulation revenues of ABC and the regional newspapers (revenues from circulation sales minus direct printing, distribution and supply costs), improved by +4,441 thousand euros vs. 1H11, due to the Group's strategy of focusing on high quality, profitable circulation:

Improvement in net margin 1H12 vs. 1H11 for circ. revenues titles (national + regional) €m



Circulation revenues at Supplements and Magazines (-20.9%) fell because of the optional sale of Hoy Corazón and the end of distribution for Pantalla Semanal, as part of the focus on operational efficiency, and the lower circulation of the newspapers with which the supplements are distributed.

Advertising revenues: 80,434 thousand euros (-19.0%, -18.0% excluding Qué!). The advertising revenues of the VOCENTO newspapers outperformed the market, which declined by -20.5%[20].

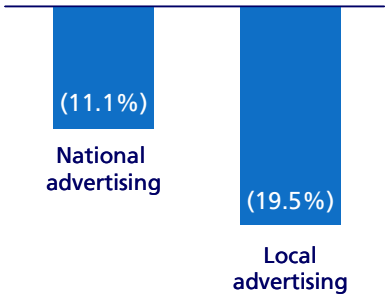
In Regional Press, revenues were 47,570 thousand euros, down -17.1% but still outperformed the market. In an analysis by title, it can be seen that VOCENTO's regional newspapers are outperforming their respective markets, except for those with smaller circulations (under 25,000 copies per day) such as La Voz de Cádiz, which has been affected by the decision to refocus the publication.

At ABC, advertising revenues were 20,176 thousand euros (-18.4% vs. market -20.5%[20]). ABC improved its advertising share and increased average prices by +4.2%, due to the commercial efficiency of combined revenues for the ABC brand (print ABC+ ABC.es+ ABC Punto Radio+ABC on Kiosko y Más) which also led to an improvement in the client portfolio.

[20] *Source: InfoAdex 1H12.*

Local and national advertising VOC Regional Press

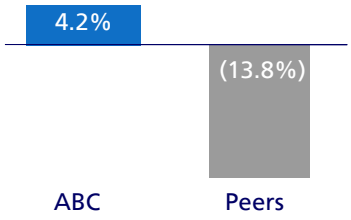
1H12/1H11 (%)



Source: internal data

Average Price in ABC vs. peers

Jan-May 2012/1H11 (%)



Source: internal data Jan-May 2012. Note 1: price calculated as ad revenues divided by ad space.

Supplements and Magazines reported 8,792 thousand euros (-21.6%) affected mainly by the performance of consumption.

Finally, advertising revenues from Qué! were 3,909 thousand euros (-34.7%) which closes its activity and accounted for 4.9% of total Print Media advertising in 1H12.

Other Revenues: 25,097 thousand euros (-4.4%) reflecting the lower number of promotions in Regional Press.

Comparable EBITDA[21]: 16,268 thousand euros, a decline of -8,545 thousand euros, with a large part of the fall in advertising (1H12/11, -18,901 thousand euros including eliminations from area) offset by savings from the restructuring and other efficiency measures that have been implemented, leading to a reduction in costs in 1H12 of -20,113 thousand euros, or -9.7% in comparable terms:

	Comparable EBITDA			Advertising
(IFRS Thousand euros)	1H12	1H11	Var Abs	Var Abs
Regional Press	18,451	25,209	(6,758)	(9,828)
National Press	(2,118)	(2,950)	832	(4,559)
Supplements & Magazines	2,006	3,700	(1,693)	(2,420)
Free Press	(2,071)	(1,146)	(925)	(2,080)
Total	**16,268**	**24,813**	**(8,545)**	**(18,901)**

(i) Regional Press: Comparable EBITDA of 18,451 thousand euros in the first half of 2012 with cost reduction of -11,409 thousand euros, compensating part of the impact of the fall in advertising (-9,828 thousand euros). The comparable average EBITDA margin in the regional titles 1H12 was 14.6%.

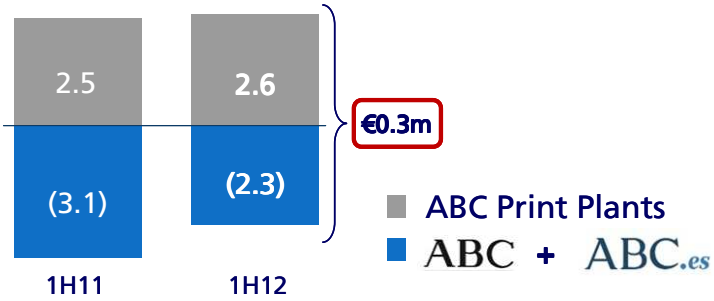
Efficiency measures included the already mentioned re-focus of the business model of La Voz de Cádiz, with costs for compensation in 1H12 of -360 thousand euros.

(ii) ABC: in the first half of 2012, negative comparable EBITDA was reduced by 832 thousand euros, with comparable EBITDA of -2,118 thousand euro in the first half, thanks to the positive impact of cost reductions (improvement in comparable costs of +7,387 thousand euros), enabling the absorption of -4,559 thousand euros of the decline in advertising revenues.

A combined analysis of the ABC brand (print, digital and print plants) reflects an improvement in comparable EBITDA of +863 thousand euros to 300 thousand euros, despite a fall of -4,657 thousand euros in advertising revenues.

[21] *Excludes investment in restructuring in 1H12 -2,409 thousand euros and 1H11 -7,076 thousand euros.*

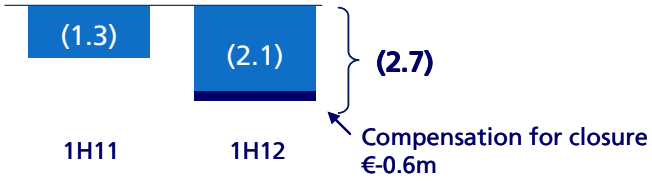
EBITDA comparable[22] (€m) ABC+ABC.es+RotoMadrid 1H12/1H11



(iii) Supplements and Magazines: comparable EBITDA of 2,006 thousand euros, with an EBITDA margin of 10.4%.

(iv) Free Press: comparable EBITDA of -2,071 thousand euros. Operating expenses of -6,665 thousand euros, including compensation of -627 thousand euros due to the close of the printing activity.

EBITDA Qué! 1H12/1H11 (€m)



[22] *Excludes investment in restructuring 1H12 €-0.8m and 1H11 €-5.4m. Includes EBITDA from printing plants reported under "Other Businesses".*

Audiovisual

VOCENTO has an extensive presence in the audiovisual market, based on a national Television license, a general radio station, and stakes in content producers and a film distributor.

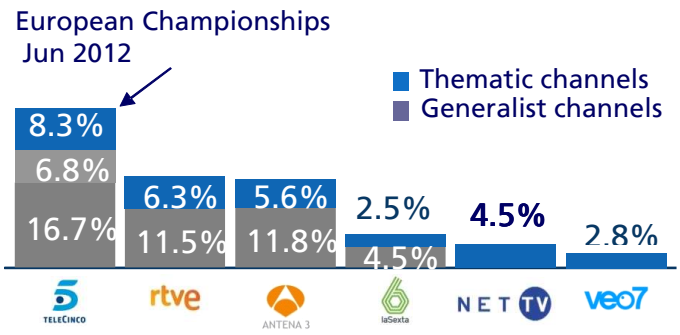
Television

VOCENTO, via its indirect 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV"), in which The Walt Disney Company Iberia, S.L. has a 20% stake, is one of five private companies to have a national DTT license.

Via NET TV, VOCENTO has made a solid commitment to niche, profitable television, with international partners and global leaders in entertainment. Together, the four channels (Canal Disney, Paramount Channel, MTV and Intereconomía) ended June with combined audience share of 4.5%[23], impacted by the broadcast of the European Championships which distorted audiences in June. Paramount Channel, launched in April, has already achieved an audience share of 1.0% (Kantar Media, June 2012).

This television positioning enables VOCENTO to have a lower exposure to the economic cycle ahead of a potential extensive transformation of the TV sector, while complying with the Group's global targets for profitability.

Audience share by family of channels, June12 (%)



Source: Kantar Media. General TL5 channel separated from Cuatro. Not including DTT pay channels.

ABC Punto Radio

ABC Punto Radio brand was launched in October 2011, as the radio platform for the editorial content of ABC and its well-known journalists.

ABC Punto Radio is supported by the multi-channel strategy of ABC (ABC print+ ABC.es+ ABC on Kiosco y Más+ ABC Punto Radio), which will enable it to reach a new audience with a slim cost structure, reinforce the ABC brand and give it more visibility.

The Radio business is supported by the coverage of the network and the value of its licenses. At the end of 2011, the radio presence in Andalusia was increased, with the award of 8 licenses, and in Cantabria with two licenses. In the coming months, the results of radio tenders in Castilla y León, Comunidad Valenciana and the Basque Country are expected.

Audiovisual production and distribution-Veralia

VOCENTO's presence in the audiovisual production sector (the production of entertainment and drama programmes and film distribution) is based on Veralia, its audiovisual production holding company, which groups production companies BocaBoca Producciones, Europroducciones (with a presence in Italy via its subsidiary Europroduzione Italia), Hill Valley, Videomedia (a 30.0% stake) and Tripictures, the leading independent movie distributor in Spain.

[23] *Source: Kantar Media June 2012.*

The current television market is not only being affected by the crisis in advertising but also by high levels of volatility in audience and a reduction in the number of broadcasters, which is increasing the pressure on both demand and prices for productions, affecting production margins.

In this context, Veralia has made significant efforts to reduce its corporate costs and taken technical measures to improve its margins in this difficult situation for the sector.

Veralia's production companies are currently developing, preproducing, producing and broadcasting 17 different formats, including "Guinness World Records" (Europroduzione Italia), "Conexión Samanta" y "21 días" (BocaBoca), "El Cubo" and "Metro a Metro" (Europroducciones España) and "Retorno a Lilifor" (Hill Valley).

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

	IFRS			
Thousand Euro	**1H12**	**1H11**	**Var Abs**	**Var %**
Total Revenues				
DTT	23,697	24,131	(434)	(1.8%)
Radio	6,458	7,797	(1,338)	(17.2%)
Content	25,343	40,072	(14,729)	(36.8%)
Adjustments Intersegment	(606)	(3,545)	2,939	82.9%
Total Revenues	**54,893**	**68,455**	**(13,562)**	**(19.8%)**
EBITDA				
DTT	3,717	(2,633)	6,350	(241.2%)
Radio	(2,739)	(4,376)	1,637	37.4%
Content	4,459	5,626	(1,167)	(20.7%)
Total EBITDA	**5,437**	**(1,383)**	**6,820**	**493.2%**
Comparable EBITDA[1]				
DTT	3,709	(2,554)	6,263	(245.2%)
Radio	(2,739)	(3,525)	786	22.3%
Content	4,514	6,114	(1,600)	(26.2%)
Total comparable EBITDA	**5,484**	**35**	**5,449**	**n.r.**
EBIT				
DTT	3,463	(3,204)	6,667	(208.1%)
Radio	(3,097)	(4,669)	1,572	33.7%
Content	(603)	(1,409)	806	57.2%
Total EBIT	**(237)**	**(9,282)**	**9,045**	**97.5%**
Comparable EBIT[1] [2]				
DTT	3,455	(3,174)	6,629	208.9%
Radio	(3,096)	(3,818)	722	18.9%
Content	(549)	(922)	374	40.5%
Total comparable EBIT	**(189)**	**(7,914)**	**7,725**	**97.6%**

Note: Eliminations are due to the sale of production programs to DTT and Radio National.
Note: EBIT and Comparable EBIT of Content segment include the goodwill amortization assigned to Tripictures' film catalogue of 1,345 thousand euros in 1H12 and of 2,348 thousand euros in1H11.

[1] Excludes investment in restructuring 1H12 -46 thousand euros and 1H11 -1.418 thousand euros.
[2] Excluding impairments and result from sale of fixed assets 1H12 -1 thousand euros and 1H11 50 thousand euros.

Operating Revenues: reached 54,893 thousand euros in the first half of 2012, -19.8% mainly down to the reduced activity in Content (-36.8%).

At DTT, revenues were 23,697 thousand euros, -1.8%, reflecting: a) a decline in revenues due to the decision to close local television stations, b) higher growth in National DTT revenues, +6.4%, due to the decision to close La 10 and focus on niche DTT, c) the alliance with Paramount Channel, which was launched in April 2012 (National DTT revenues in 2Q12 rose +7.0%).

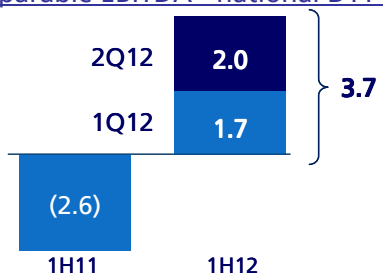
Radio revenues were 6,458 thousand euros, down -17.2%, which when adjusted for changes to the perimeter (close of local programming in some local stations) would represent a pro forma fall in advertising revenues of -7.8%, vs. -12.8%[24] for the market. In addition, advertisers and listeners have responded positively to the launch of ABC Punto Radio, with national advertising in 1H12 +5.1%.

Comparable EBITDA[25]: 5,484 thousand euros with an improvement of +5,449 thousand euros compared with the first half of 2011:

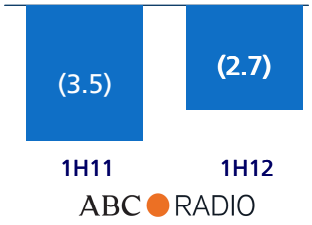
(i) DTT: Positive comparable EBITDA of 3,709 thousand euros in the first half of 2012, an improvement of +6,263 thousand euros compared with 1H11, which shows the success of the television model.

(ii) Radio: Comparable EBITDA of -2,739 thousand euros, an improvement of 786 thousand euros compared with 1H11, due to the impact of cost efficiency measures, offsetting the decline in advertising revenues (1,057 thousand euros).

Comparable EBITDA[1] national DTT €m



Comparable EBITDA[2] Radio €m



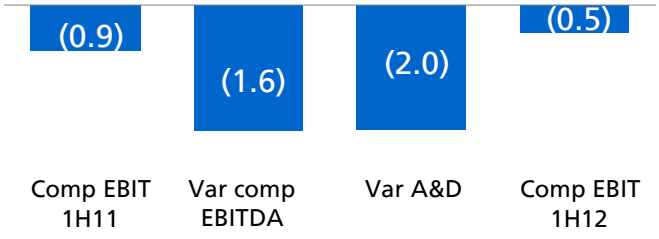
Note 1: excludes investment in restructuring 1H11 €-0.1m. Note 2: excludes investment in restructuring 1H11 €-0.9m

(iii) Content: Comparable EBITDA 4,514 thousand euros, a decline of -1,600 thousand euros compared with 1H11. In the first half of 2012, the business was impacted by the lower margin of production companies and lower revenues from cinema releases. This decline was offset at the EBIT level (see following point).

Comparable Operating Result: -189 thousand euros, an improvement of +7,725 thousand euros compared with 1H11. This result includes amortization of -5,062 thousand euros in the Content segment compared with -7,036 thousand euros in 1H11, due to the lower level of amortization in the Tripictures catalogue in the first half of 2012.

The Content EBIT, -549 thousand euros, improved by 374 thousand euros compared with 1H11. EBIT was impacted by the amortization of goodwill in the Tripictures catalogues, of 1,373 thousand euros in 1H12 and 2,376 thousand euros in 1H11.

Performance of comparable EBIT and EBITDA[26] of Content 1H11 and 1H12 (€m)



[24] *Source: InfoAdex 1H12.*
[25] *Excludes investment in restructuring 1H12 -46 thousand euros and 1H11 -1.418 thousand euros.*
[26] *Excludes investment in restructuring 1H12 -54 thousand euros and1H11 -487 thousand euros.*

Internet

VOCENTO has an extensive online presence based on its strength in national, regional and local markets, and its diversified portfolio of brands: Digital Editions (news portals including regional titles and the national titles ABC.es and Que.es), Vertical Portals (mujerhoy.com, finanzas.com, HoyCinema), Classifieds (pisos.com, infoempleo.com, Autocasion.com and tus anuncios) and Directories (11870.com). The presence on the Internet is complemented in B2B with Sarenet, a company which provides corporate connectivity services.

VOCENTO ended the first half of 2012 as the leader in the news category and in the ninth position in the overall audience ranking, with around 8 million users.

ABC.es has improved its share of the online market, with audience growth of +12.5% vs. declines at its competitors and exceeds 3m u.m.u. according to Nielsen Netview.

VOCENTO's Internet positioning puts it in the vanguard and it is responding to the new information society in three ways: i) improving online content, ii) developing a nationwide Classifieds network, and iii) driving take-up of new devices.

The digital editions of the regional titles of VOCENTO are the leading brands and online reference in the markets in which they operate, based on their close links to their communities and their brand strength. In the first half of 2012, the products continued to improve, with the incorporation of new content and local sections which provide not only information but also enable participation in communities and deliver leisure content, thanks to the use of audiovisual formats.

The penetration of local brands has been supported by the launch of Oferplan.com, a daily section of local offers that VOCENTO through of its brands, provides for it users with offers and plans highly attractive. Also highlights at Abc.es the incorporation of content from National Geographic, and in the vertical portals segment, finanzas.com has been redesigned.

Kiosko y Más is the main multi-platform online kiosk in Spain. Driven above all by VOCENTO and Prisa, with other Spanish media groups, in less than one year the platform has increased the number of publishers associated with the project to more than 50 by July 2012, with 300 titles in its catalogue. Groups such as RBA, G+J, Godó, Zeta and Hearst, among others, are participating in the largest online publishing Alliance in Europe. Kiosko y Más was number 1 in sales in the news segment of the App Store in the first half of 2012.

VOCENTO's nationwide classified advertising network is unique in the Spanish media sector, and is supported by ABC.es and the regional digital editions, enabling a national network of classifieds that is characterised by quality content and understanding of the sector. It is present in the three main markets for Internet classified advertising: real estate with pisos.com (top#4 in the category), employment with Infoempleo.com (top#2) and automotive with autocasion.com (top#8).

Finally, in 2012 the directories portal 11870.com has confirmed its position as Spain's leading portal for recommendations of websites and businesses.

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

	IFRS			
Thousand Euro	**1H12**	**1H11**	**Var Abs**	**Var %**
Total Revenues				
Digital Editions	11,588	11,596	(8)	(0.1%)
Vertical Portals & Others	934	1,490	(556)	(37.3%)
Classified	7,301	7,780	(478)	(6.1%)
B2B	8,262	7,878	383	4.9%
Adjustments Intersegment	(185)	(434)	249	57.4%
Total Revenues	**27,900**	**28,310**	**(410)**	**(1.4%)**
EBITDA				
Digital Editions	15	252	(237)	(94.1%)
Vertical Portals & Others	(199)	(259)	60	23.2%
Classified	(1,517)	(1,157)	(360)	(31.1%)
B2B	2,111	2,351	(240)	(10.2%)
Total EBITDA	**410**	**1,187**	**(777)**	**(65.5%)**
Comparable EBITDA [1]				
Digital Editions	60	326	(266)	(81.6%)
Vertical Portals & Others	(199)	(200)	1	0.4%
Classified	(1,493)	(941)	(553)	(58.8%)
B2B	2,111	2,359	(248)	(10.5%)
Total comparable EBITDA	**479**	**1,545**	**(1,066)**	**(69.0%)**
EBIT				
Digital Editions	(578)	(264)	(313)	(118.4%)
Vertical Portals & Others	(370)	(450)	80	17.7%
Classified	(2,448)	(2,200)	(248)	(11.3%)
B2B	1,517	1,880	(363)	(19.3%)
Total EBIT	**(1,879)**	**(1,034)**	**(844)**	**(81.6%)**
Comparable EBIT[1 2]				
Digital Editions	(481)	(137)	(344)	(251.6%)
Vertical Portals & Others	(370)	(390)	21	5.3%
Classified	(2,424)	(1,981)	(443)	(22.4%)
B2B	1,517	1,888	(371)	(19.7%)
Total comparable EBIT	**(1,758)**	**(620)**	**(1,138)**	**(183.6%)**

Note: The main eliminations are due to the connectivity service, mainly between Sarenet (B2B) and the rest of companies in the Internet business area.

[1] Excluding investment in restructuring of 1H12 -69 thousand euros and -358 thousand euros in 1H11.
[2] Excluding impairments and result from sale of fixed assets, 1H12 -52 and 1H11 -57 thousand euros.

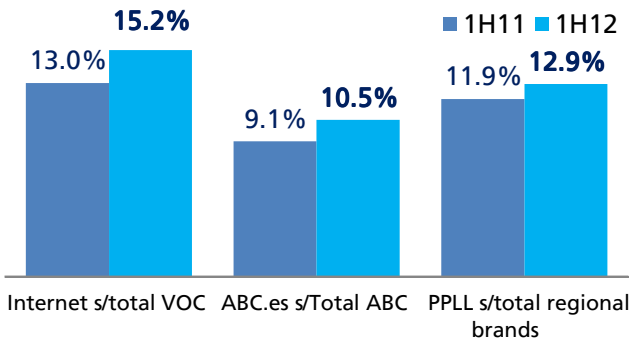
Operating Revenues: 27,900 thousand euros (-1.4%) including the change to the perimeter in Vertical Portals (divestment of Advernet in 1H11) with pro forma revenues down -0.1%. In the second quarter of 2012 growth was +1.4%, thanks partly to the contribution of Oferplan.com, whose revenues already represented 3.3% of the total for Internet and 7.9% for the Digital Editions in the first half of 2012.

Advertising revenues: declined -3.4% due to changes in the perimeter (divestment of Advernet in 1H11, pro forma -2.6%), the macroeconomic deterioration and the decline in advertising revenues on local portals, specifically because of cuts to local institutional advertising spend. There was a general decline in the regional digital editions market, where advertising revenues declined by -3.1% in January-May 2012, according to internal sources.

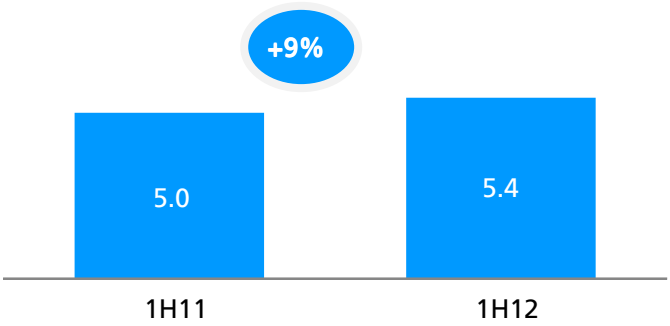
The weight of Internet advertising in total VOCENTO advertising revenues rose by +2.2 p.p. vs. 1H11 to 15.2%, with ABC.es contributing 10.5% of the total advertising revenues of the ABC brand (print + Internet), and Local Portals contributing 12.9% of advertising of the regional brands.

A highlight has been the performance of the Classifieds business of VOCENTO, which is the only group to have a nationwide advertising network. The growth in Classified advertising revenues in the first half of 2012 was +9.0%, outperforming the Internet market in the same period (+5.0%[27]). Classified advertising revenues now contribute 33.9% of total Internet advertising revenues.

Contribution of Internet advertising to VOC brands (%)



Classified advertising revenues(%)



Other Revenues: 11,857 thousand euros (+1.5%) thanks to the contribution of revenues generated by Oferplan.com.

Comparable EBITDA[28]: 479 thousand euros, compared with 1,545 thousand euros, because of the decline in revenues and the increase in costs at Digital Editions and Classifieds, as a result of increased investment and operating expenses in this strategic, growing area.

[27] *Source: InfoAdex 1H12.*
[28] *Excluding investment in restructuring of 1H12 -69 thousand euros and-358 thousand euros in 1H11.*

Other Businesses

In addition to its businesses in Print Media, Audiovisual, and the Internet, mentioned above, VOCENTO also owns Printing and Distribution businesses.

VOCENTO has consolidated the printing of certain regional newspapers, either with other publishers or alone, in order to generate operating synergies and carry out a technology upgrade, improving the quality of the printing and enabling inserts and other materials.

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

	IFRS			
Thousand Euro	**1H12**	**1H11**	**Var Abs**	**Var %**
Total Revenues				
Distribution	65,080	70,995	(5,915)	(8.3%)
Printing	21,742	22,079	(337)	(1.5%)
Others	3,137	3,128	9	0.3%
Adjustments Intersegment	(175)	(190)	15	8.0%
Total Revenues	**89,784**	**96,012**	**(6,228)**	**(6.5%)**
EBITDA				
Distribution	467	1,098	(632)	(57.5%)
Printing	5,660	5,951	(291)	(4.9%)
Others	88	51	38	74.8%
Total EBITDA	**6,215**	**7,100**	**(885)**	**(12.5%)**
Comparable EBITDA[1]				
Distribution	477	1,151	(673)	(58.5%)
Printing	5,742	6,151	(409)	(6.6%)
Others	90	51	39	77.8%
Total comparable EBITDA	**6,310**	**7,352**	**(1,043)**	**(14.2%)**
EBIT				
Distribution	271	917	(647)	(70.5%)
Printing	757	940	(183)	(19.5%)
Others	71	29	42	144.7%
Total EBIT	**1,098**	**1,886**	**(788)**	**(41.8%)**
Comparable EBIT[1]				
Distribution	281	970	(688)	(71.0%)
Printing	840	1,140	(300)	(26.4%)
Others	72	29	43	149.9%
Total comparable EBIT	**1,193**	**2,139**	**(946)**	**(44.2%)**

Note: Eliminations are due to: a) the distribution of free dailies by the distribution companies, and b) the elimination of printing of free dailies.
[1] Excluding investment in restructuring of -95 thousand euros in 1H12 and -252 thousand euros in 1H11.

Operating Revenues: 89,784 thousand euros, down -6.5% due to the links of the area with Print Media and the impact of the closing of third party titles.

Comparable EBITDA[1]: 6,310 thousand euros. EBITDA in the printing area was 5,742 thousand euros, with a contribution from Rotomadrid and Andaluprint (the print plants for ABC in Madrid and Seville) of 2,417 and 174 thousand euros respectively. In Distribution, EBITDA was 477 thousand euros.

Operating data

Print Media

Average Circulation Data	1H12	1H11	Var Abs
National Press - ABC	180,465	241,963	(61,498)
Regional Press			
El Correo	92,514	98,414	(5,900)
El Diario Vasco	64,503	68,567	(4,063)
El Diario Montañés	29,760	31,341	(1,582)
Ideal	25,804	27,945	(2,140)
La Verdad	26,518	31,396	(4,878)
Hoy	16,292	17,942	(1,650)
Sur	23,366	26,468	(3,102)
La Rioja	12,746	13,594	(849)
El Norte de Castilla	28,559	30,557	(1,998)
El Comercio	21,306	21,960	(654)
Las Provincias	25,493	31,263	(5,770)
La Voz de Cádiz	3,939	5,461	(1,523)
TOTAL Regional Press	**370,799**	**404,907**	**(34,108)**

Sources:OJD. 1H12 non audited data.

Audience	2nd Survey 12	2nd Survey 11	Var Abs
National Press - ABC	**641,000**	**698,000**	**(57,000)**
Regional Press	**2,191,000**	**2,180,000**	**11,000**
El Correo	433,000	459,000	(26,000)
El Diario Vasco	241,000	250,000	(9,000)
El Diario Montañés	174,000	168,000	6,000
Ideal	172,000	158,000	14,000
La Verdad	265,000	259,000	6,000
Hoy	137,000	141,000	(4,000)
Sur	152,000	149,000	3,000
La Rioja	96,000	88,000	8,000
El Norte de Castilla	215,000	204,000	11,000
El Comercio	142,000	139,000	3,000
Las Provincias	147,000	142,000	5,000
La Voz de Cádiz	17,000	23,000	(6,000)
Supplements	**4,868,000**	**5,578,000**	**(710,000)**
XL Semanal	2,614,000	3,007,000	(393,000)
Mujer Hoy	1,872,000	1,975,000	(103,000)
Mujer Hoy Corazón	326,000	517,000	(191,000)
Inversión y Finanzas	56,000	79,000	(23,000)

Source: EGM accumulated waves

Audiovisual

National TV Market	jun-12	jun-11	Var Abs
Cuota de audiencia Net TV	4.5%	4.2%	0.3 p.p.

Source: Kantar Media last month.

Internet

Monthly Unique uses (Th)	jun-12	jun-11	Var Abs
Vocento	7,794	8,115	(321)

Source: Nielsen Net View

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