

vocento



Vocento, S.A. and Subsidiaries

Results for January-September 2014

13 November 2014

Detail of VOCENTO business lines

NEWSPAPERS			
REGIONALS		ABC	SUPPLEMENTS & MAGAZINES
<ul style="list-style-type: none"> ▪ El Correo ▪ La Verdad ▪ El Diario Vasco ▪ El Norte de Castilla ▪ El Diario Montañés ▪ Ideal ▪ Sur 	<ul style="list-style-type: none"> ▪ Las Provincias ▪ El Comercio ▪ Hoy ▪ La Rioja ▪ Regional printing plants ▪ Regional sales companies ▪ Other regional companies 	<ul style="list-style-type: none"> ▪ ABC ▪ National printing plants ▪ Sales company 	<ul style="list-style-type: none"> ▪ XL Semanal ▪ Mujer Hoy ▪ Hoy Corazón ▪ Inversión y Finanzas ▪ Mujerhoy.com ▪ Finanzas.com

AUDIOVISUAL		
DIGITAL TERRESTRIAL TELEVISION	RADIO	CONTENT
<ul style="list-style-type: none"> ▪ National DTT – Net TV 	<ul style="list-style-type: none"> ▪ Regional DTT ▪ Analog radio licenses ▪ Digital radio licenses 	<ul style="list-style-type: none"> ▪ Veralia Production: <ul style="list-style-type: none"> ▪ Veralia Contenidos (Boca Boca, Europroducciones, Europroduzione and Hill Valley) Distribution: <ul style="list-style-type: none"> ▪ Veralia Cinema

CLASSIFIEDS	OTHERS
Classifieds: <ul style="list-style-type: none"> ▪ Pisos.com ▪ Infoempleo ▪ Autocasión 	<ul style="list-style-type: none"> ▪ Sa re net

IMPORTANT NOTE

To facilitate the analysis of the information and understand the organic performance of the Company, it is always indicated in this report when operating expenses, EBITDA, EBIT and the Net Result are affected by non-recurring or extraordinary items. The most significant impacts fall into two groups: 1) restructuring costs and adjustment measures, and 2) the results of strategic business decisions (i.e. Radio, film distribution).

Highlights of the financial performance of the business

Advertising market improves: VOC total advertising revenues 3Q14 +4.6%

Digital businesses represent 25% of advertising revenues in 9M14

Comparable EBITDA 9M14 +37.0%, €+7.0m thanks to cost controls and savings

Positive cash flow generated from the ordinary business in 9M14: €+5.9m

▪ The advertising trend improved in 3Q14

- (i) All businesses contributed to the increase in advertising in 3Q14: print press +0.2%, online advertising on the digital editions +16.6% and Classifieds +9.6%.
- (ii) Advertising revenues from the Internet and new digital businesses contributed 25.0% of VOC's total advertising and e-commerce revenues in internet 9M14 (+2.6 p.p. vs 9M13).
- (iii) Advertising in the Supplements and Magazines (9M14 -0.8%, 3Q14 +8.8%) outperformed the market (9M14 -6.9%¹), in particular Mujer Hoy (advertising revenues 9M14 +21.3%).
- (iv) VOC's share of the advertising market continued to improve in 9M14, despite the lack of a sports title: offline advertising revenues at VOC decreased by 2.5% vs -3.5%¹ for the market in 9M14, while online revenues increased by 10.9% vs 3.1%¹ for the market.

▪ Comparable EBITDA 9M14 increased by +7,022² thousand euros, +37.0%: reflection of operational gearing, stability in advertising, and cost savings

- (i) The main business areas recorded EBITDA growth: comparable cost savings of -8.6% in 9M14 with personnel expenses down -5.7%, excluding personnel adjustment measures in 9M14 of -5,266 thousand euros and in 9M13 -737 thousand euros.
- (ii) Newspapers: comparable EBITDA 9M14 improved by 2,188 thousand euros, thanks to the continued focus on costs and the positive contribution from digital.
- (iii) Audiovisual: comparable EBITDA 9M14 +1,208 thousand euros. The end of broadcasting of two TV channels was offset by the positive impact of the radio agreement with COPE and the change of film distribution model at Content.

IFRS thousand euros	Comparable EBITDA			Advertising
	9M14	9M13	Var Abs	Var Abs
Newspapers	24,869	22,681	2,188	(389)
Audiovisual	7,762	6,554	1,208	(297)
Classified	(547)	(1,762)	1,215	680
Other	2,222	2,530	(308)	(94)
Corporate	(8,292)	(11,012)	2,719	58
Total	26,014	18,992	7,022	(42)

- **EBIT 9M positive for the first time since 2008:** Positive EBIT 9M14 of 2,562 thousand euros, an increase of 6,198 thousand euros, as a result of improved EBITDA and reduced amortization at Content.

▪ Reduction of net financial debt to 146,932 thousand euros vs 149,277 thousand euros in 2013

- (i) Generation of positive operating cash flows from the ordinary business: +5,903 thousand euros.
- (ii) Extraordinary cash entry following the sale of the indirect stake of 0.36% in cable operator ONO, of 9,214 thousand euros, and non-recurring cash exit of -12,766 thousand euros for compensation payments, the syndicated loan and others.
- (iii) Improvement of the Net Debt/Comparable EBITDA ratio from 4.0x at the end of 2013 to 3.3x (LTM³).

¹ Source: i2p 9M14.

² Excluding personnel adjustment measures 9M14 -5,266 thousand euros and 9M13 -737 thousand euros.

³ LTM "Last twelve months".

Main financial data

Consolidated Profit and Loss Account

Thousand Euro	IFRS			
	9M14	9M13	Var Abs	Var %
Circulation revenues	155,415	162,490	(7,075)	(4.4%)
Advertising revenues	110,248	110,291	(42)	(0.0%)
Other revenues	95,847	113,334	(17,487)	(15.4%)
Total revenue	361,510	386,115	(24,605)	(6.4%)
Staff costs	(123,606)	(126,285)	(2,678)	(2.1%)
Procurements	(64,784)	(67,935)	(3,151)	(4.6%)
External Services	(150,162)	(171,093)	(20,930)	(12.2%)
Provisions	(2,210)	(2,548)	(338)	(13.3%)
Operating expenses (without D&A)	(340,762)	(367,860)	(27,098)	(7.4%)
EBITDA	20,748	18,255	2,493	13.7%
Depreciation and amortization	(18,204)	(22,114)	(3,909)	(17.7%)
Impairment/gains on disposal of tan. & intan. assets	18	223	(205)	(92.0%)
EBIT	2,562	(3,636)	6,198	170.4%
Profit of companies acc. equity method	8	131	(123)	(93.8%)
Net financial income	(7,363)	(7,537)	174	2.3%
Net gains on disposal of non- current assets	(305)	356	(661)	(185.7%)
Profit before taxes	(5,099)	(10,685)	5,587	52.3%
Corporation tax	(966)	(1,068)	103	9.6%
Net profit for the year	(6,064)	(11,754)	5,690	48.4%
Minority interests	(3,043)	(3,560)	516	14.5%
Net profit attributable to the parent	(9,108)	(15,314)	6,206	40.5%
Staff costs ex non recurring costs ¹	(118,341)	(125,548)	(7,207)	(5.7%)
Operating Expenses ex non recurring costs ¹	(335,496)	(367,123)	(31,627)	(8.6%)
Comparable EBITDA ¹	26,014	18,992	7,022	37.0%
Comparable EBIT ^{1 2}	7,809	(3,122)	10,931	350.1%

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

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

¹ Excluding personnel adjustment measures 9M14 -5,266 thousand euros and 9M13 -737 thousand euros.

² Comparable EBIT excludes result from sale of fixed assets 9M14 18 thousand euros and 9M13 223 thousand euros.

Operating revenues

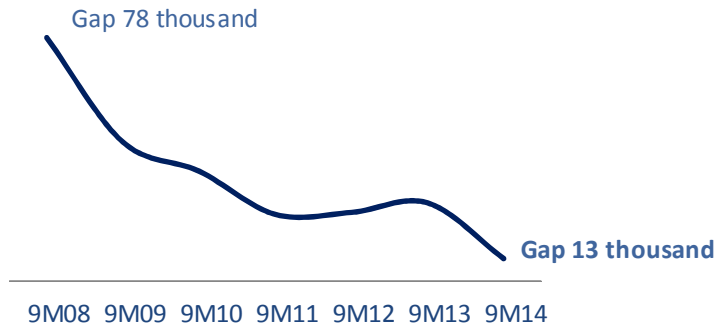
Total revenues in 9M14 were 361,510 thousand euros, -6.4% compared to 9M13. The main reasons for this performance were as follows:

Circulation sales: a decrease of -4.4%, mainly because of a -5.5% decline in the Regional Press (regional newspapers -5.0%) and -1.6% at ABC. The performance of circulation was -8.3% at ABC and -6.9% at the Regional Press.

According to official OJD data for 9M14, ABC is 12.8⁴ thousand copies from the number two position in the Spanish general press sector. The gap has gradually fallen from 77.9 thousand copies in 9M08.

Reducing the circulation gap from ABC to El Mundo¹

Performance of kiosk sales and individual subscriptions 9M14/08 (data in thousands)

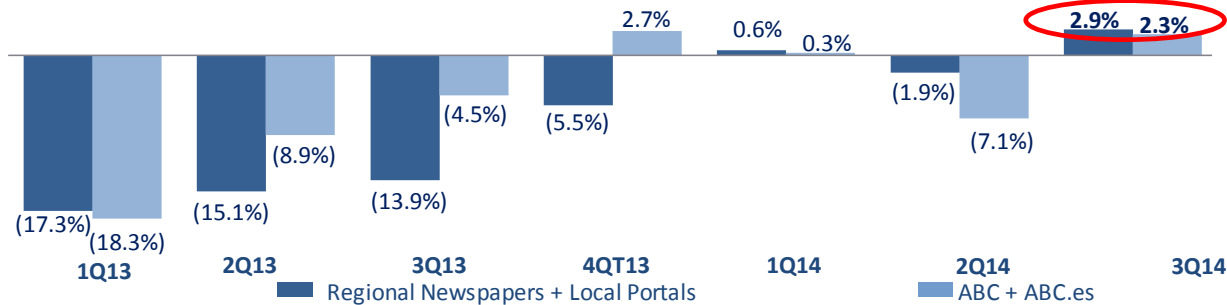


Note 1: source OJD. 9M14 data not certified.

Advertising revenues were stable in 9M14, with an increase of 0.3% when adjusted for changes to the perimeter (the strategic radio agreement with COPE that took effect in 2Q13 and the divestment of online daily que.es in 2013).

There is an improving trend for VOC advertising revenues, which increased by 4.6% in 3Q14. This growth is being supported in particular by digital advertising, with advertising sales in the digital editions increasing at a rate of 16.6%. Print editions are also contributing, with growth of 0.2%. This online + offline growth has resulted in an advertising increase of 2.9% at the Regional Press and 2.3% in National Press.

VOC advertising performance, offline and online (%)

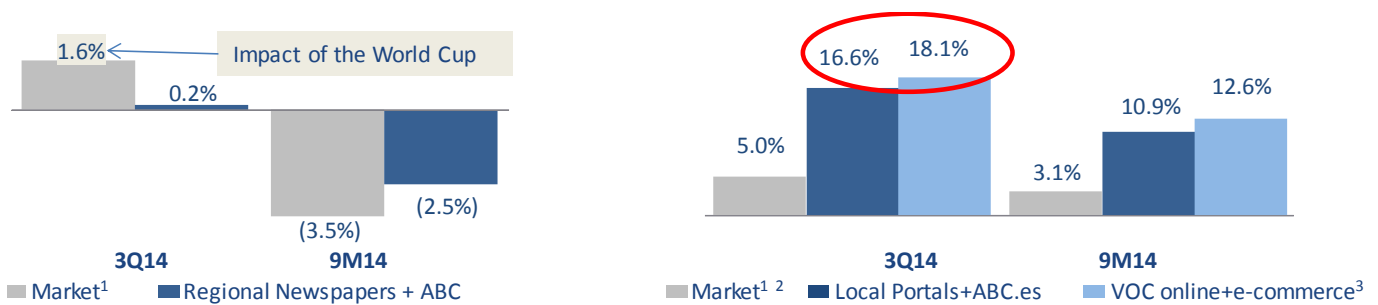


Source: internal data

In addition, according to i2p, VOC brands outperformed the press sector in 9M14, with a decline in offline advertising of 2.5% compared to -3.5% for the market, increasing its market share. Also according to i2p, the market grew by 1.6% in 3Q14 vs 0.2% for VOC titles, which among other factors was due to the effect of the World Cup, as VOC does not have a sports publication.

⁴ Source: OJD. Data for 9M 2014 not certified. Ordinary circulation (kiosk sales and individual subscriptions).

VOC advertising performance vs market, offline and online (%)

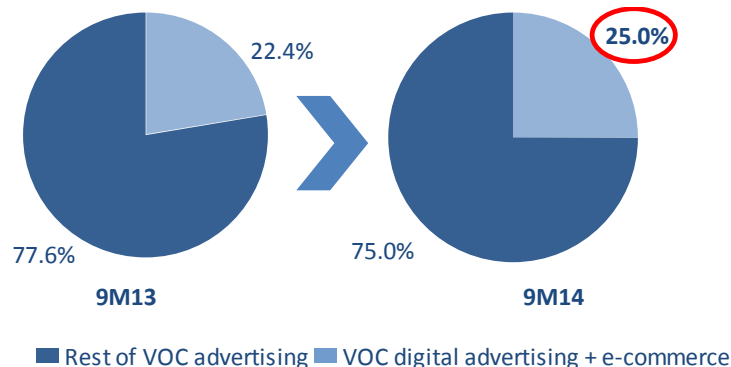


Note 1: source i2p. Note2: Online does not include search engine advertising. Note 3: includes all VOC Internet advertising.

Other Revenues fell by 15.4% as a result, among other factors, of the end of broadcasting of two DTT channels, the change of business model in the film distribution business (Content area), and the more selective add-ons activity. These effects were partly offset by the increased contribution of events, sponsorships, and digital businesses such as Oferplan, Kiosko y Más, Guapabox and Ticketing.

The change in the revenue profile towards digital, including not only digital advertising revenues at VOCENTO but also revenues from new digital businesses based on e-commerce, increased VOCENTO's exposure to digital to 25.0% in 9M14 (+2.6 p.p. vs 9M13).

Advertising revenue profile moves towards digital and new businesses (%)



Operating expenses

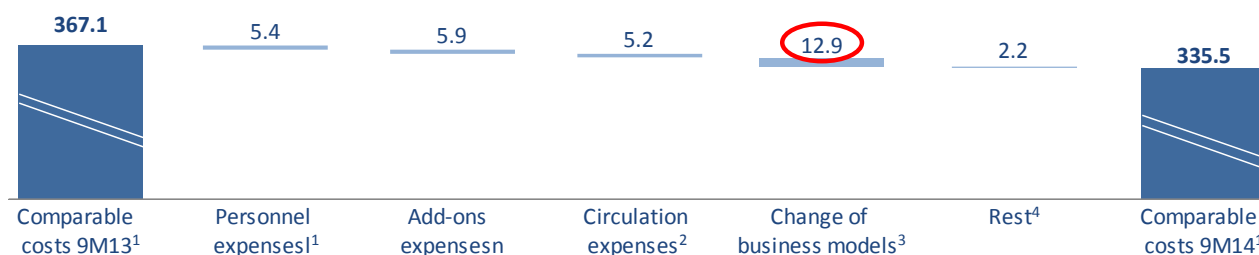
In 9M14, comparable costs were reduced by 8.6%, or 31,627 thousand euros, excluding the costs of personnel adjustment measures of -5,266 thousand euros in 9M14 and of -737 thousand euros in 9M13. These measures form part of the company's normalized management and reflect its continuous search for efficiency in an advertising market that remains unstable.

The main contributions to the cost reductions were:

- Change of business model in the Audiovisual area, -12,919 thousand euros: end of broadcasting of two National DTT channels, Radio agreement with COPE, film distribution agreement at Content.
- Reduction of promotional expenses, down -30.1% in 9M14 or 5,946 thousand euros
- Adjustments to personnel and to salary policies, with costs reduced by 7,207 thousand euros, 5.7%⁵. Excluding the Audiovisual area, the reduction was 5,441 thousand euros or 4.5%.
- Lower expenses associated with newspaper circulation, down by 5,170 thousand euros

⁵ Excluding personnel adjustment measures 9M14 -5,266 thousand euros and 9M13 -737 thousand euros.

Detail of comparable operating expenses by concept



Note 1: Excluding personnel adjustment measures 9M14 €-5.3m and 9M13 €-0.7m and Audiovisual. Note 2: costs of marketing, supplies distribution and print shops. Note 3: cost reductions at Audiovisual. Note 4: other costs of Newspapers and costs of Classifieds, Others and Corporate Centre, excluding variation in personnel expenses.

By area:

- Newspapers: there was a decrease in comparable costs of 13,872 thousand euros in 9M14, 4.8%, mainly as a result of a reduction in personnel expenses and a more selective promotions policy.
- Audiovisual: a decrease of 12,919 thousand euros in 9M14, 27.0%, mainly as a result of the closure of two TV channels and the end of distribution of new film releases.
- In the other areas, cost reductions have mainly been achieved by restructuring and adjusting workforces and processes.

Detail of comparable operating expenses by business area



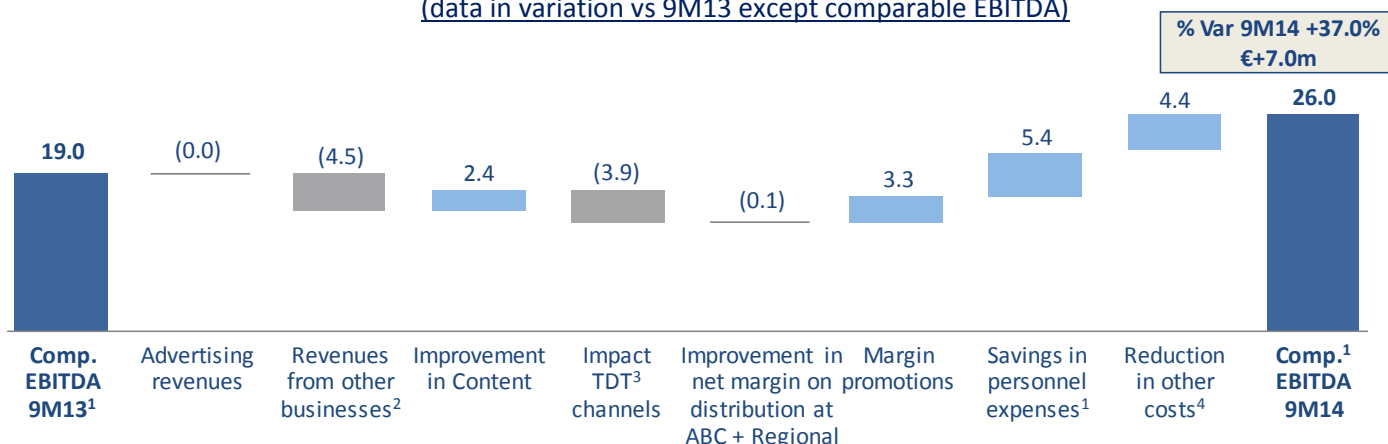
Note 1: Excluding personnel adjustment measures 9M14 €-5.3m and 9M13 €-0.7m

Comparable EBITDA

Comparable EBITDA was 26,014 thousand euros in 9M14, an improvement of 7,022 thousand euros or 37.0% compared to 9M13. This performance reflects the level of operational gearing that has been generated: the advertising recovery in 3Q14 led to a growth in EBITDA 3Q14 of 60.0% compared to 37.0% for 9M14.

The following chart illustrates the main contributions to this performance:

Detail of performance of comparable EBITDA¹ 9M13-9M14 (€m) (data in variation vs 9M13 except comparable EBITDA)

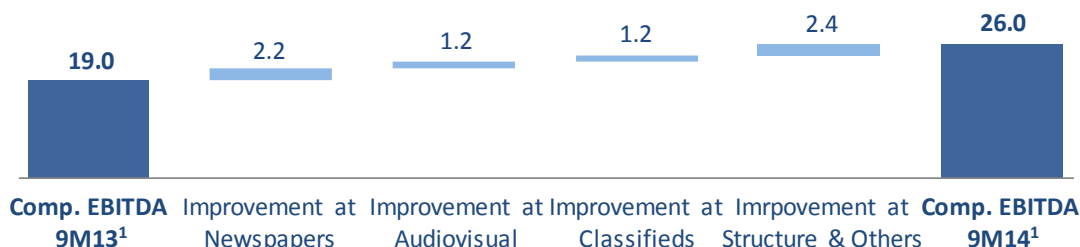


Note 1: Excluding personnel adjustment measures 9M14 €-5.3m and 9M13 €-0.7m. Personnel savings costs exclude Audiovisual.
 Note 2: Revenues from Radio, Classifieds, circulation sales of supplements and other businesses. Note 3: impact of closure of DTT channels and provision for Intereconomía. Note 4: costs of sales and administration at Regional and ABC, and costs of production, sales and administration at the other areas except Content.

EBITDA improved in all business areas. Highlights included:

- (i) **Newspapers⁶**: comparable EBITDA 9M14 of 24,869 thousand euros, an increase of 2,188 thousand euros vs 9M13. Despite the decrease in circulation sales (which fell by 7,189 thousand euros), the active management of costs resulted in: a) lower personnel costs following restructuring measures and adjustments to salaries, b) an improvement in the net margin on circulation sales at ABC, and c) an improvement in the margin on add-ons. The new digital businesses and the organisation of events supported this growth.
- (ii) **Audiovisual⁷**: comparable EBITDA 9M14 improved by 1,208 thousand euros, to 7,762 thousand euros. Negative impacts were felt from the end of DTT broadcasting of two channels and from the provision made for receivables associated with Intereconomía. There were positive impacts from the strategic Radio agreement with COPE and the restructuring measures implemented in the Content area in 2013.
- (iii) **Classifieds⁸**: reduction of comparable EBITDA losses in 9M14 by 1,215 thousand euros to -547 thousand euros, because of the combined effect of a 8.9% increase in advertising revenues in 9M14 and cost reduction measures, which included optimizing sales teams and reducing headcount.

Performance of comparable EBITDA¹ by business area 9M14 €m (data in variation 9M14 vs 9M13 except for comparable EBITDA)



Note 1: Excluding personnel adjustment measures 9M14 €-5.3m and 9M13 €-0.7m.

⁶ Newspapers: Excluding adjustment measures 9M14 -3,498 thousand euros and 9M13 -1,016 thousand euros.

⁷ Audiovisual: Excluding adjustment measures 9M14 -421 thousand euros and 9M13 -223 thousand euros.

⁸ Classifieds: Excluding adjustment measures 9M14 -117 thousand euros and 9M13 55 thousand euros.

Operating result (EBIT)

The operating result in 9M14 was 2,562 thousand euros, compared to -3,636 thousand euros in 9M13, an improvement of 6,198 thousand euros. The comparable operating result in 9M14 improved to 7,809 thousand euros from -3,122 thousand euros in 9M13.

As well as the positive impact of lower costs, there was a decrease in amortization in the period of 3,909 thousand euros. The decrease in amortization in 9M14 was partly a result of a lower level of amortization in the Content area, where there was a reduction of -1,539 thousand euros following the transfer of part of the film distribution business, and the lower level of depreciation at the print plants.

VOCENTO reaches EBIT positive in 9M results for the first time since 2008.

Net financial result

The net financial result in 9M14 was -7,363 thousand euros, in line with 9M13 (-7,537 thousand euros). The costs and arrangement fee of the syndicate loan are accrued over the life of the loan.

In February 2014, VOCENTO signed a 5-year syndicated loan for 175 million euros (see Relevant Fact of 24 February 2014) which has served to strengthen the financial structure, replacing bilateral credit lines, extending maturities and unifying debt management. In March 2014, VOCENTO carried out a swap transaction for the interest rate on the syndicated loan, for 87,637 thousand euros, as a hedge against the interest rate. The annual impact of this swap is reflected in the net financial result.

Corporation tax

The improvement of the operating result was offset by the regularisation of the negative tax bases of previous years, and corporation tax was in line with last year's level (9M14 -966 thousand euros vs 9M13 -1,068 thousand euros).

Minority interest

The reduction in minority interest in 9M14 by 3,043 thousand euros (vs -3,560 in 9M13) was mainly due the lower result at National DTT, because of the end of broadcasting of two channels, which was not offset by the improvement in the Content area.

Net result attributable to the parent company

The consolidated net result in 9M14 was -9,108 thousand euros, with losses narrowing by -40.5% compared to 9M13 (-15,314 thousand euros).

Consolidated Balance Sheet

Miles de Euros	IFRS			
	9M14	2013	Var abs	% Var
Non current assets	547,766	568,022	(20,256)	(3.6%)
Intangible assets	152,674	159,662	(6,988)	(4.4%)
Property, plant and equipment	172,356	182,365	(10,009)	(5.5%)
Investments accounted using equity method	10,555	10,676	(121)	(1.1%)
Other non current assets	212,181	215,318	(3,138)	(1.5%)
Current assets	152,182	172,774	(20,592)	(11.9%)
Cash and cash equivalents	29,743	34,721	(4,978)	(14.3%)
Other current assets	122,439	138,053	(15,614)	(11.3%)
Assets held for sale	193	193	0	0.0%
TOTAL ASSETS	700,142	740,990	(40,848)	(5.5%)
Equity	337,110	349,902	(12,791)	(3.7%)
Bank borrowings and other fin. liabilities	174,736	184,414	(9,678)	(5.2%)
Other non current liabilities	68,268	68,274	(5)	(0.0%)
Other current liabilities	120,027	138,401	(18,374)	(13.3%)
TOTAL EQUITY AND LIABILITIES	700,142	740,990	(40,848)	(5.5%)

Other current assets

The amount decreased by 15,614 thousand euros, mainly as a result of a lower balance from clients because of the lower level of activity and because of the impact on clients and suppliers of the end of broadcasting of two DTT channels and the sale of part of the film distribution business.

Net financial position

The net financial position at the end of the period was -146,932 thousand euros, including cash and cash equivalents and other current financial assets of 29,743 thousand euros.

The reduction of debt and the improvement in comparable EBITDA in 9M14 lead to a reduction in financial gearing, measured as Net Debt/comparable EBITDA, from 4.0x at the end of 2013 to 3.3x (LTM⁹).

Breakdown of net financial debt, 9M14

Thousand Euro	IFRS			
	9M14	2013	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	23,798	120,589	(96,791)	(80.3%)
Bank borrowings and other financial liabilities (l.t.)	150,938	63,824	87,114	136.5%
Gross Debt	174,736	184,414	(9,678)	(5.2%)
Cash and cash equivalents	29,743	34,721	(4,978)	(14.3%)
Other non current financial asstes	235	415	(180)	(43.4%)
Deferred expenses	2,173	0	2,173	n.a.
Net cash position/ (net debt)	(146,932)	(149,277)	2,346	1.6%

⁹ LTM "Last twelve months".

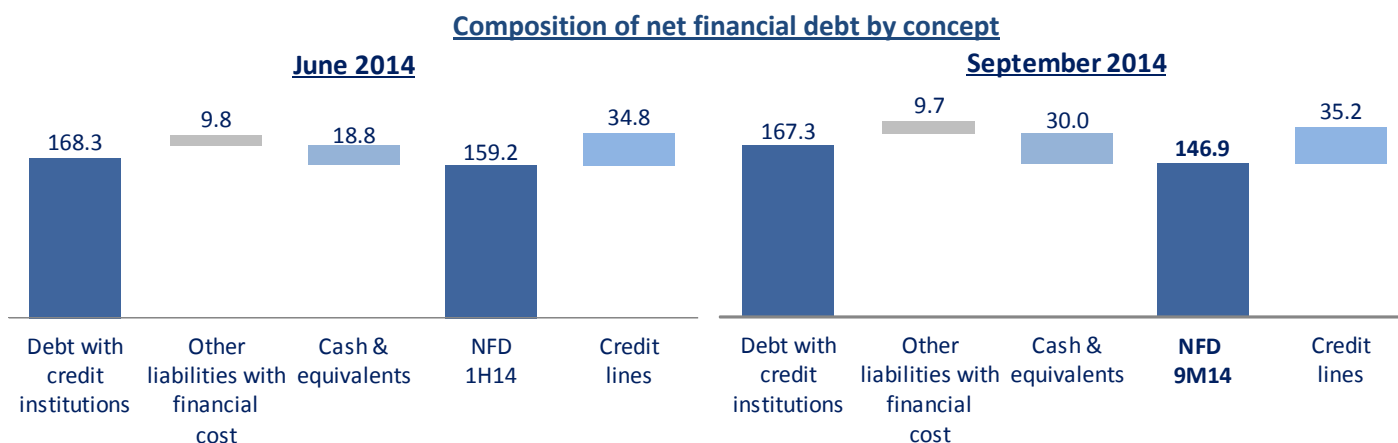
Short term borrowings and other financial liabilities include debt with credit institutions of 19,738 thousand euros, which decreased because of the syndicated loan, and other liabilities with a current financial cost of 4,060 thousand euros, mainly pension plans.

Long term bank borrowings and other financial liabilities include: a) debt with credit institutions of 145,348 thousand euros, and b) other liabilities with a non-current financial cost of 5,590 thousand euros, including mainly pension plans and compensation pending payment, associated with the downsizing at ABC in 2009.

On the balance sheet, in accordance with accounting principles, short term and long term borrowing are netted off for the short term and long term expenses of the syndicated loan, an amount of 2,173 thousand euros. There is no financial cost to this, and these expenses are included when calculating net debt.

An accounting adjustment was also made to long term financial debt as a result of the mark to market of the derivatives of the syndicated loan (with various financial institutions), of 2,804 thousand euros.

Net financial debt consists of the following:



To better understand the variation in debt, ordinary and extraordinary changes are analysed separately. The most significant ordinary variations in 9M14 were as follows:

- (i) Variation in working capital of -5,534 thousand euros (excluding extraordinary payments to the ABC Foundation of 1,926 thousand euros) mainly due to the recovery of balances with clients, the impact of the end of broadcasting of two DTT channels, and payments made to paper providers.

The management of working capital (including the variation of inventories, clients, suppliers and operating taxes (VAT)) remains one of the key priorities in the company's daily activities.

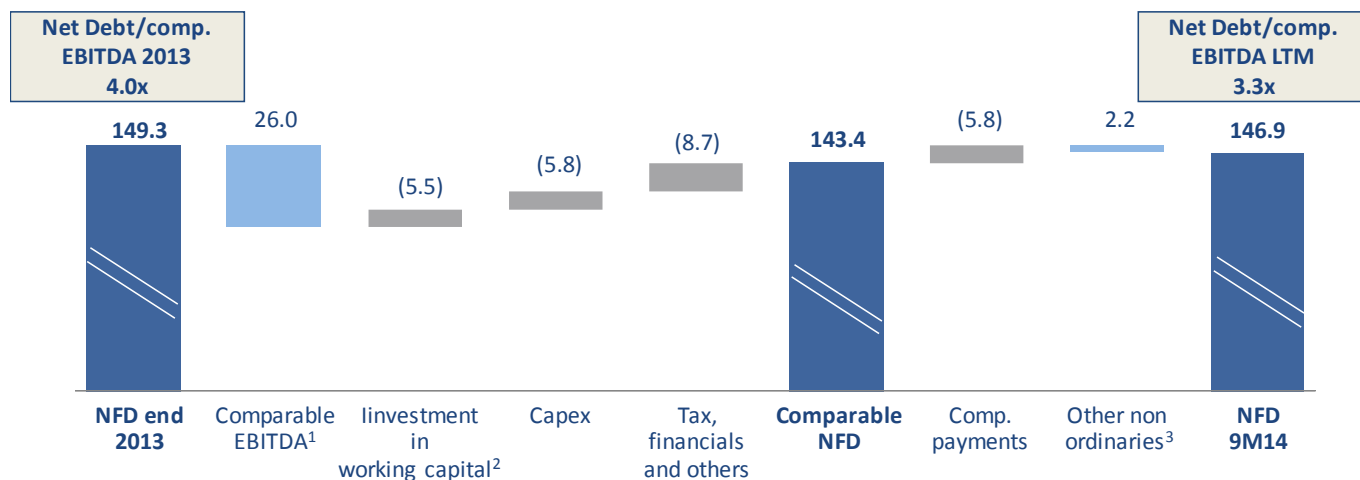
- (ii) Investments in fixed and intangible assets: total cash exit of -5,845 thousand euros, mainly associated with digital activity.

Non-recurring items include:

- (iii) Cost of compensation payments following the adjustment to personnel: a total cash exit in 9M14 of -5,796 thousand euros, mainly at Regional and Corporate.
- (iv) Other extraordinaries: including cash from the sale of the indirect stake of 0.36% in cable operator ONO (9,214 thousand euros), expenses associated with the arrangement of the syndicated loan, such as the mark to market valuation of the derivative, which did not result in any cash exit, and the loan made to the ABC Foundation.

It should be noted that in 4Q14, an additional 1,179 thousand euros was booked from the already mention divestment of ONO.

Analysis of movement in net financial debt 9M14-2013 (€m)



Note 1: excluding personnel adjustment measures 9M14 €-5.3m. Note 2: variation of inventories, clients, suppliers and current taxes (VAT). Note 3: including sale of stake in ONO, arrangement fee, associated expenses and effects on NFD of the syndicated loan, and the extraordinary payment to the ABC Foundation.

Other current liabilities

The variation in Other Liabilities of 18,374 thousand euros is due mainly to the reduction of balances with suppliers, because of the lower level of activity at Content in both television and film distribution, and the lower balances with suppliers of paper.

Cash flow statement

Thousand Euro	IFRS			
	9M14	9M13	Var Abs	% Var
Net profit attributable to the parent	(9,107)	(15,312)	6,205	40.5%
Adjustments to net profit	31,824	36,081	(4,257)	(11.8%)
Cash flows from ordinary operating activities before changes in working capital	22,717	20,769	1,948	9.4%
Changes in working capital	(7,460)	(379)	(7,081)	n.r.
Other payables without financial cost	4,819	(11,380)	16,199	142.3%
Other payables with financial cost	(3,105)	(4,244)	1,139	26.8%
Income tax paid	(1,483)	(2,857)	1,374	48.1%
Interests deduction for tax purposes	(2,012)	(476)	(1,536)	(322.7%)
Net cash flow from operating activities (I)	13,477	1,433	12,044	840.4%
Acquisitions of intangible and property, plan and equipment	(5,845)	(6,758)	913	13.5%
Net proceed on disposal of financial assets	9,742	(485)	10,227	n.r.
Interests and dividends received	559	553	6	1.1%
Other receivables and payables (investing)	0	0	0	n.a.
Net cash flow from investing activities (II)	4,456	(6,690)	11,146	166.6%
Interests and dividends paid	(15,133)	(13,179)	(1,954)	(14.8%)
Cash inflows/ (outflows) relating to bank borrowings	(5,513)	13,198	(18,711)	(141.8%)
Other receivables and payables (financing)	(2)	(256)	254	99.2%
Equity related instruments without financial cost	(1,033)	(201)	(832)	(413.9%)
Equity related instruments with financial cost	(1,025)	(6,598)	5,573	84.5%
Net cash flows from financing activities (III)	(22,706)	(7,036)	(15,670)	(222.7%)
Net increase in cash and cash equivalents (I + II + III)	(4,774)	(12,293)	7,519	61.2%
Cash and cash equivalents of discounted operations	(205)	0	(205)	n.a.
Cash and cash equivalents at beginning of the year	34,721	40,295	(5,574)	(13.8%)
Cash and cash equivalents at end of year	29,743	28,004	1,739	6.2%

Net cash flow from operating activities was 13,477 thousand euros, including: a) payments of -5,796 thousand euros associated with the personnel adjustment measures, and b) a variation in working capital of -7,460 thousand euros which excluding extraordinary items (the loan to the ABC Foundation) would have been -5,534 thousand euros, mainly due to the lower balance with suppliers of television services and paper.

Net cash flow from investment activities was 4,456 thousand euros, mainly as a result of the entry of cash from the sale of the indirect 0.36% stake that VOCENTO held in cable operator ONO, for a total of 9,214 thousand euros, partly offset by investments in fixed assets (see Capex section).

Net cash flow from financing activity was -22,706 thousand euros, and included interest and dividend payments paid by subsidiaries of VOCENTO of -15,133 thousand euros, the repayment of debt in the period, corporate transactions generated from the payment to minority shareholders in Las Provincias (liabilities with a financial cost), and other transactions.

Capex

Controlling investments in order to preserve cash is one of the main targets of VOCENTO's financial management. In 9M14, investments were associated mainly with the development of new sources of digital revenues. Another highlight was the reduction of capex in the Content area, following the agreement in 2013 which released VOCENTO of its obligations to acquire new films, while continuing to manage its back catalogue.

The difference between the exit of cash because of investments in fixed assets (5,845 thousand euros) and the Capex recorded in accounts (4,460 thousand euros) is mainly due to pending payments for investments made in 2013.

Detail of Capex by business area

	IFRS (thousand euros)								
	9M14			9M13			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	1,634	705	2,339	1,322	1,194	2,516	312	(489)	(177)
Audiovisual	143	95	238	1,282	152	1,434	(1,139)	(57)	(1,196)
Classified	180	11	191	267	63	330	(87)	(52)	(139)
Other	6	522	528	3	328	331	3	194	197
Corporate	1,141	23	1,164	897	23	920	244	0	244
TOTAL	3,104	1,357	4,460	3,771	1,761	5,532	(667)	(404)	(1,071)

Information by business area

Thousand Euro	IFRS			
	9M14	9M13	Var Abs	Var %
Total Revenues				
Newspapers	302,837	314,520	(11,683)	(3.7%)
Audiovisual	42,667	54,379	(11,711)	(21.5%)
Classified	9,070	9,700	(630)	(6.5%)
Other	10,347	11,277	(930)	(8.2%)
Corporate and adjustments	(3,411)	(3,761)	350	9.3%
Total Revenues	361,510	386,115	(24,605)	(6.4%)
EBITDA				
Newspapers	21,371	21,665	(294)	(1.4%)
Audiovisual	7,341	6,332	1,009	15.9%
Classified	(664)	(1,707)	1,043	61.1%
Other	2,222	2,511	(289)	(11.5%)
Corporate and adjustments	(9,522)	(10,546)	1,024	9.7%
Total EBITDA	20,748	18,255	2,493	13.7%
Comparable EBITDA¹				
Newspapers	24,869	22,681	2,188	9.6%
Audiovisual	7,762	6,554	1,208	18.4%
Classified	(547)	(1,762)	1,215	68.9%
Other	2,222	2,530	(308)	(12.2%)
Corporate and adjustments	(8,292)	(11,012)	2,719	24.7%
Total comparable EBITDA	26,014	18,992	7,022	37.0%
EBIT				
Newspapers	9,406	8,253	1,153	14.0%
Audiovisual	3,160	241	2,919	n.r.
Classified	(1,423)	(2,739)	1,316	48.1%
Other	1,490	1,751	(261)	(14.9%)
Corporate and adjustments	(10,072)	(11,142)	1,070	9.6%
Total EBIT	2,562	(3,636)	6,198	170.4%
Comparable EBIT^{1,2}				
Newspapers	12,921	9,260	3,661	39.5%
Audiovisual	3,547	430	3,117	724.1%
Classified	(1,306)	(2,802)	1,497	53.4%
Other	1,490	1,599	(109)	(6.8%)
Corporate and adjustments	(8,842)	(11,609)	2,766	23.8%
Total comparable EBIT	7,809	(3,122)	10,931	350.1%

Newspapers (offline and online)

Thousand Euro	IFRS			
	9M14	9M13	Var Abs	Var %
Total Revenues				
Regionals	215,010	222,261	(7,251)	(3.3%)
ABC	82,264	87,578	(5,314)	(6.1%)
Supplements& Magazines	22,026	22,938	(912)	(4.0%)
Adjustments intersegment	(16,463)	(18,257)	1,794	9.8%
Total Revenues	302,837	314,520	(11,683)	(3.7%)
EBITDA				
Regionals	21,831	24,741	(2,910)	(11.8%)
ABC	(919)	(3,090)	2,171	70.3%
Supplements& Magazines	459	14	445	n.r.
Total EBITDA	21,371	21,665	(294)	(1.4%)
Comparable EBITDA¹				
Regionals	25,160	25,536	(376)	(1.5%)
ABC	(867)	(3,083)	2,216	71.9%
Supplements& Magazines	577	228	349	152.7%
Total comparable EBITDA	24,869	22,681	2,188	9.6%
EBIT				
Regionals	14,751	17,106	(2,355)	(13.8%)
ABC	(5,519)	(8,585)	3,066	35.7%
Supplements & Magazines	175	(267)	442	165.4%
Total EBIT	9,406	8,253	1,153	14.0%
Comparable EBIT^{1 2}				
Regionals	18,091	17,891	200	1.1%
ABC	(5,468)	(8,578)	3,110	36.3%
Supplements& Magazines	297	(53)	350	659.7%
Total comparable EBIT	12,921	9,260	3,661	39.5%

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 distribution of ABC by Beralán y c) printing activity of ABC by the regional printing plants.

¹ Excluding adjustment measures 9M14 -3,498 thousand euros and 9M13- 1,016 thousand euros.

² Excluding result from sale of fixed assets 9M14 -16 thousand euros and 9M13 9 thousand euros.

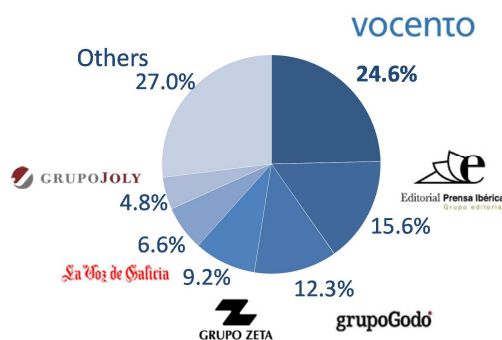
Operating Revenues: 302,837 thousand euros in the first nine months of 2014, decreasing by 3.7% mainly as a consequence of lower circulation sales at the Regional newspapers and a lower level of add-ons at ABC.

Circulation sales: 155,415 thousand euros (-4.4%).

Revenues from the circulation sales of the Regional Press fell by 5.5% in 9M14 (regional newspapers -5.0%), because of a fall in circulation of 6.9% in the period. The slower decline in revenues was due to a generalised increase in the cover prices of most of the regional newspapers on Saturdays and Sundays.

VOCENTO's regional newspapers continue to be clear leaders in their areas, with a 24.6% share of the regional press circulation market, compared to 15.6% for its closest competitor.

Share of regional press circulation, 9M14¹



Note 1: source OJD general press. Data not certified.

At ABC, revenues from circulation sales decreased by 1.6%, with the impact of the fall in circulation partly offset by the increase to cover prices in January, from €1.3 to €1.4 from Mondays to Fridays and from €2.5 to €2.8 on Sundays. In 9M14, ABC's average circulation was 130,211 copies per day, a decrease of -8.3% vs -10.4% for the national press market.

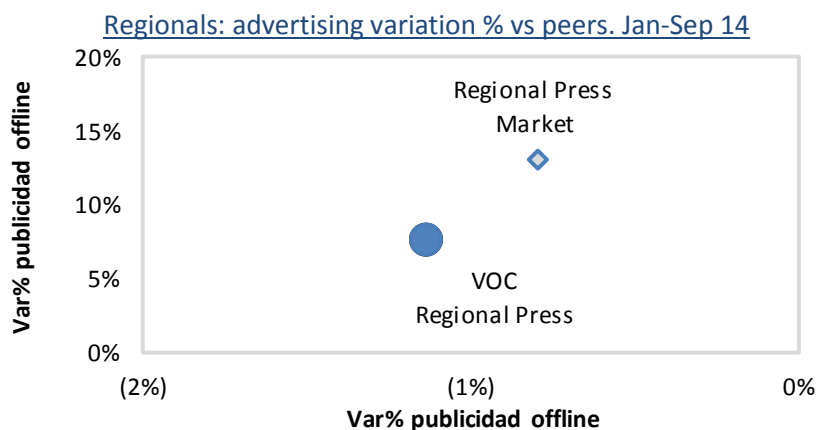
Finally, the performance of revenues from circulation sales of Supplements and Magazines (-7.5%) was a result of the lower level of circulation for the newspapers with which the supplements are distributed.

Advertising Sales: 99,726 thousand euros, a decrease of 0.4% compared to 9M13.

The regional newspapers and ABC practically repeated the advertising level of the prior year period and again outperformed the online and offline press advertising market. The advertising revenues of the offline newspapers fell by 2.5% in 9M13 and online revenues increased by 10.9%, compared to -3.5% and +3.1% for the market respectively, according to figures from i2p (see chart on page 6). The offline performance of VOC in 3Q14 was affected by the World Cup, as the company does not own a sports title.

At the Regional Newspapers, advertising sales were 64,929 thousand euros, up 0.4% in 9M14, with regional advertising in the local press outperforming the national press.

Compared to the market, the performance of the Regional Newspapers was in line with other offline players (-1.1% vs -0.8% for peers), while in the online market Regional Newspapers reported growth of +7.6% vs +13.1% for competitors, as the VOC business is now larger and more developed. Online advertising now represents 15.1% of the total advertising revenues of the Regional Newspapers, vs 10.2% at competitors.



Note 1: internal data. Gross press advertising.

At ABC, advertising revenues increased by 2.3% in 3Q14, and fell by 2.3% in 9M14, with the fall in offline advertising sales of -6.3% partly compensated by advertising growth at ABC.es of 17.1%.

Compared to the advertising market, ABC has outperformed both offline (ABC -5.3% vs -7.2% for peers) and online: ABC +19.4%, peers +9.5%.

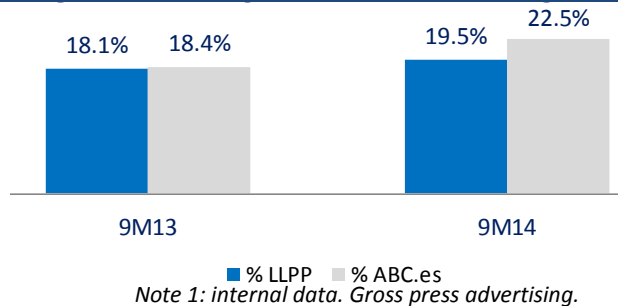
ABC: advertising variation % vs peers. Jan-Sep 14



Note 1: internal data. Gross press advertising.

The steady roll-out of the complementary digital businesses continues to be reflected in the increased contribution of digital revenues, both at Regional (19.5% +1.4 p.p.), and at ABC (22.5%, +4.1 p.p.).

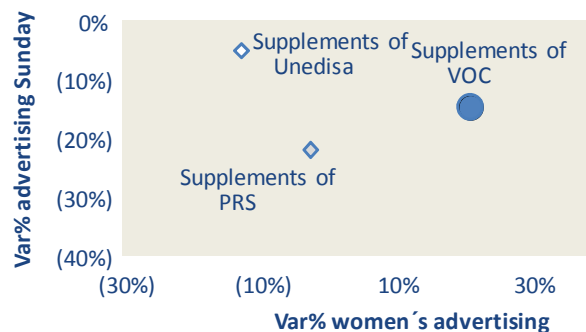
% of digital business to gross advertising revenues at ABC and regional newspapers, Jan-Sep14¹



Note 1: internal data. Gross press advertising.

Advertising revenues from Supplements and Magazines increased by 8.8% in 3Q14, with both online growth (+30.6%) and offline (+6.5%). For 9M14, advertising sales fell by 0.8%, compared to a decline of 6.9%¹⁰ for the Sunday supplement market. Highlights included the performance of the women's supplement *Mujer Hoy*, distributed on Saturdays, which reported increased advertising spend especially in high end segments (beauty and fashion), and with an increased market share following the redesign and improvement of the product, as the chart on the next page shows.

Gross advertising revenues of Sunday and women's supplements Jan-Sep 2014¹ (%)



Note 1: internal data. Gross advertising.

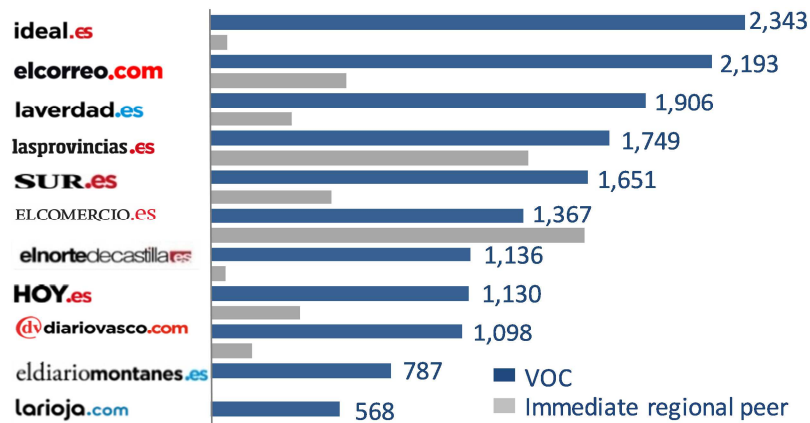
¹⁰ Source: i2p 9M14.

Other Revenues: 47,696 thousand euros, -7.9%, mainly as a result of the reduced level of add-ons at ABC and the impact on Printing and Distribution of the lower level of circulation.

These effects were partly offset by the increased contribution of events and of digital businesses such as Oferplan, Kiosko y Más, Guapabox and Ticketing.

These new digital businesses are supported by the growing unique user bases of the digital editions of the regional newspapers and ABC. The regional newspapers continue to be online leaders, with total readership of 16 million unique monthly users. In addition, each of their eleven portals is the leader in their regions, except for El Comercio Digital.

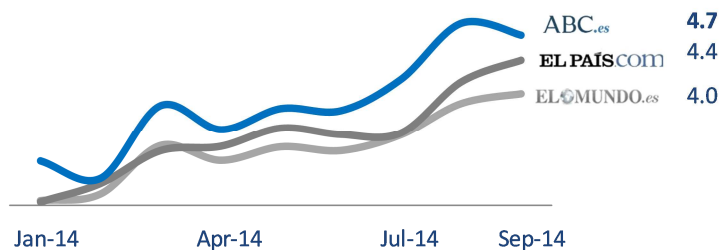
Readership of local portals (thousands u.m.u.)



Source: comScore MMX Multiplataforma September 2014. Competitor share in grey.

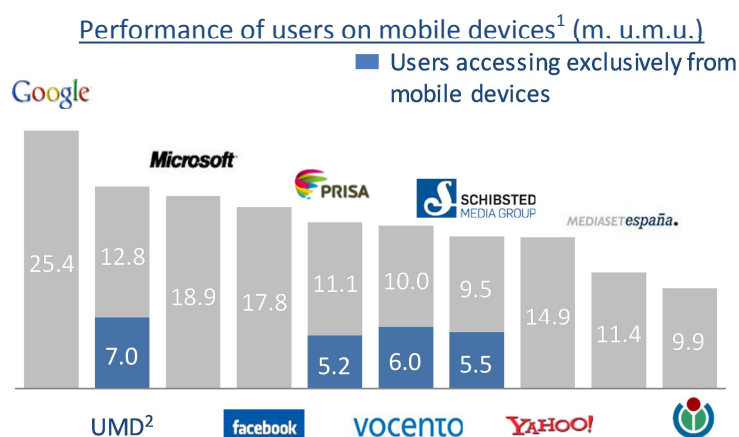
Likewise ABC.es continues to increase its digital market share and to enhance its position, and now reaches 4.7 million unique monthly users who access the website exclusively from mobile devices.

Performance of unique monthly users, mobile access (m. u.m.u.)



Source: comScore MMX Multiplataforma.

Finally, VOCENTO is ahead of its competitors in terms of the proportion of unique users from mobile devices such as tablets and mobile telephones, according to ComScore data from September 2014.



Source: comScore MMX Multiplataforma SEPTEMBER 20. Unidad Editorial, Zeta and Prensa Ibérica.

2: UMD² Unid de Medios Digitales includes

Comparable EBITDA¹¹: 24,869 thousand euros, an improvement of 2,188 thousand euros.

The combined impact of the reduction of the variable expenses linked to operations and the cost efficiency measures has led to a 4.8% decrease in comparable costs¹¹.

Performance of comparable costs, Newspapers 9M14 (€m)

Like for like opex (thousand euros)	9M14	9M13	Var Abs ¹	Var %
Regionals	(189,850)	(196,725)	(6,875)	(3.5%)
ABC	(83,131)	(90,661)	(7,530)	(8.3%)
Supplements & Magazines	(21,450)	(22,710)	(1,260)	(5.5%)
Adjustments	16,463	18,257	1,794	9.8%
Total	(277,968)	(291,839)	(13,872)	(4.8%)

The execution of cost reductions has absorbed the slight decrease in advertising in 9M14, reflecting the operational gearing that has been created, as the following table shows:

Performance of comparable EBITDA and advertising, Newspapers 9M14 (€m)

IFRS Thousand Euro	Comparable EBITDA			Advertising
	9M14	9M13	Var Abs ¹	Var Abs ²
Regional brands	25,160	25,536	(376)	275
ABC	(867)	(3,083)	2,216	(609)
Supplements & Magazines	577	228	349	(71)
Total	24,869	22,681	2,188	(389)

Note 1: Excluding adjustment measures 9M14 -3,498 thousand euros and 9M13 -1,016 thousand euros. Note 2: total advertising includes eliminations.

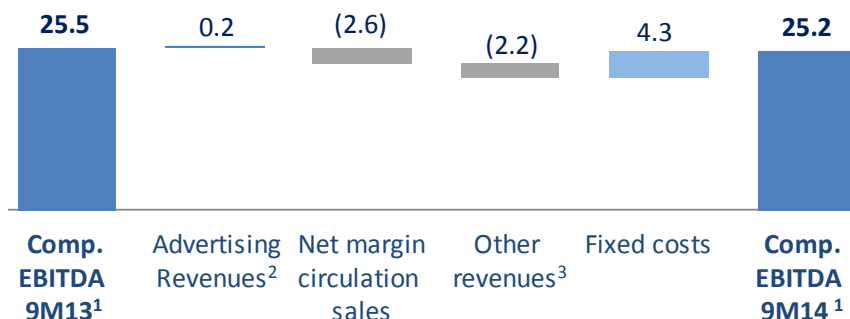
- (i) **Regional**: comparable EBITDA of 25,160 thousand euros, a similar level to in 9M13 (variation -376 thousand euros), with costs reduced by 6,875 thousand euros. The comparable EBITDA margin in 9M14/13 increased by 0.2 p.p. to 11.7%.

The main savings made were the result of the improvement in the margin on promotions, because of the reduction in the number of promotions, as well as reductions in fixed costs, mainly in personnel expenses. The net margin on circulation sales decreased in the quarter because of lower circulation, but continues to make an important contribution. The fall in other revenues was mainly a result of lower revenues from distribution and printing for third parties.

¹¹ Excluding adjustment measures 9M14 -3,498 thousand euros and 9M13 -1,016 thousand euros.

Regional Newspapers: performance of comparable EBITDA¹

Absolute variation of revenues and comparable EBITDA (€m)



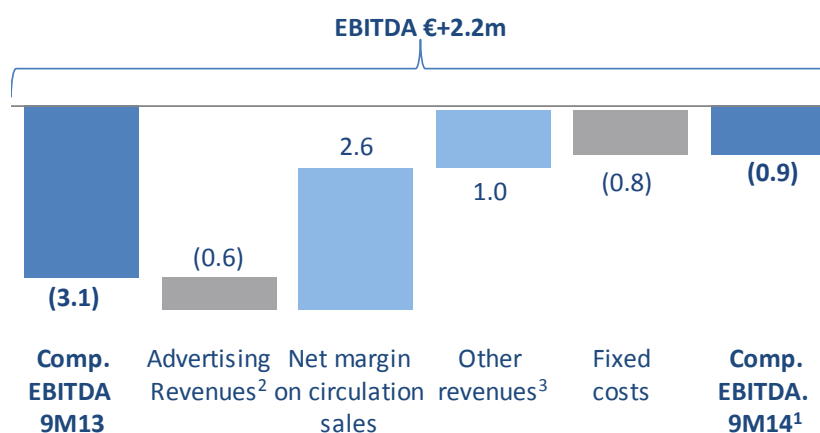
Note 1: excluding restructuring 9M13 €-0.8m and personnel adjustment measures 9M14 €-3.3m.

Note 2: publishing and digital. Note 3: including among others advertising in subsidiaries, circulation sales from the distribution company and the margin on promotions.

- (ii) ABC: comparable EBITDA in 9M14 improved by 2,216 thousand euros, to -867 thousand euros, as a result of an improvement in the net margin on circulation sales by 2.563 thousand euros and the higher margin on promotions.

ABC brand: performance of comparable EBITDA¹

Absolute variation of revenues and comparable EBITDA in million euros



Note 1: Excluding personnel adjustment measures 9M14 €-0.1m. Note 2: publishing and digital.

Note 3: includes margin on promotions and others.

- (iii) Supplements and Magazines: comparable EBITDA of 577 thousand euros vs 228 thousand euros in 9M13, with cost reductions offsetting the impact of the fall in revenues. The comparable EBITDA margin of the area increased by 1.6 p.p. to 2.6%.

Audiovisual

Thousand Euro	IFRS			
	9M14	9M13	Var Abs	Var %
Total Revenues				
DTT	25,195	37,205	(12,010)	(32.3%)
Radio	3,141	2,538	603	23.8%
Content	14,658	14,935	(277)	(1.9%)
Adjustments intersegment	(326)	(300)	(27)	(8.9%)
Total Revenues	42,667	54,379	(11,711)	(21.5%)
EBITDA				
DTT	2,347	6,242	(3,895)	(62.4%)
Radio	1,636	(1,033)	2,669	258.5%
Content	3,358	1,122	2,235	199.1%
Total EBITDA	7,341	6,332	1,009	15.9%
Comparable EBITDA¹				
DTT	2,351	6,256	(3,905)	(62.4%)
Radio	1,749	(918)	2,667	290.5%
Content	3,663	1,217	2,446	201.0%
Total comparable EBITDA	7,762	6,554	1,208	18.4%
EBIT				
DTT	2,127	5,975	(3,849)	(64.4%)
Radio	1,658	(1,311)	2,969	226.5%
Content	(625)	(4,423)	3,798	85.9%
Total EBIT	3,160	241	2,919	n.r.
Comparable EBIT^{1 2}				
DTT	2,130	5,989	(3,859)	(64.4%)
Radio	1,736	(1,254)	2,991	238.4%
Content	(319)	(4,304)	3,985	92.6%
Total comparable EBIT	3,547	430	3,117	724.1%

Note: Eliminations are the result of the sale of programmes from the production companies to National DTT and Radio.

Note: EBIT and comparable EBIT at Content include the amortization of goodwill in the Tripictures film catalogue in 9M14 of 1,506 thousand euros and in 9M13 of 1,804 thousand euros.

¹ Excluding adjustment measures 9M14 -421 thousand euros and 9M13 -223 thousand euros.

² Excluding result from sale of fixed assets, in 9M14 34 thousand euros and in 9M13 33 thousand euros.

Operating Revenues: 42,667 thousand euros, down 21.5% as a result of changes to the perimeter: i) a decline in DTT revenues of 32.3% because of the end of broadcasting of two nationwide DTT channels, MTV and Intereconomía, and ii) a decrease in film distribution revenues in the Content area, as a result of the sale of part of this business to a third party at the end of 2013.

EBITDA comparable¹²: 7,762 thousand euros, an improvement of 1,208 thousand euros from 9M13, with all the divisions performing positively despite the changes to the perimeter.

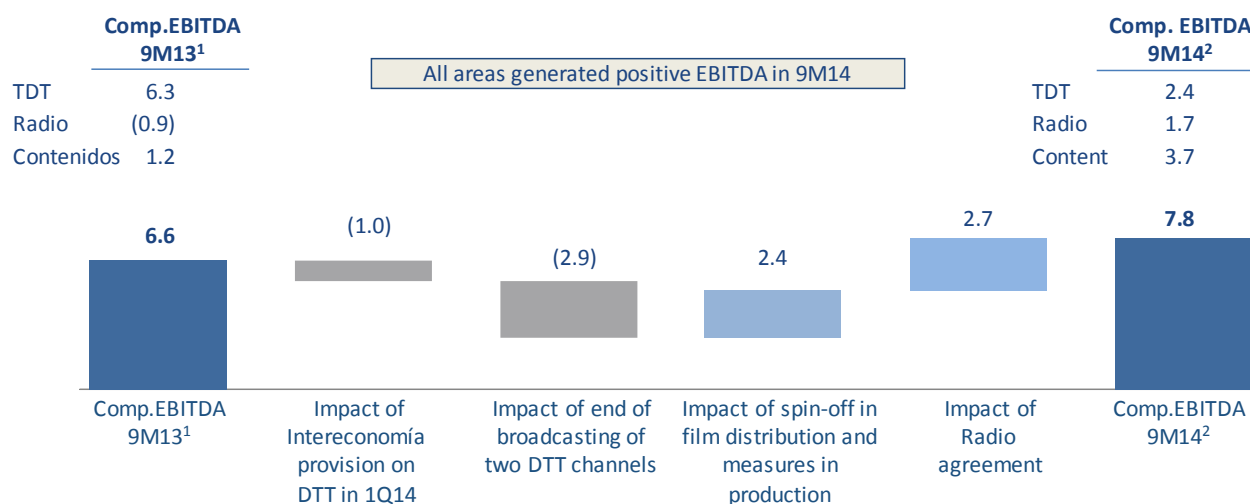
¹² Excluye medidas de ajuste 9M14 -421 thousand euros y 9M13 -223 thousand euros.

Highlights by business area include:

- (i) **DTT**: positive comparable EBITDA of 2,351 thousand euros in 9M14, down 3,905 thousand euros from 9M13. This was a result of the end of broadcasting of two channels on the National DTT multiplex, and the effect of the provision made in 1Q14 for receivables from a subsidiary of Intereconomía, of 1,053 thousand euros.
- (ii) **Radio**: positive comparable EBITDA of 1,749 thousand euros compared to -918 thousand euros in 9M13. The positive commercial and strategic agreement with COPE had an impact on results from 2Q13, when it was approved by the competition authorities.
- (iii) **Content**: comparable EBITDA of 3,663 thousand euros vs 1,217 thousand euros in 9M13. In 1Q14 costs were incurred in the film distribution area because of the last launches in the DVD window of releases from 2013, costs which were not repeated in subsequent quarters as a result of the sale of this part of the business.

Comparable EBITDA of the Audiovisual area (€m)

Data in variation €m 9M14 vs 9M13 except for comparable EBITDA



Note 1: adjusted for investment in restructuring 9M13 €-0.1m in Radio and €-0.1m in Content. Note 2: adjusted for investment in restructuring 9M14 €-0.1m at Radio and €-0.3m at Content.

Comparable Operating Result: (because of the level of amortization in this area, commentary is provided on the operating result) rose to 3,547 thousand euros vs 430 thousand euros in 9M13, as a result of the improvement in the business and the lower level of amortization in the Content area, which decreased by 1,539 thousand euros in 9M14 following the sale of part of the business.

Classifieds

Thousand Euro	IFRS			
	9M14	9M13	Var Abs	Var %
Total Revenues				
Classified	9,070	9,700	(630)	(6.5%)
Total Revenues	9,070	9,700	(630)	(6.5%)
EBITDA				
Classified	(664)	(1,707)	1,043	61.1%
Total EBITDA	(664)	(1,707)	1,043	61.1%
Comparable EBITDA¹				
Classified	(547)	(1,762)	1,215	68.9%
Total comparable EBITDA	(547)	(1,762)	1,215	68.9%
EBIT				
Classified	(1,423)	(2,739)	1,316	48.1%
Total EBIT	(1,423)	(2,739)	1,316	48.1%
Comparable EBIT¹				
Classified	(1,306)	(2,802)	1,497	53.4%
Total comparable EBIT	(1,306)	(2,802)	1,497	53.4%

¹ Excluding adjustment measures 9M14 -117 thousand euros and 9M13 55 thousand euros.

Operating Revenues: 9,070 thousand euros, a decrease of 6.5% as a result of the sale of the solutions division of Infoempleo in 4Q13 (pro forma revenues +7.2%). The real estate and automotive sectors contributed most to sales growth. Advertising revenues in the area increased by 8.9%.

Comparable EBITDA: -547 thousand euros, with losses narrowing by 68.9% from 9M13 thanks to the growth of the business and cost reduction measures, especially the optimization of sales teams (strengthening telesales) and savings in personnel expenses.

Others

Thousand Euro	IFRS			
	9M14	9M13	Var Abs	Var %
Total Revenues				
B2B	10,364	11,093	(729)	(6.6%)
Qué!	(17)	207	(223)	(108.2%)
Adjustments intersegment	0	(22)	22	100.0%
Total Revenues	10,347	11,277	(930)	(8.2%)
EBITDA				
B2B	2,263	2,680	(417)	(15.6%)
Qué!	(41)	(169)	128	75.8%
Total EBITDA	2,222	2,511	(289)	(11.5%)
Comparable EBITDA				
B2B	2,263	2,680	(417)	(15.6%)
Qué!	(41)	(149)	109	72.7%
Total comparable EBITDA	2,222	2,530	(308)	(12.2%)
EBIT				
B2B	1,531	1,836	(306)	(16.6%)
Qué!	(41)	(85)	44	51.9%
Total EBIT	1,490	1,751	(261)	(14.9%)
Comparable EBIT				
B2B	1,531	1,789	(258)	(14.4%)
Qué!	(41)	(190)	149	78.5%
Total comparable EBIT	1,490	1,599	(109)	(6.8%)

Operating Revenues: 10,347 thousand euros, down by 8.2% as a result almost exclusively of the performance in B2B.

Comparable EBITDA: 2,222 thousand euros.

Operating data

Newspapers

Average Circulation Data	9M14	9M13	Var Abs	%
National Press - ABC	130,211	142,051	(11,840)	(8.3%)
Regional Press				
El Correo	77,652	83,334	(5,682)	(6.8%)
El Diario Vasco	56,236	59,507	(3,271)	(5.5%)
El Diario Montañés	26,531	27,720	(1,189)	(4.3%)
Ideal	21,343	23,051	(1,708)	(7.4%)
La Verdad	19,154	21,029	(1,875)	(8.9%)
Hoy	12,210	13,301	(1,091)	(8.2%)
Sur	18,933	20,495	(1,562)	(7.6%)
La Rioja	10,794	11,652	(858)	(7.4%)
El Norte de Castilla	21,798	24,200	(2,402)	(9.9%)
El Comercio	18,189	19,654	(1,465)	(7.5%)
Las Provincias	19,853	21,181	(1,328)	(6.3%)
TOTAL Regional Press	302,693	325,124	(22,431)	(6.9%)

Sources:OJD. 1H14 non audited data.

Audience	2 nd Survey 14	2 nd Survey 13	Var Abs	%
National Press - ABC	517,000	577,000	(60,000)	(10.4%)
Regional Press	2,038,000	2,241,000	(203,000)	(9.1%)
El Correo	419,000	453,000	(34,000)	(7.5%)
El Diario Vasco	248,000	254,000	(6,000)	(2.4%)
El Diario Montañés	164,000	185,000	(21,000)	(11.4%)
Ideal	185,000	209,000	(24,000)	(11.5%)
La Verdad	209,000	228,000	(19,000)	(8.3%)
Hoy	134,000	138,000	(4,000)	(2.9%)
Sur	129,000	166,000	(37,000)	(22.3%)
La Rioja	88,000	97,000	(9,000)	(9.3%)
El Norte de Castilla	177,000	204,000	(27,000)	(13.2%)
El Comercio	158,000	160,000	(2,000)	(1.3%)
Las Provincias	127,000	147,000	(20,000)	(13.6%)
Supplements				
XL Semanal	2,271,000	2,535,000	(264,000)	(10.4%)
Mujer Hoy	1,509,000	1,618,000	(109,000)	(6.7%)
Mujer Hoy Corazón	314,000	335,000	(21,000)	(6.3%)
Inversión y Finanzas	51,000	53,000	(2,000)	(3.8%)
Monthly Unique uses (Th)	sep-14	sep-13	Var Abs	%
Vocento	16,002	n/a	n/a	n/a

Source: comScore

Audiovisual

National TV Market	sep-14	sep-13	Var Abs
Audinece share Net TV	3.6%	4.7%	(1.1) p.p.

Source: Kantar Media last month.

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

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