Results for 1Q14

13 May 2014

ver, escuchar, leer y sentir.

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Certain numerical figures included in this document have been rounded. Therefore, discrepancies in tables and graphs between totals and the sums of the amounts listed may occur due to such rounding.

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

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Main highlights for 1Q14

Advertising revenues improve in 1Q14, although the environment is still uncertain

- Advertising Revenues of Regional Newspapers and ABC increase by 0.5%
  - Regional Newspapers and ABC improve advertising market share, both offline (advertising variation -0.8% vs. market -4.8%[1]), and online (+8.1% vs. market +1.2%[1])
- ABC continues to improve its positioning
  - Number two in Madrid[2] and only 8,816[3] from being number two in Spain for ordinary circulation
  - Revenue growth in 1Q14, in both advertising (+0.2%) and circulation (+0.1%)
- VOC revenue mix moves towards digital: 23.6% of the total (+2.3 p.p.)

Comparable EBITDA improves by €5.0m in 1Q14

- There was an increase in EBITDA at the Newspapers, both at ABC and the Regional Press
  - Cost reductions the main factor
  - Positive contribution of new digital businesses
- Improving profitability at Audiovisual despite end of MTV broadcasts and Intereconomía provision
- Expenses from personnel adjustment in 1Q14 of €-4.6m, mainly at Regional Press, as part of normalized management

A differentiating financial position

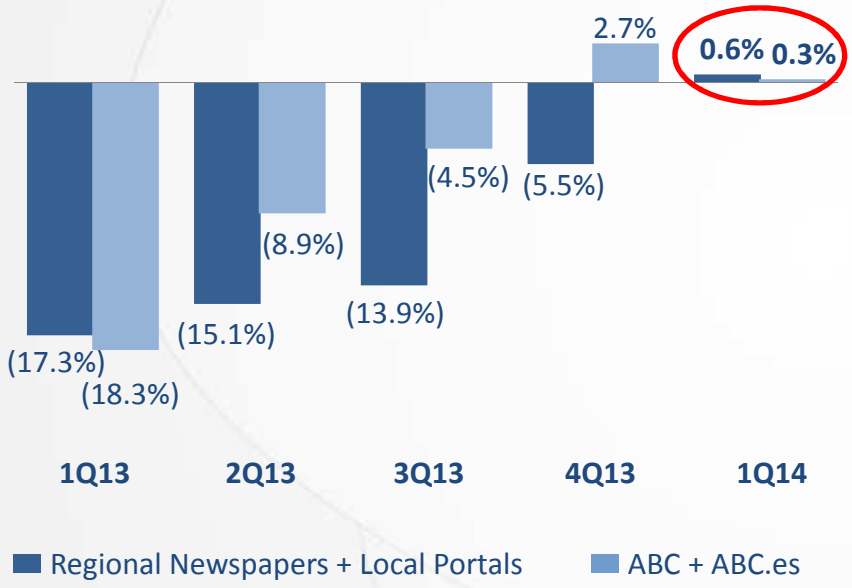
- Positive cash generation 1Q14, €1.4m from the ordinary business, non-recurring payments €-9.3m

Note 1: Source i2p 1Q14. Note 2: internal sources. Note 3: OJD data January-March not certified. Ordinary circulation (kiosk sales and individual subscriptions).

Advertising: stabilization, improved market share, and online growth

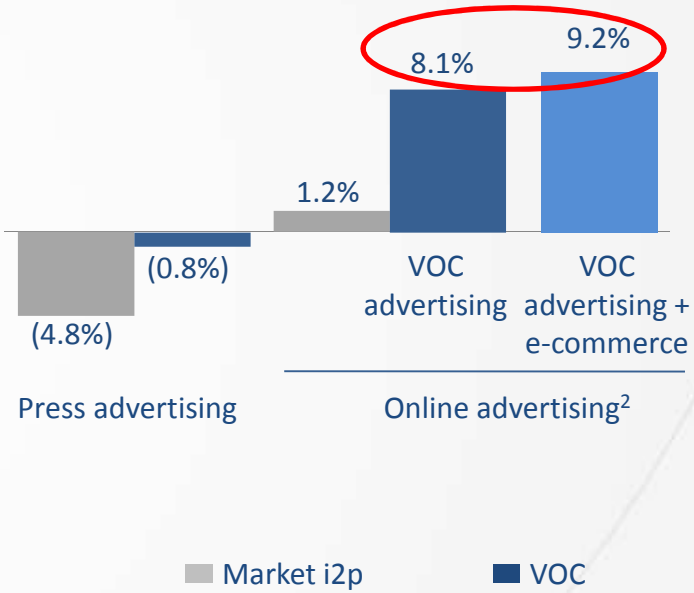
1Q14 turns positive in advertising terms

Performance in % of VOC advertising sales



VOC is outperforming the advertising market[1]

Variation in advertising 1Q14/13 (%) VOC vs. market[1]

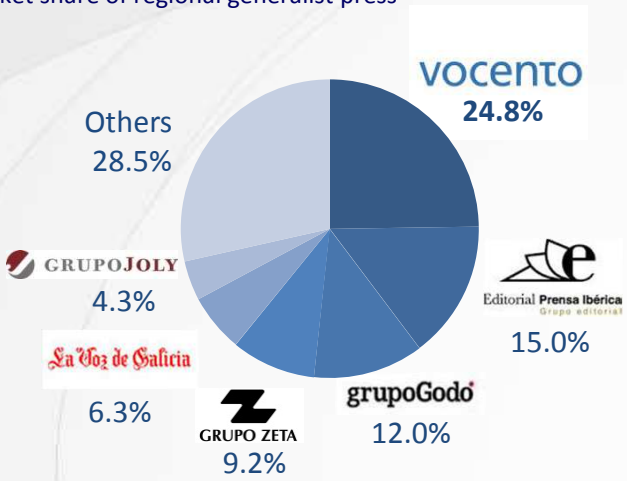


Note 1: Source i2p. Online spending does not include search engine advertising. Note 2: sum of Local Portals and ABC.es. For advertising + e-commerce, including all VOC Internet advertising revenues.

Regional Newspapers: leadership and improving profitability

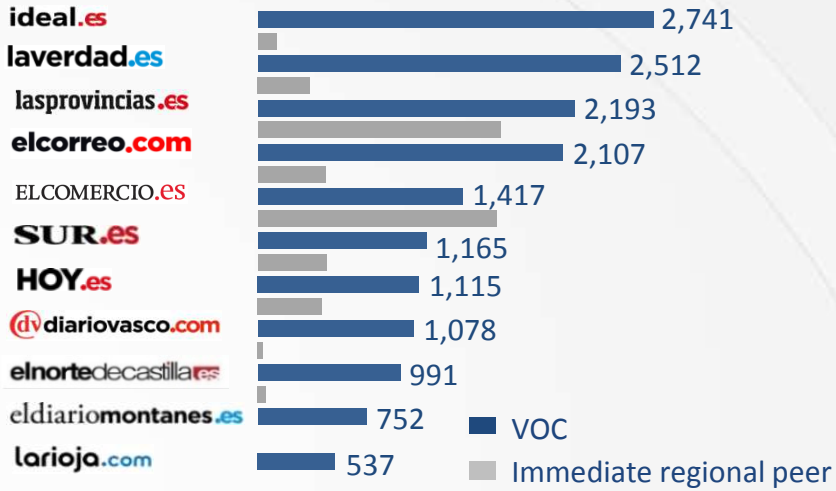
Maintaining clear leadership in regional circulation[1] …

Market share of regional generalist press



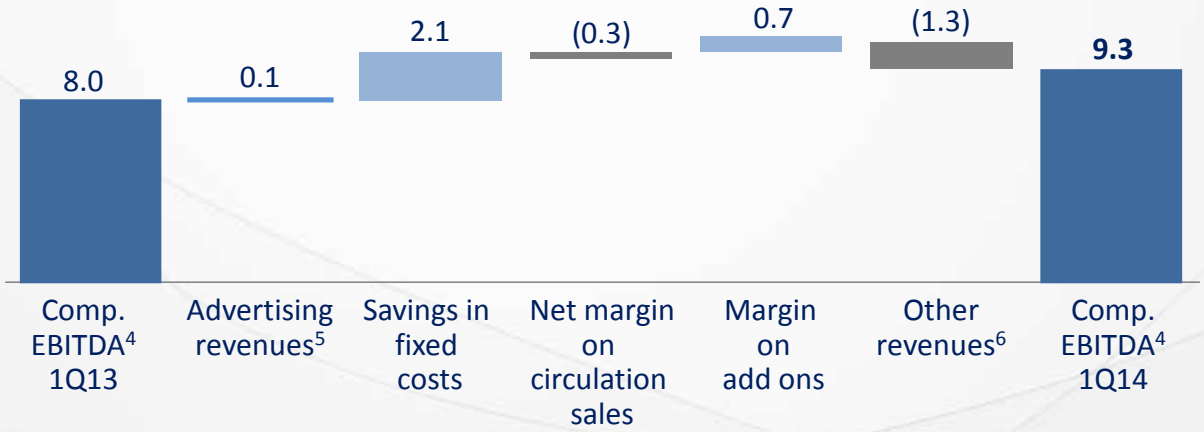
… and in online audiences,[2] the key to new digital businesses

Unique monthly users (thousands)



EBITDA improves at regional brands[3] following cost savings

Variation 1Q14 vs. 1Q13 except for comparable EBITDA (€m)



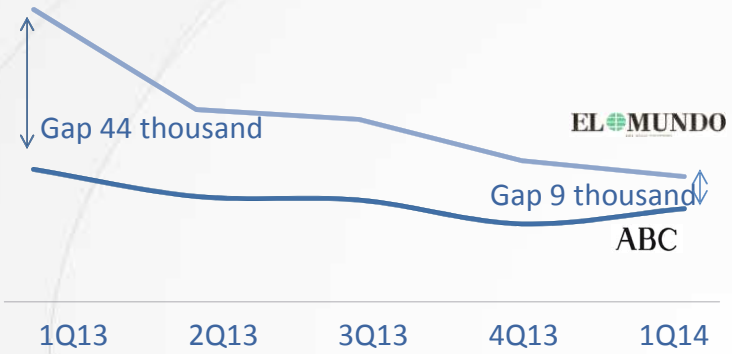
Note 1: OJD 1Q14 data not audited. Note 2: Source comScore MMX Multiplatform Mar14. Note 3: print, digital and other businesses. Note 4: excluding restructuring 1Q13 €0.4m and personnel measures 1Q14 €2.6m. Note 5: print and digital. Note 6: including, among others, advertising from other subsidiaries and circulation sales from distribution company.

ABC: improvements in market share and EBITDA

Improved share of ordinary circulation[1]

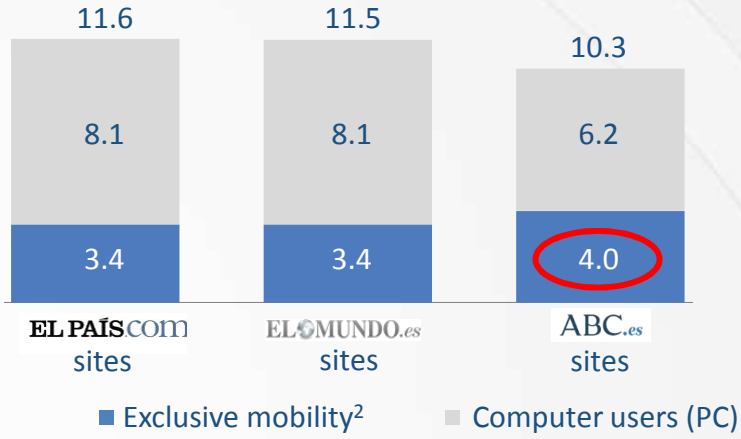
Performance of kiosk sales and ordinary subscription 1Q13-1Q14 (thousands)

Circulation sales +0.1% supported by price increase



ABC.es sites is the mobile leader

Unique monthly users Mar14 (millions)

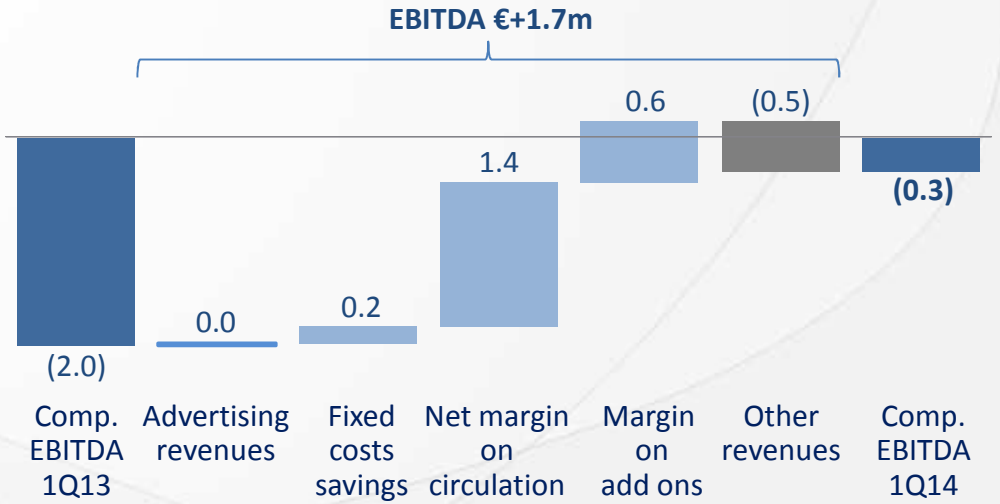


...and continues to win advertising market share[3]

Data for advertising variation in %

EBITDA at ABC improves based on revenues and costs

Variation 1Q14 vs. 1Q13 except for comparable EBITDA (€m)



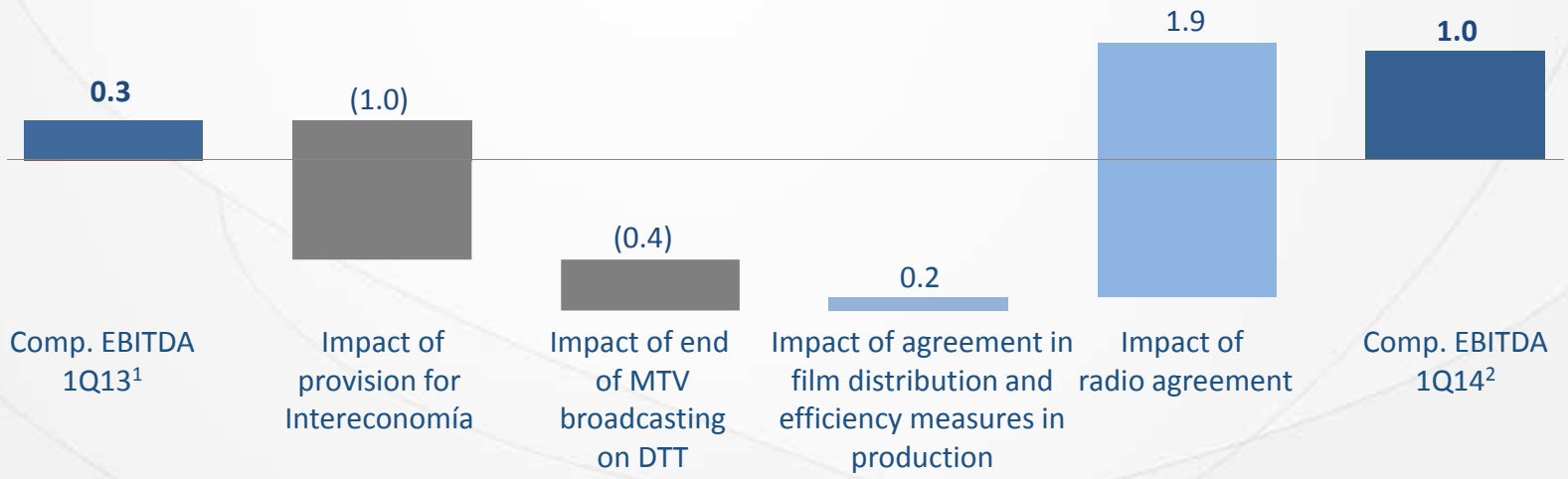
Note 1: OJD data from July13 not audited. Note 2: source comScore MMX Multiplatform. Exclusive mobility includes only mobile devices.
Note 3: internal data 1Q14/13. Gross advertising.

Audiovisual: profitable business

- **DTT remains profitable despite reduced broadcasting** and provisions
  - Negative impact of provision for Intereconomía in 1Q14 €-1.0m (total debt maturing in 1Q14) and end of broadcasting of MTV in Feb14
  - VOC has agreed to continue broadcasting Disney and Paramount
- **Radio reaches positive EBITDA following strategic agreement with COPE** completed in 2Q13
  - Positive impact of contribution of new capacity on COPE audiences
- **Positive performance at Content following recent measures**
  - Film distribution: includes non-recurring extraordinary costs in 1Q14 for DVD launches of previous movies

	Comp. EBITDA 1Q13[1]
DTT	1.7
Radio	(1.3)
Content	(0.0)

	Comp. EBITDA 1Q14[2]
DTT	0.3
Radio	0.6
Content	0.1

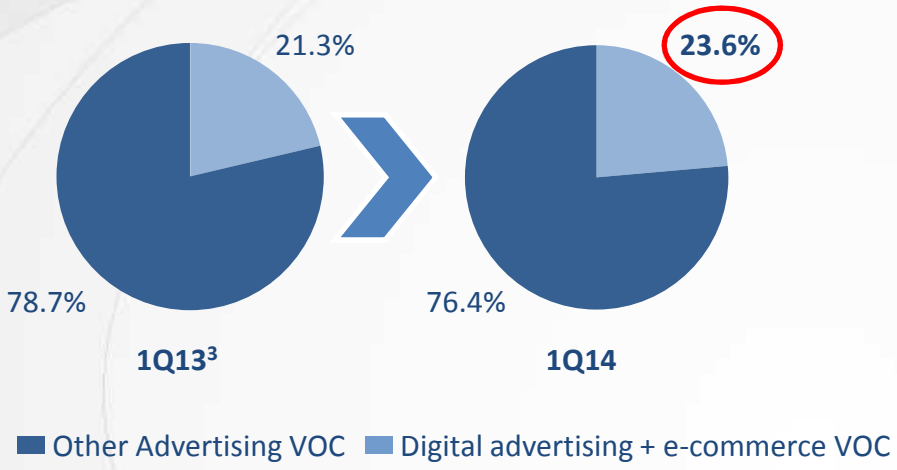


Nota 1: adjusted for investment in restructuring 1Q13 €0.1m at Content and €-0.1m at Radio. Note 2: adjusted for investment in restructuring 1Q14 €-0.3m at Content.

Online growth and new initiatives

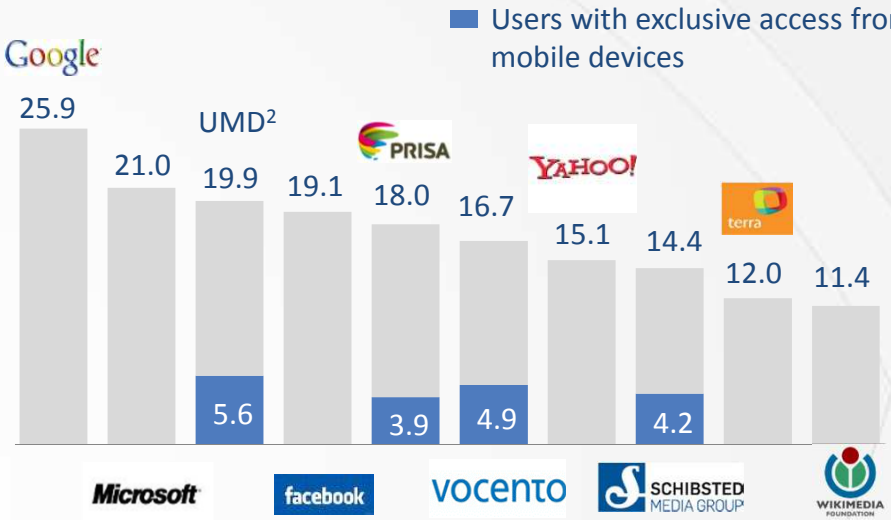
Increased contribution of online advertising and new digital businesses to VOC

Breakdown of VOC advertising revenues (%)



Higher proportion of mobile users than peers[1]

Millions of unique monthly users



New sources of digital revenues contribute aggregate positive EBITDA of €0.5m in 1Q14

Oferplan – OFERTAS Y PLANES A TU MEDIDA

16% of total revenues from digital editions 1Q14

KIOSKO y más

Revenues 1Q14 +72%

ENTRADAS ABC.es

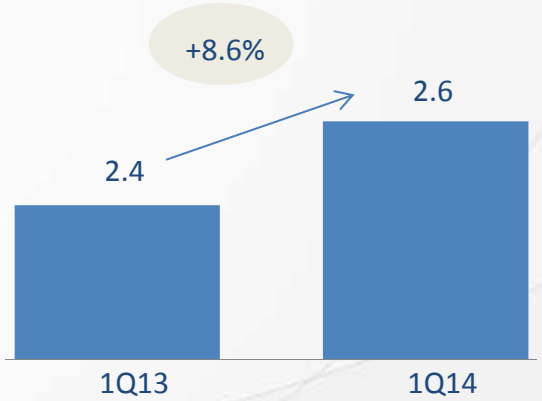
Online sale of tickets to shows and events

guapabox

Promotion of cosmetic products from leading brands

Increased in advertising at Classifieds

Increase in classified advertising revenues (%)



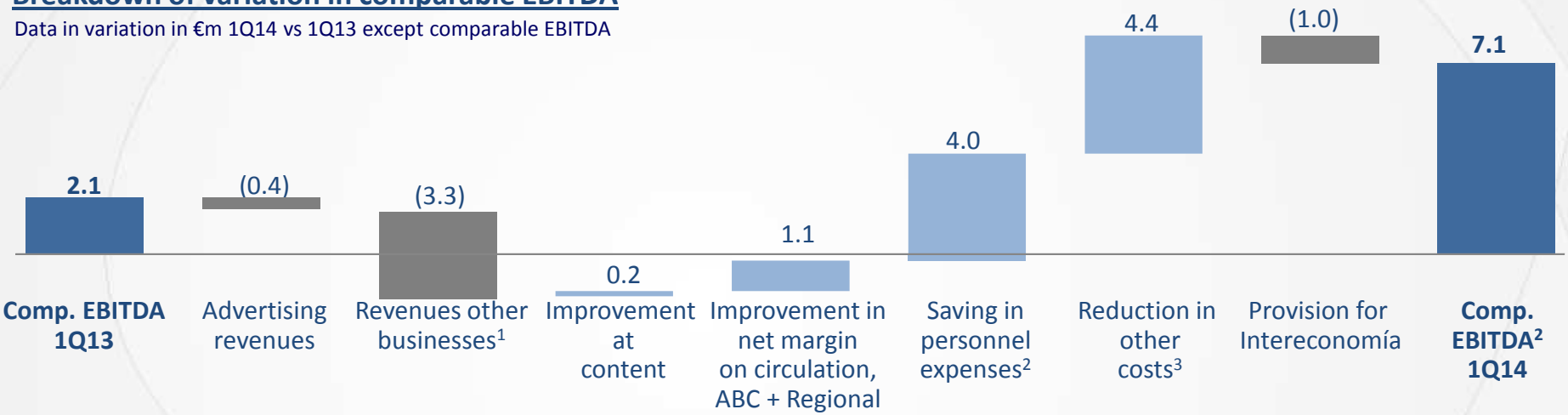
Note 1: Source comScore MMX Multiplataforma Mar14. Note 2: UMD= Unidad de Medios Digitales includes Unidad Editorial, Zeta and Prensa Ibérica.

Comparable EBITDA improves in 1Q14 by €5.0m

- **Operational gearing visible, as revenues stabilize and strategic decisions produce results**
  - Newspapers: visibility of costs efficiency, control of promotions, savings in fixed and personnel expenses
  - Audiovisual: positive impact of strategic agreement in Radio, €+1.9m
- **Personnel restructuring measures in 1Q14 of €-4.6m and provision for Intereconomía €-1.0m**

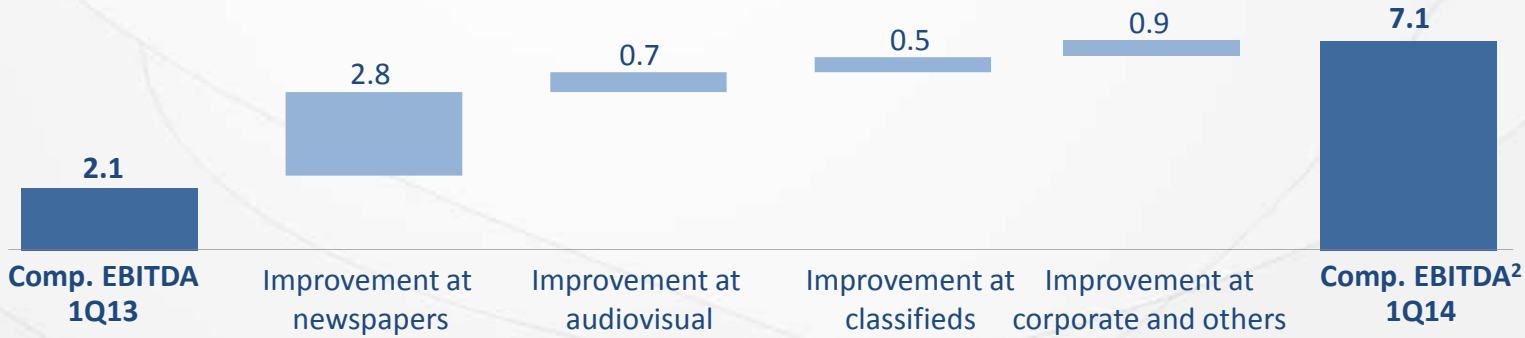
Breakdown of variation in comparable EBITDA

Data in variation in €m 1Q14 vs 1Q13 except comparable EBITDA



Increase of comparable EBITDA by business area

Data in variation in €m 1Q14 vs 1Q13 except comparable EBITDA



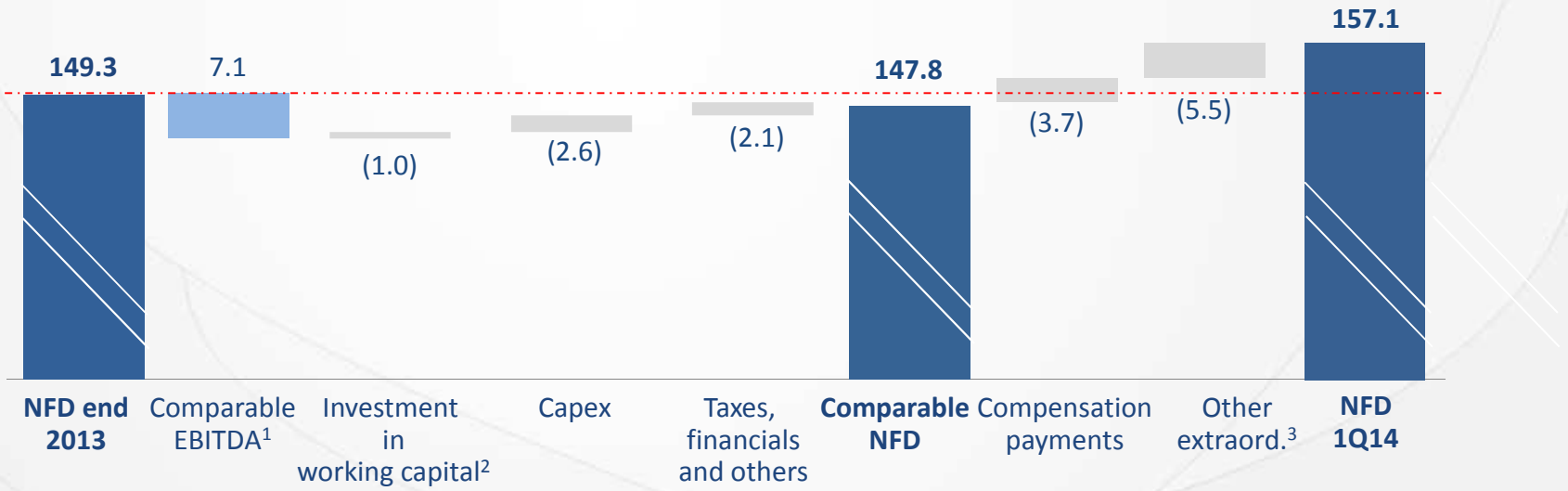
Note 1: DTT, Radio, Classifieds, newspaper promotions, circulation sales from supplements and other businesses. Note 2: excluding personnel restructuring measures 1Q14 €-4.6m. Note 3: commercial costs, promotions and administrative costs of Regional newspapers and ABC, and production, commercial and administrative costs of other areas except content.

The differentiated financial position is being sustained

- **Positive cash generation from the ordinary business**
  - Control of Capex: investment mainly associated with Internet
  - Lower investment in working capital because of reduction of Content and paper suppliers
- **Non-recurring cash outflows**
  - Payments linked to personnel restructuring measures carried out in 1Q14
  - Payments and accounting adjustment for establishment of the syndicated loan, mark to market of derivatives, and others
- Net financial debt €-157.1m, including Cash and Other non-current financial assets of €41.9m
- **Treasury stock position at 3.1%** as of 31 March 2014

NFD levels sustained

Changes in Net Financial Debt, December 2013-1Q14. Data in €m

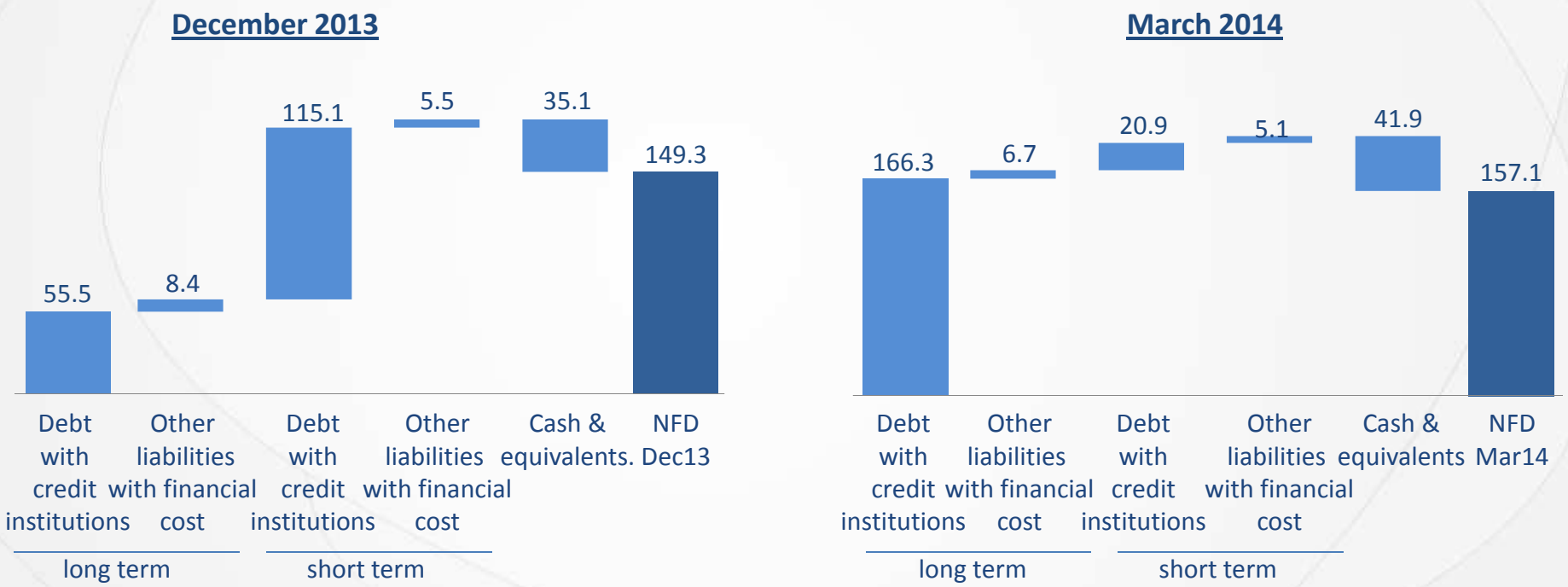


Note 1: excluding personnel restructuring measures 1Q14 €-4.6m. Note 2: variation of inventories, clients, suppliers and current taxes (VAT). Note 3: including arrangement fee, associated expenses and accounting effect in net debt of interest hedge from the syndicated loan, and payments to the ABC Foundation.

Capital structure: extension of debt maturities following syndicated loan

Composition of Net Financial Debt before and after the syndicated loan agreement

Data in €m



Financial information, 1Q14 vs. 1Q13

Consolidated P&L, 1Q14

IFRS

Data in €m	1Q14	1Q13	Var %
Circulation revenues	52.5	54.5	(3.7%)
Advertising revenues	36.4	36.8	(1.2%)
Other revenues	32.8	38.1	(14.0%)
Operating revenues	**121.7**	**129.5**	**(6.0%)**
Comparable opex[1]	**(114.6)**	**(127.4)**	**(10.0%)**
Comparable EBITDA[1]	**7.1**	**2.1**	**235.2%**
Compensation and personal adjust measures	**(4.6)**	**0.0**	**n.r.**
EBITDA	**2.5**	**2.1**	**17.5%**
Amortization	(6.2)	(7.5)	(16.5%)
Impairment/Gains on disposals of assets	(0.2)	0.0	(527.1%)
Operating result (EBIT)	**(3.9)**	**(5.3)**	**26.1%**
Profit of companies acc. Equity method	(0.1)	(0.1)	(5.6%)
Financial result	(2.7)	(2.4)	(11.8%)
Net gains on disposal of non-current assets	(0.4)	(0.0)	n.r.
Corporation tax	1.0	0.9	1.5%
Net result for the year	**(6.0)**	**(6.8)**	**11.0%**
Minorities	(0.3)	(0.9)	61.3%
Net result of the partent company	**(6.4)**	**(7.7)**	**16.8%**

→ **Ex Radio (0.2%)**

Note 1: excluding adjustments to personnel 1Q14 €-4.6m.

Consolidated Balance Sheet, 31 March 2014

IFRS

Data in €m

	1Q14	2013
Non current assets	**565.4**	**568.0**
Intangible assets	158.0	159.7
Property, plant and equipment	178.8	182.4
Investments in Associates	10.5	10.7
Other non current assets	218.2	215.3
Current assets	**163.2**	**172.8**
Other current assets	121.7	138.1
Cash and cash equivalents	41.5	34.7
Assets held for sale	**0.2**	**0.2**
Total Assets	**728.9**	**741.0**

	1Q14	2013
Total Equity	**340.9**	**349.9**
Total liabilities	**388.0**	**391.1**
Financial debt	199.0	184.4
Other non current liabilities	68.1	68.3
Other current liabilities	120.9	138.4
Total Equity & liabilities	**728.9**	**741.0**
Net financial debt	**157.1**	**149.3**

Consolidated Cash Flow Statement, 1Q14

IFRS

Data in €m

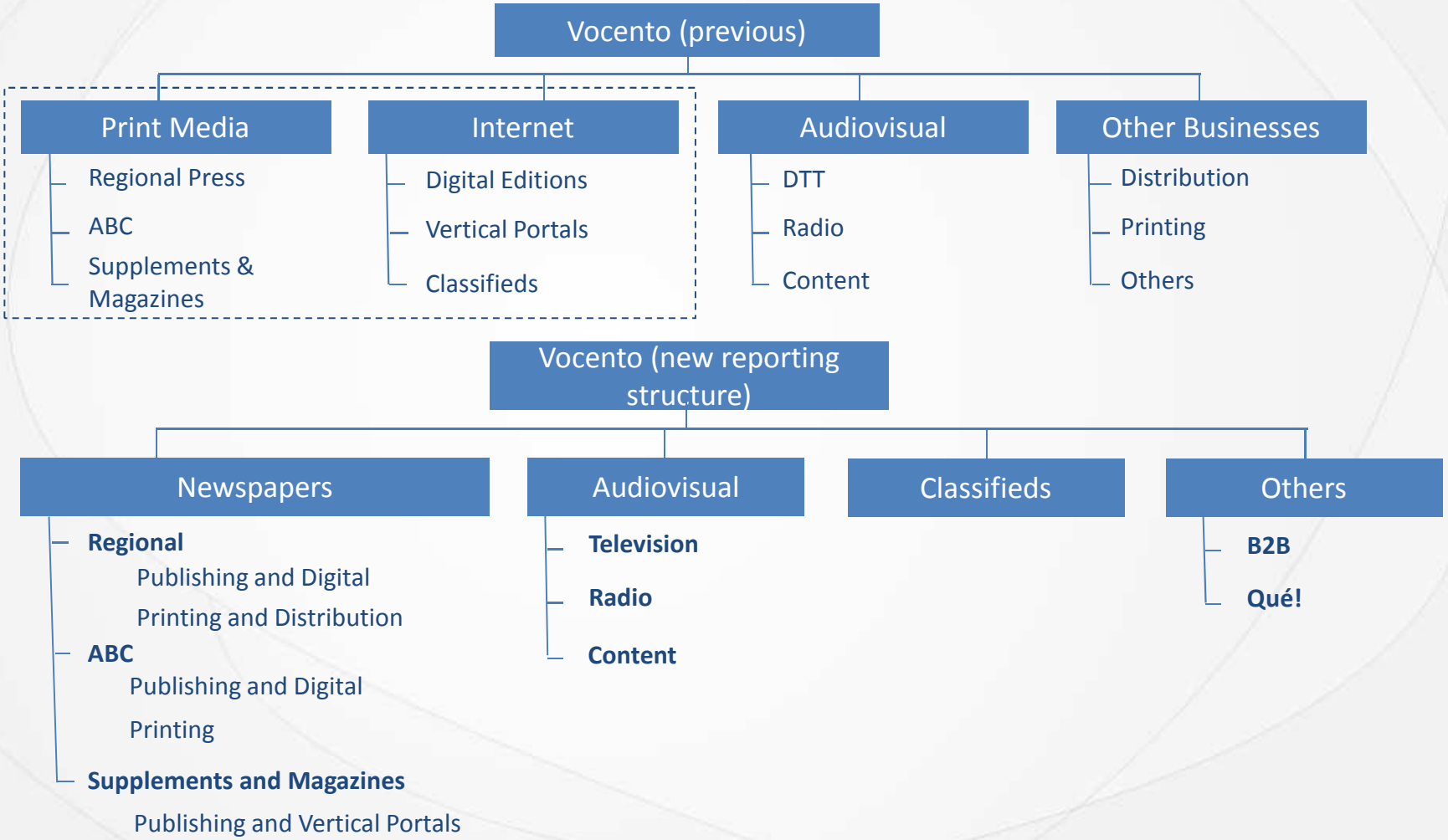
	1Q14	1Q13
Comparable EBITDA	7.1	2.1
Variation in working capital[1]	(1.0)	5.4
Capex	(2.6)	(2.6)
Other payables[2]	3.2	6.3
Cash flow from operating activities	**6.8**	**11.2**
Dividend and interest received	0.0	0.1
Dividend and interest paid[3]	(5.3)	(3.9)
Recurring total Cash flow	**1.4**	**7.5**
Payments linked to personnel measures and sales of non-strategic assets	(3.7)	(13.4)
Other non-recurrent items which affect cash flow[4]	(5.5)	(0.0)
Changes DFN	**(7.8)**	

NFD 1Q14	(157.1)
NFD 1Q13	(148.8)

Note1: Excluding arrangement fee, expenses and derivative effects of the syndicated loan, and payments to the ABC Foundation. Note 2: Capital gains tax paid and withholding tax on interest payments. Note 3: dividends to minority interest in subsidiaries. Note 4: arrangement fee, associated expenses and derivative effects of the syndicated loan, and payments to the ABC Foundation.

Changes to management information

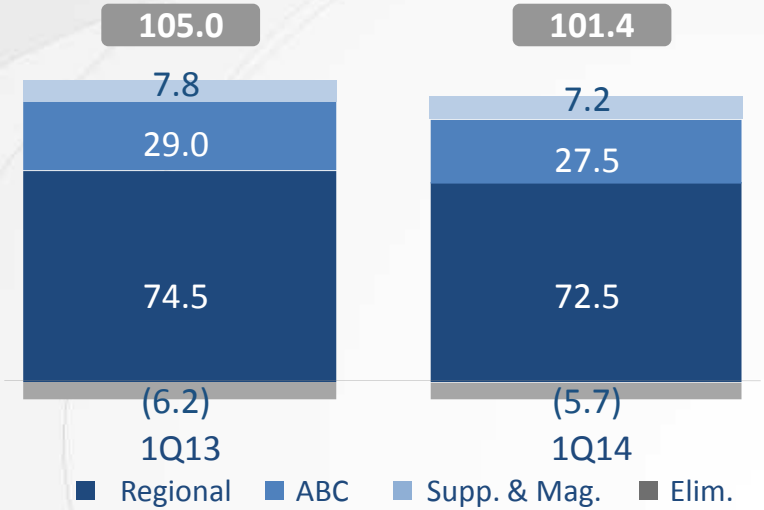
- Management by brands, regardless of media vehicle
- Corporate simplification



Revenues by business area

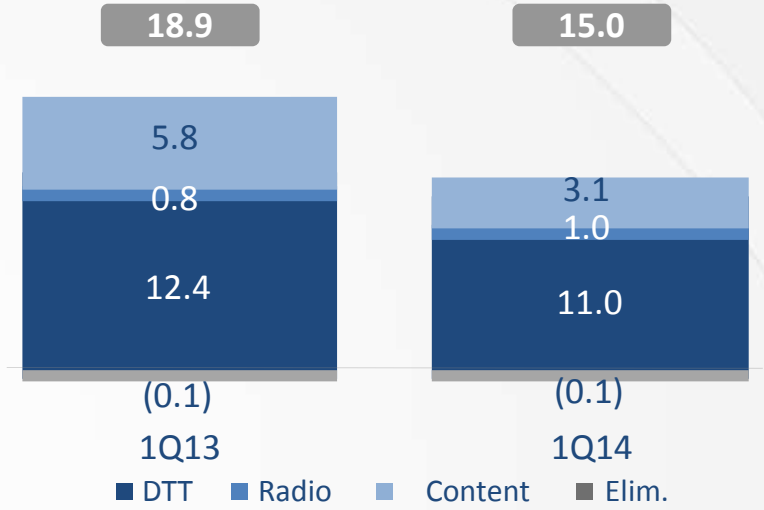
Newspapers

Data in €m



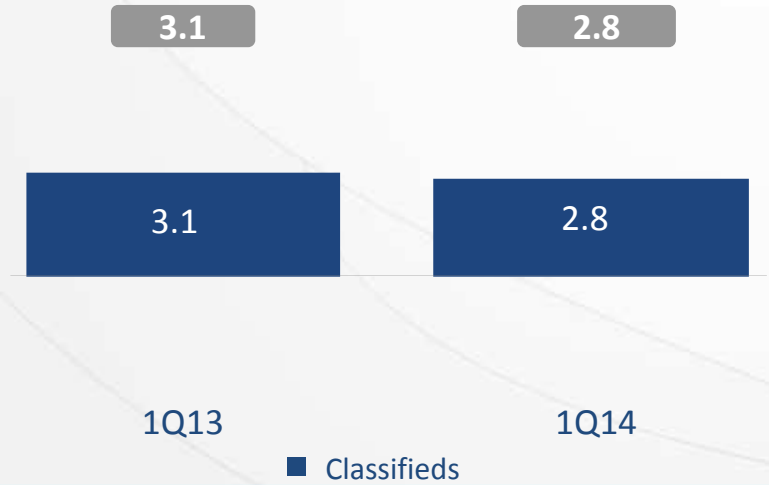
Audiovisual

Data in €m



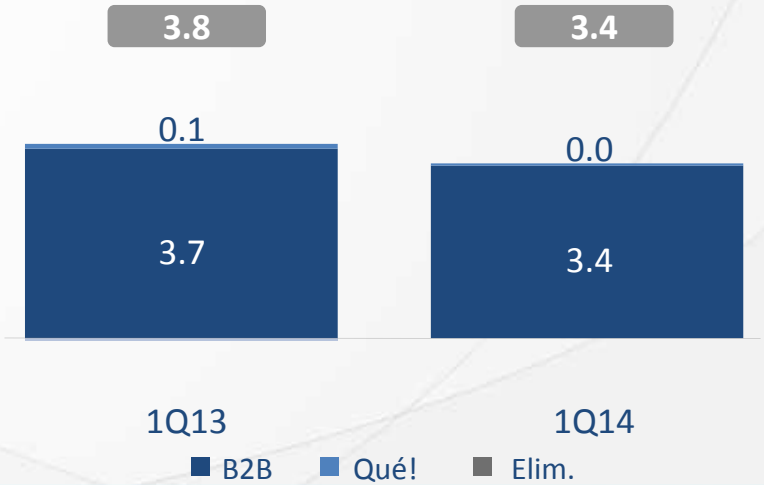
Classifieds

Data in €m



Others

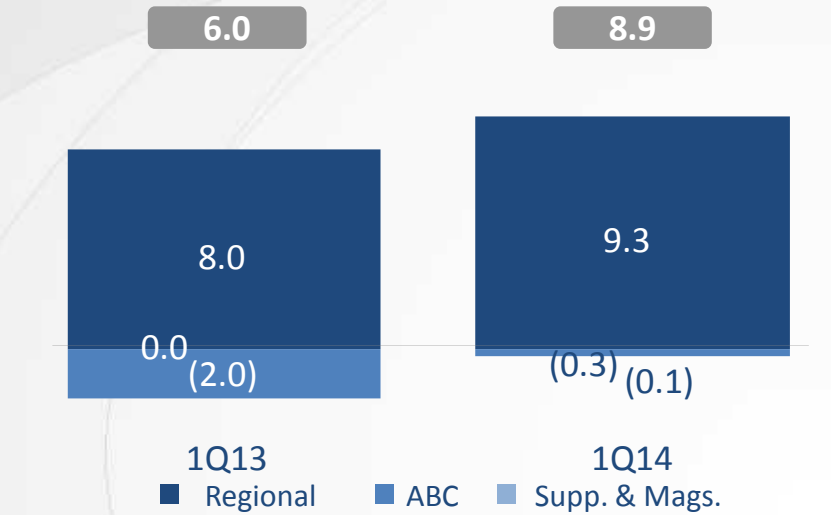
Data in €m



Comparable EBITDA[1] by business area

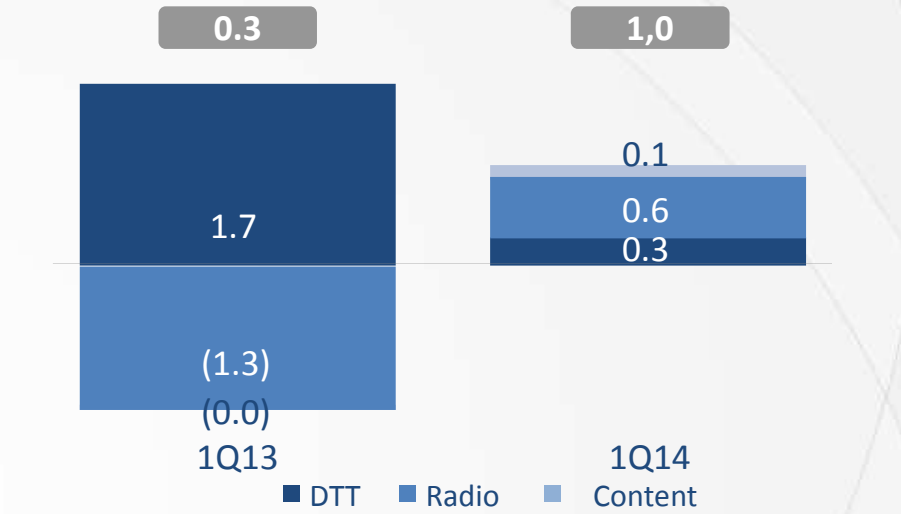
Newspapers

Data in €m



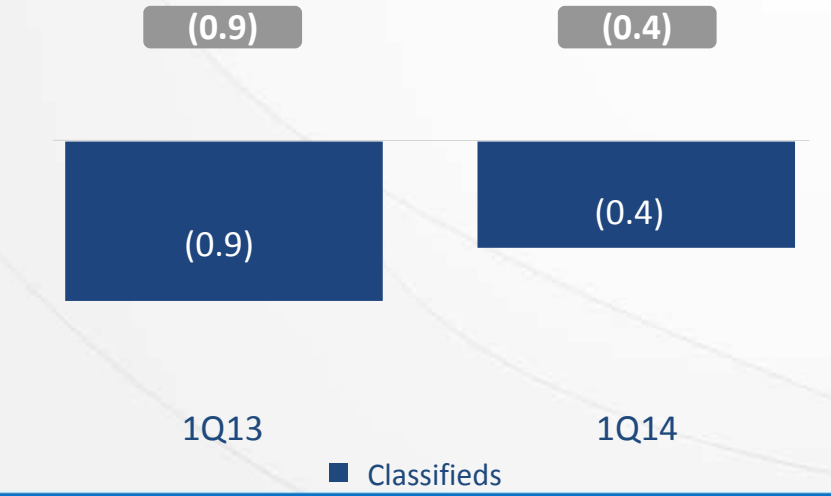
Audiovisual

Data in €m



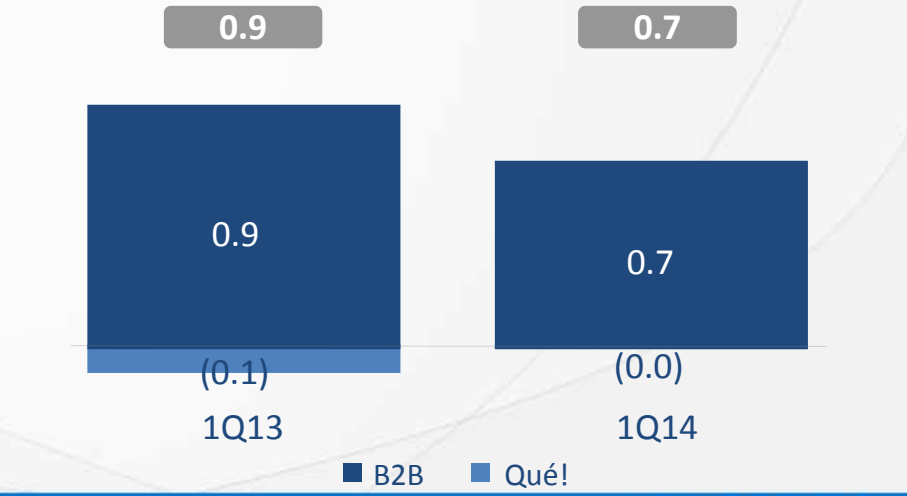
Classifieds

Data in €m



Others

Data in €m



Note 1: excluding adjustment measures Newspapers 1Q14 €-2.7m and restructuring 1Q13 €-0.4m. Audiovisual 1Q14 €-0.3m and 1Q13 €-0.1m. and Classifieds1Q14 €-0.1m and 1Q13 €0.1m.

vocento

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