

Vocento, S.A. and Subsidiaries

**Results for January-December 2015**

23 February 2016

**vocento**

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## INTRODUCTION: VOCENTO AND THE ECONOMIC CONTEXT

In 2015, the Spanish economy confirmed its recovery with growth in GDP of 3.2%. The recovery lost force in the second half of the year, with an expansion of 0.8% in the third and fourth quarters compared to 1.0% in the second quarter.

Internal and external factors have contributed to this positive performance. Fundamentals such as growth in employment and an increase in exports have helped the economy regain much of the potential it had lost. External shocks such as the fall in the oil price, which has lowered energy bills, and monetary expansion from the European Central Bank, which has reduced the cost of credit for households and corporates, have had a very beneficial impact on the Spanish economy.

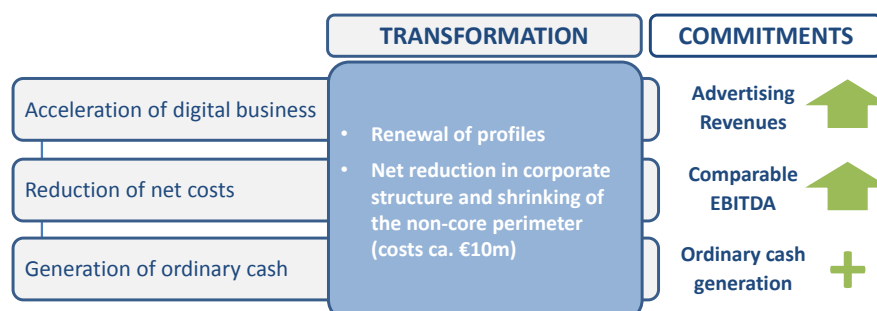
The improvement in GDP, and in particular the increase in household consumption, has been reflected in the advertising market, which expanded by 5.8% in 2015. The press sector grew by 0.5% and Internet by 12.3%.

For 2016, the outlook is for a slowdown in the pace of economic growth and in advertising spend (i2p is forecasting an expansion of the market of +5.0% in 2016e). The consensus of the Funcas Panel is for GDP growth of 2.7%. There are downside risks to this scenario, especially related to the impact of any extended political uncertainty on the confidence of businesses, households and investors.

For 2016, VOCENTO's strategy is to continue to transform the Company and to accelerate its digital growth, in accordance with the following key principles:

- (i) **Acceleration of the digital business:** focusing on advertising revenues, using new commercial strategies and alliances (i.e. the agreements with Grupo Zeta and El Economista), enabling advertising growth in 2016 in the low to mid-single digit range.
- (ii) **Net reduction of costs:** improving profitability and increasing comparable EBITDA. The best way of maintaining and/or improving the business model for the press is to manage the current balance between offline and online, i.e. between print and digital. VOCENTO is focused on the one hand on increasing the margin on circulation revenues and on the other on enhancing its digital positioning, and is allocating more of its operating expenses to the development of new initiatives. A net reduction in the corporate structure is necessary to enable this transformation, renewing profiles and reducing non-core businesses. This will have an estimated cost of 10 million euros.
- (iii) **Sticking to the internal threshold of leverage towards 2x, in addition to the covenants of the syndicated loan** awarded in 2014 (see Relevant Fact of 24 February 2014): generation of cash flows based on an active management of working capital and strict control over capex.

### Summary of strategic direction and commitments for 2016



## PERFORMANCE OF VOCENTO'S BUSINESSES

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

After the changes made in 2013 to the organization of management information, the new lines of activity are Newspapers, Audiovisual, Classifieds and Others. Reports to the market are based on this organization of information, which covers all the newspapers, digital editions, radio stations, digital television channels etc., in which VOCENTO is present, assigned to their respective business segments. The comments and comparisons included in this report are based on this segmentation of the information.

The "Others" area includes the B2B business Sarenet which was sold at the end of 2014 (see Relevant Fact of 15 December 2014) and which was outside the perimeter in 2015.

### Breakdown of business areas of VOCENTO in 2015

NEWSPAPERS		
REGIONALS	ABC	SUPPLEMENTS & MAGAZINES
<ul style="list-style-type: none"> <li>▪ El Correo</li> <li>▪ La Verdad</li> <li>▪ El Diario Vasco</li> <li>▪ El Norte de Castilla</li> <li>▪ El Diario Montañés</li> <li>▪ Ideal</li> <li>▪ Sur</li> <li>▪ Las Provincias</li> </ul>	<ul style="list-style-type: none"> <li>▪ El Comercio</li> <li>▪ Hoy</li> <li>▪ La Rioja</li> <li>▪ Regional printing plants</li> <li>▪ Beralan</li> <li>▪ Colpisa</li> <li>▪ Regional sales companies</li> <li>▪ Other regional companies</li> </ul>	<ul style="list-style-type: none"> <li>▪ ABC</li> <li>▪ National printing plants</li> <li>▪ Sales company</li> <li>▪ XL Semanal</li> <li>▪ Mujer Hoy</li> <li>▪ Corazón CZN TVE</li> <li>▪ Inversión y Finanzas</li> <li>▪ Mujerhoy.com</li> <li>▪ Finanzas.com</li> </ul>
AUDIOVISUAL		
DIGITAL TERRESTRIAL TELEVISION	RADIO	CONTENT
<ul style="list-style-type: none"> <li>▪ National DTT – Net TV</li> <li>▪ Regional DTT</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analog radio licenses</li> <li>▪ Digital radio licenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Veralia</li> <li>Production: <ul style="list-style-type: none"> <li>▪ Veralia Contenidos (BocaBoca, Europroducciones, and Hill Valley)</li> </ul> </li> <li>Distribution: <ul style="list-style-type: none"> <li>▪ Veralia Cinema</li> </ul> </li> </ul>
CLASSIFIEDS	OTHERS	
<ul style="list-style-type: none"> <li>▪ Pisos.com</li> <li>▪ Infoempleo</li> <li>▪ Autocasión</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sarenet (out of perimeter in 2015)</li> </ul>	

### 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 and/or EBIT and the Net Result are affected by non-recurring or extraordinary items. The most important impacts can be put into three groups: 1) measures to adjust the workforce and one-offs, and 2) changes to the perimeter (e.g. the divestment in 2014 of Sarenet, the B2B unit in the Others division) or impacts resulting from strategic business decisions (e.g. the sale of Europroduzione in 2015).

## Main highlights of the financial performance of the business in 2015

**VOCENTO 2015 advertising revenues increase in line with the market, despite VOCENTO's greater exposure to the press**  
**Comparable EBITDA increases by 13.9%, the margin expands by almost 2 p.p. to 10.7%**  
**Positive net profit for the first year since 2009**  
**Ordinary cash generation in 2015 of 27,383 thousand euros**

- **Advertising revenues increased by a mid-single digit, in line with the market**
  - (i) In 2015, advertising revenues at VOCENTO increased by 5.5%. Gross advertising rose by 5.7%, compared to 5.8% for the market according to i2p (and despite the greater exposure to the press sector).
  - (ii) Both the offline and online advertising spend increased at VOCENTO: of the total net increase of 8,720 thousand euros or 5.5%, offline contributed 19.7% and online 80.3%.
  - (iii) The digital exposure of the revenue profile continues to increase: Internet advertising revenues and revenues from new digital businesses contributed 28.0% of VOCENTO's total advertising and e-commerce revenues in 2015 (+2.7 p.p. vs 2014).
- **Total revenues on a constant perimeter basis (ex Sarenet) -3.0%**
  - (i) There was a fall in circulation revenues, as a result partly of ABC's evolution to a 100% digital newspaper in Spain's Balearic and Canary Islands, which was responsible for 50% of the drop in ABC circulation revenues, while also reducing printing and distribution costs at the EBITDA level.
  - (ii) Other Revenues fell by 18.8% mainly because of the sale of Sarenet (with a constant consolidation perimeter, revenues fell by -10.2%). The rest of the fall in revenues (12 million euros) had a negative impact on EBITDA of around 0.4 million euros, reflecting the commitment to profitability (i.e. the sale of Europroduzione and the very selective add-ons strategy).
- **The comparable EBITDA margin<sup>1</sup> increased by 1.8 p.p. to 10.7%, despite the deconsolidation of Sarenet**
  - (i) Newspapers: comparable EBITDA increased by 11.8% in 2015 and the comparable EBITDA margin expanded by 1.5 p.p. to 11.5%. At the regional press the comparable EBITDA margin rose by 1.0 p.p. to 13.8%, while ABC recorded positive comparable EBITDA of €5.9m, an increase of €3.8m compared to 2014.
  - (ii) Audiovisual: profitability in the area improved (with a comparable EBITDA margin of 26.7%), thanks to an absence of provisions in the DTT business in 2015, and despite lower international activity at the production companies.
- **Positive EBIT in all areas**
- **Positive net profit of 4,081 thousand euros, the first full-year positive result since 2009**
- **Protection of ordinary operating cash flows, which improved by 27,383 thousand euros in 2015**
  - (i) Generation of ordinary operating cash flows of 27,383 thousand euros in 2015, excluding compensation payments of 6,329 thousand euros and other non-ordinary cash outflows of 3,972 thousand euros.
  - (ii) Financial leverage decreased to 2.2x, with net financial debt of 108,787 thousand euros at the end of the year (vs 125,869 thousand euros in 2014 and leverage of 2.9x<sup>1</sup>).

<sup>1</sup> Excluding personnel adjustment measures and one-offs 2015 -2,556 and 2014 -6,520 thousand euros.

## Main financial data

### Consolidated Profit and Loss Account

Thousand Euro	IFRS			
	2015	2014	Var Abs	Var %
Circulation revenues	194,043	205,202	(11,160)	(5.4%)
Advertising revenues	166,645	157,925	8,720	5.5%
Other revenues	106,958	131,713	(24,755)	(18.8%)
<b>Total revenue</b>	<b>467,646</b>	<b>494,840</b>	<b>(27,195)</b>	<b>(5.5%)</b>
Staff costs	(156,119)	(164,460)	(8,341)	(5.1%)
Procurements	(74,036)	(86,000)	(11,964)	(13.9%)
External Services	(188,887)	(203,995)	(15,108)	(7.4%)
Provisions	(965)	(2,835)	(1,869)	(65.9%)
Operating expenses (without D&A)	(420,007)	(457,290)	(37,283)	(8.2%)
<b>EBITDA</b>	<b>47,638</b>	<b>37,550</b>	<b>10,088</b>	<b>26.9%</b>
Depreciation and amortization	(20,055)	(23,881)	(3,827)	(16.0%)
Impairment/gains on disposal of tan. & intan. assets	(569)	(291)	(278)	(95.8%)
<b>EBIT</b>	<b>27,015</b>	<b>13,379</b>	<b>13,636</b>	<b>101.9%</b>
Impairments/reversal of other intangible assets	(5,350)	(15,000)	9,650	64.3%
Profit of companies acc. equity method	257	(2,451)	2,708	110.5%
Net financial income	(5,245)	(9,145)	3,900	42.6%
Net gains on disposal of non- current assets	(1,516)	7,477	(8,993)	(120.3%)
<b>Profit before taxes</b>	<b>15,161</b>	<b>(5,740)</b>	<b>20,901</b>	<b>364.1%</b>
Corporation tax	(6,057)	(13,612)	7,555	55.5%
<b>Net profit for the year</b>	<b>9,104</b>	<b>(19,352)</b>	<b>28,456</b>	<b>147.0%</b>
Minority interests	(5,023)	(2,994)	(2,029)	(67.8%)
<b>Net profit attributable to the parent</b>	<b>4,081</b>	<b>(22,346)</b>	<b>26,427</b>	<b>118.3%</b>
Operating Expenses ex non recurring costs <sup>1</sup>	(417,451)	(450,770)	(33,319)	(7.4%)
Comparable EBITDA <sup>1</sup>	50,194	44,070	6,124	13.9%
Comparable EBIT <sup>1,2</sup>	30,139	20,189	9,951	49.3%

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

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

<sup>1</sup> Excluding personnel adjustment measures and one-offs 2015 -2,556 and 2014 -6,520 thousand euros.

<sup>2</sup> Excluding result from fixed asset sales 2015 -569 thousand euros and 2014 -291 thousand euros.

### Operating revenues

In 2015, revenues totalled 467,646 thousand euros, down 5.5% from 2014 and -3.0% with a constant perimeter and excluding Sarennet.

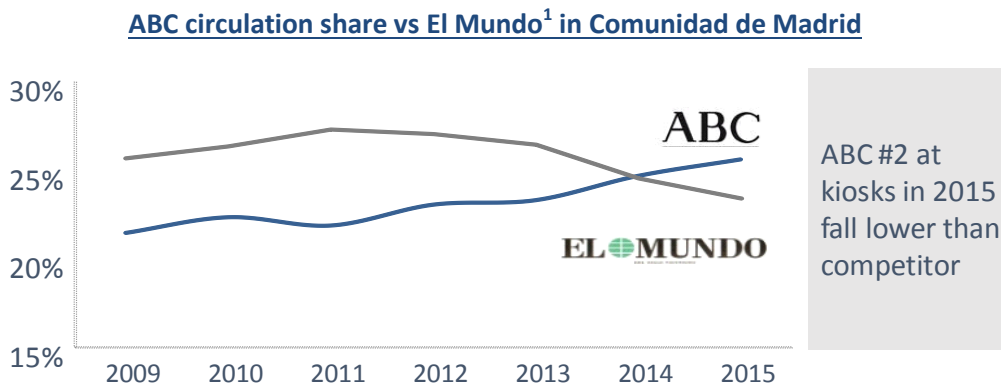
It should be noted that these revenues are highly non-concentrated, with no dependence on any particular sector. Only 5.3% of revenues come from the IBEX 35 and 6.8% from the public sector.

- (i) Circulation revenues dropped by 5.4%, with a 4.7% drop at the Regional Press and a 10.2% fall at ABC. In 2015 the cover price of ABC was increased (on weekdays from €1.4 to €1.5 and on Saturdays from €1.8 to €2.0).

Because of the end to the distribution of physical copies of ABC in the Balearic Islands and the Canary Islands, becoming a 100% digital newspaper on the Kiosko y Más platform, the

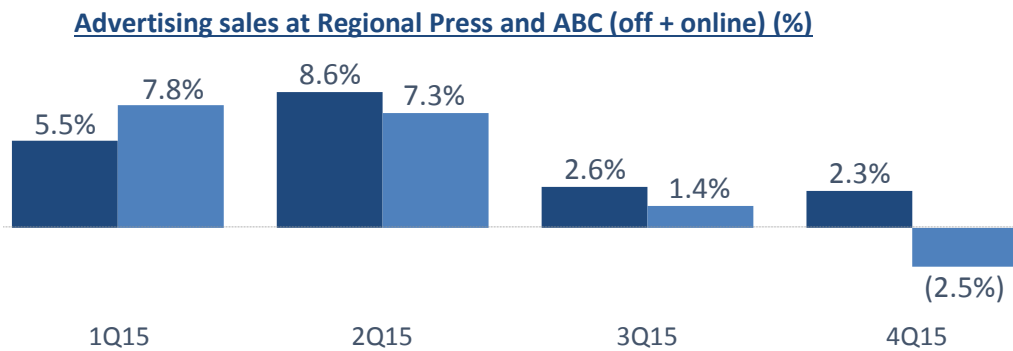
performance of total circulation or ordinary circulation figures in 2015 cannot be seen as representative and need to be adjusted. Excluding this effect, total circulation was 107,787 copies per day in 2015, or a decrease of 8.2%.

A highlight was the performance of ordinary circulation in the Madrid region, where the historical leadership of El Mundo has been reversed, with ABC ahead in 2015 by 3,000 copies. Madrid represents 36% of the circulation sales of the national press and is a key market.

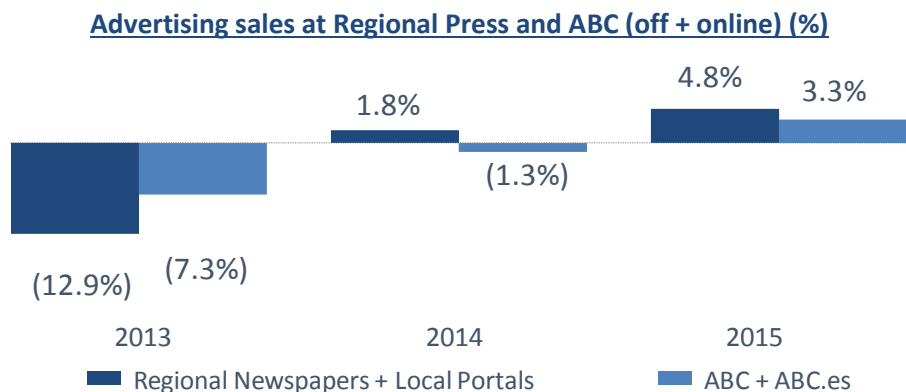


Note 1: Source OJD. Kiosk sales and individual subscriptions. 2015 data not certified.

- (ii) Revenues from advertising sales increased by 5.5% in 2015 across VOCENTO. As the following chart shows, growth in advertising decreased over the course of the year.

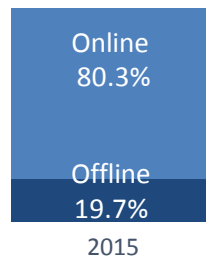


From a three-year perspective, the trend for advertising improved in 2015, the second consecutive year of growth.



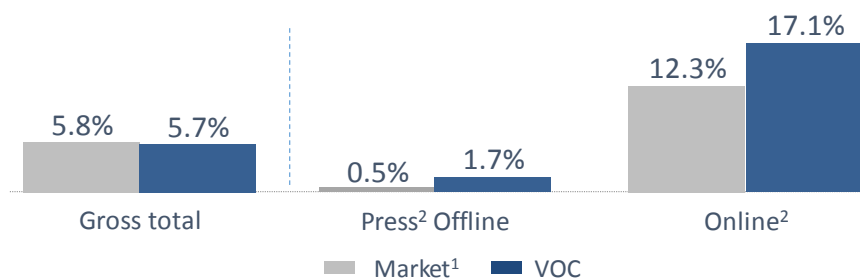
It should be noted that not only online advertising contributed to this increase (with 80.3% of the total rise), but also offline or print advertising, which contributed the other 19.7% of the total increase (in absolute terms, 8,720 thousand euros).

### Contribution to advertising growth in 2015 (%)



The total growth of VOCENTO's advertising revenues in 2015 was 5.5%, very close to the total market growth of 5.8% according to i2p, and despite having a greater exposure to the press segment. In gross advertising, VOCENTO reported growth of 5.7%, even closer to the market average. VOCENTO outperformed the market both offline and online, increasing its share in both markets: offline +1.7% vs +0.5% for the press market, according to i2p, and online 17.1% vs 12.3%.

### VOCENTO advertising performance vs the market<sup>1</sup> 2015 (%)

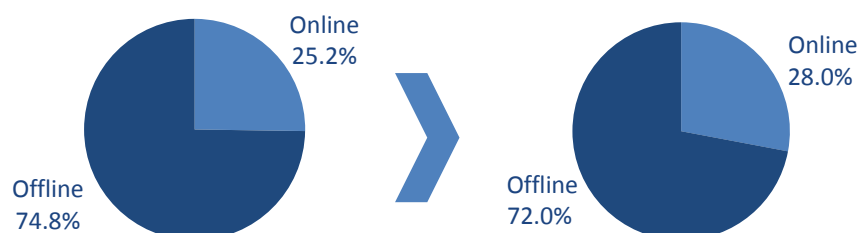


Note 1: Source i2p. Excluding search engine advertising. Note 2: ABC and Regional.

- (iii) Other Revenues decreased by -18.8% mainly because of the divestment of Sarenet in 4Q14 (there was a pro forma decrease in other revenues of 10.2% ex-Sarenet). The rest of the fall in revenues (12 million euros) had a negative impact on EBITDA of around 0.4 million euros, reflecting the commitment to profitability (i.e. the sale of Europroduzione and the very selective add-ons strategy).

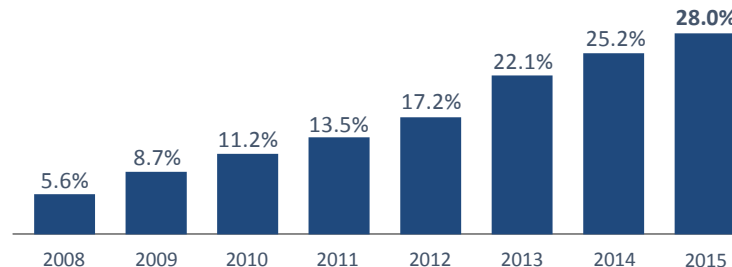
The digital exposure of VOCENTO's revenue profile continues to increase, including not only digital advertising but also revenues from new business models based on e-commerce. The increase in 2015 was 2.7 p.p. vs 2014, to 28.0% of revenues from advertising and new businesses.

### Migration of revenue profile towards digital and new businesses (%)



Over the longer term, there has been a significant increase in the contribution of the digital business to Vocento's revenue profile, rising from 5.6% in 2008 to 28.0% in 2015.

### Contribution to total revenues of advertising and e-commerce (%)



### Operating expenses

In 2015 comparable costs decreased by 7.4%, excluding personnel adjustment measures and one-offs in 2015 totalling -2,556 thousand euros and in 2014 of -6,520 thousand euros.

By cost items, major reductions were achieved in the cost of supplies (-13.9%), mainly because of the divestment of Sarennet, the fall in printing and distribution costs after physical distribution ended in Spain's islands, and lower content expenses following the sale of Europroduzione in 3Q15.

By business area, highlights include the reduction in comparable costs at Audiovisual because of the reduction in television channels, the reduce activity of production companies and the sale of Europroduzione Italia.

### Detail of comparable operating costs by business area

<b>Like for like opex (thousand euros)</b>	<b>2015</b>	<b>2014</b>	<b>Var Abs</b>	<b>Var %</b>
Newspapers	(361,209)	(374,780)	(13,572)	(3.6%)
Audiovisual	(34,721)	(46,482)	(11,762)	(25.3%)
Classified	(14,604)	(13,114)	1,490	11.4%
Other	0	(10,054)	(10,054)	(100.0%)
Corporate and adjustments	(6,918)	(6,340)	578	9.1%
<b>Total</b>	<b>(417,451)</b>	<b>(450,770)</b>	<b>(33,319)</b>	<b>(7.4%)</b>

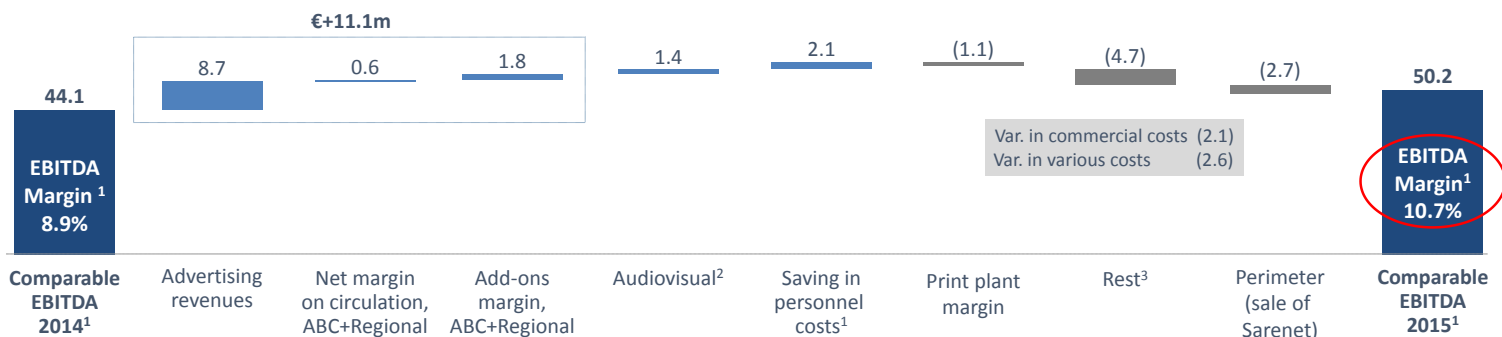
### Comparable EBITDA

In 2015 comparable EBITDA increased by 6,124 thousand euros (13.9%) to 50,194 thousand euros. The comparable EBITDA margin also increased, by 1.8 p.p to 10.7%. The main factors in the variation of comparable EBITDA include:

- (i) A positive performance from key business drivers, contributing a total of 11,056 thousand euros, including an increase in advertising revenues of 8,720 thousand euros, an expansion in the margin on circulation revenues of 561 thousand euros and in the margin on add-ons of 1,775 thousand euros. It should be noted that VOCENTO has been able to improve the margin from its circulation revenues despite the fall in circulation, thanks to the rise in cover price and to cost savings.
- (ii) An increase in EBITDA at the Audiovisual area, mainly because of the absence of provisions in 2015 and stability at radio, despite volatility at the production companies.
- (iii) Change in the perimeter following the deconsolidation of Sarennet in December 2014. The comparable EBITDA 2014 of B2B was 2,716 thousand euros, so the pro forma comparable EBITDA of VOCENTO would have increased by 8,841 thousand euros.
- (iv) Other items: mainly commercial costs and higher expenses associated with the development of the digital business.

## Detail of movement in comparable EBITDA<sup>1</sup> 2014-2015 (€m)

Data in variation vs 2014 except comparable EBITDA



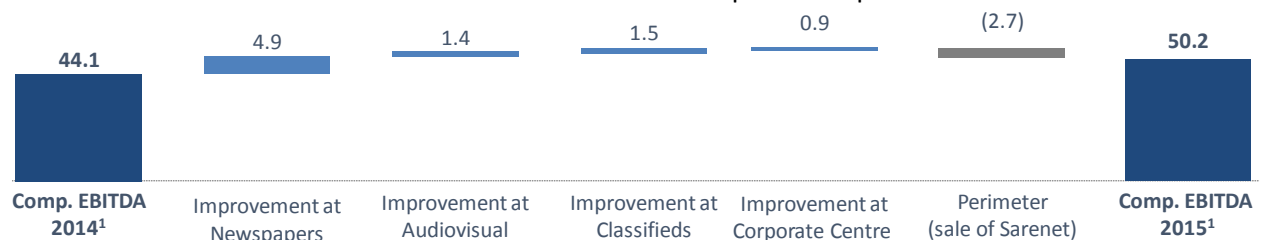
Note 1: excluding personnel adjustment measures and one-offs 2015 €-2.6m and 2014 €-6.5m. Variation in personnel costs ex. Audiovisual and Sarenet. Note 2: including impact of provision for Intereconomía on DTT in 2014. Note 3: commercial costs and others.

Highlights by business area in 2015 include:

- Newspapers<sup>2</sup>**: comparable EBITDA in 2015 of 46,617 thousand euros, with an expansion in margins of 1.5 p.p. to 11.5 % (comparable EBITDA margin).
- Audiovisual<sup>3</sup>**: comparable EBITDA improved by 1,419 thousand euros to 12,634 thousand euros, because of the absence of provisions in 2015, the strategic radio agreement with COPE, and the changes made in the Content area.
- Classified<sup>4</sup>**: reported positive comparable EBITDA in 2015 of 831 thousand euros. The area is growing, so costs are rising, as reflected in growth of 25.7% in advertising revenues in 2015.

## Performance of comparable EBITDA<sup>1</sup> by business area 2015

Data in variation in €m 2015 vs 2014 except for comparable EBITDA



Note 1: excluding personnel adjustment measures and one-offs 2015 €-2.6m and 2014 €-6.5m.

## Operating result (EBIT)

In 2015, the operating result reached 27,015 thousand euros, double the level of 2014. In comparable terms, EBIT increased by +49.3% to 30,139 thousand euros. All areas reported positive EBIT in 2015, including Classifieds, which broke even in the year.

As well as the positive impacts on EBITDA mentioned above, depreciation decreased by 3,827 thousand euros following the sale of the part of the film distribution business and the divestment of Sarenet.

The trend of both EBITDA and EBIT in recent years has been of improvement. In 2015 both comparable and reported EBIT and EBITDA were positive overall and for each business area, despite the drop in advertising revenues:

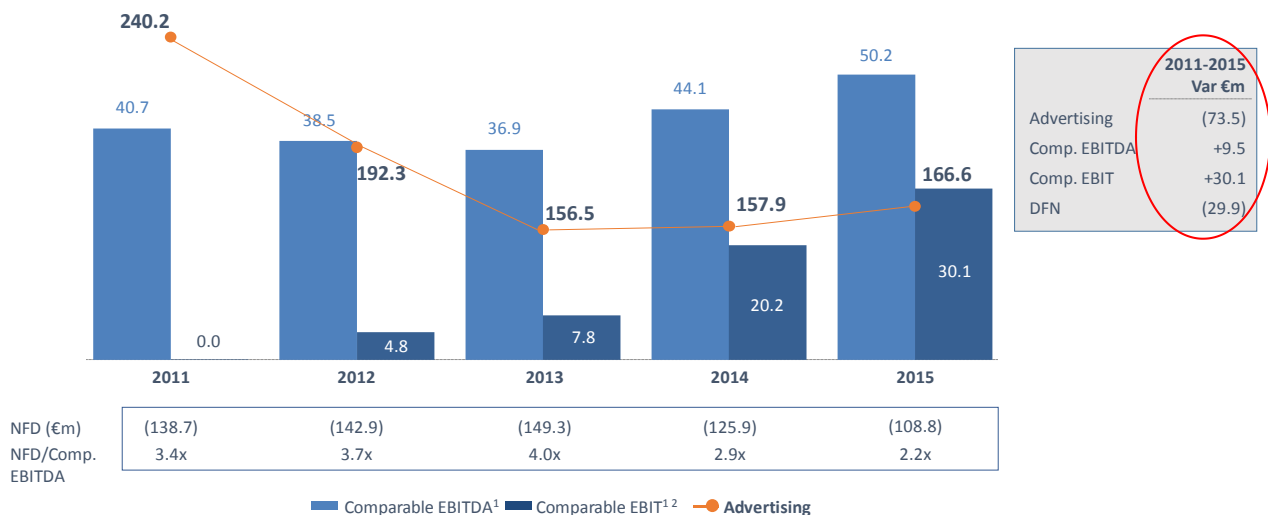
<sup>2</sup> Newspapers: Excluding personnel adjustment measures and one-offs 2015 -1,606 and 2014 -4,391 thousand euros.

<sup>3</sup> Audiovisual: excluding adjustment measures 2015 46 thousand euros and 2014 -433 thousand euros.

<sup>4</sup> Classifieds: excluding adjustment measures 2015 -171 thousand euros and 2014 -170 thousand euros.

## Performance of advertising revenues, comparable EBITDA<sup>1</sup> and comparable EBIT<sup>1 2</sup> 2011-2015

Data in €m



Note 1: excluding personnel adjustment measures and one-offs. Note 2: Excluding result from fixed asset sales and impairments.

### Writedown of goodwill

In 2015 this reached 5,350 thousand euros, because of the adjustment to the valuation of Las Provincias and the impairment to goodwill resulting from the gradual reduction of the life of the film rights in the catalogue of the Content area

### Net financial result

The improvement in the financial result in 2015 (-5,245 vs -9,145 thousand euros in 2014) is the result of: (i) financial income of 1,177 thousand euros following the renegotiation of the put options on Las Provincias (see Relevant Fact of 30 March 2015), (ii) the reduction of the financial expense of debt with credit institutions, and (iii) a reduction in commissions following the unification of practically all financial liabilities with banks into the syndicated loan in 2014.

### Corporation tax

The tax expense of 6,057 thousand euros in 2015 was the result of the positive operating performance. The year-on-year improvement reflects the regularization of the negative tax bases that was carried out in 2014.

### Minority interest

The increase in the level of minority interest in 2015 is a result of the improvement at Content, which was affected by a goodwill provision in 2014 and by the increase in the Television business, because no provision was made this year.

### Net result attributable to the parent company

The consolidated net result in 2015 was 4,081 thousand euros, compared to -22,346 thousand euros period last year, representing the first positive result for a full year since 2009.

## Consolidated Balance Sheet

Miles de Euros	IFRS			
	2015	2014	Var abs	% Var
<b>Non current assets</b>	<b>478,511</b>	<b>506,665</b>	<b>(28,154)</b>	<b>(5.6%)</b>
Intangible assets	125,438	134,240	(8,802)	(6.6%)
Property, plant and equipment	156,772	167,423	(10,651)	(6.4%)
Investments accounted using equity method	6,305	8,096	(1,791)	(22.1%)
Other non current assets	189,996	196,905	(6,909)	(3.5%)
<b>Current assets</b>	<b>135,138</b>	<b>145,901</b>	<b>(10,763)</b>	<b>(7.4%)</b>
Other current assets	115,790	122,450	(6,660)	(5.4%)
Cash and cash equivalents	19,348	23,451	(4,104)	(17.5%)
<b>Assets held for sale</b>	<b>1,492</b>	<b>193</b>	<b>1,298</b>	<b>671.1%</b>
<b>TOTAL ASSETS</b>	<b>615,141</b>	<b>652,760</b>	<b>(37,619)</b>	<b>(5.8%)</b>
Equity	318,690	322,572	(3,881)	(1.2%)
Bank borrowings and other fin. liabilities	125,126	146,406	(21,281)	(14.5%)
Other non current liabilities	54,007	62,555	(8,548)	(13.7%)
Other current liabilities	117,318	121,226	(3,909)	(3.2%)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>615,141</b>	<b>652,760</b>	<b>(37,619)</b>	<b>(5.8%)</b>

### Other current assets

The reduction by 6,660 thousand euros is mainly a result of a lower balance from clients because of a lower level of business.

### Net financial position

The net financial position was -108,787 thousand euros, including cash and cash equivalents and other current financial assets of 19,348 thousand euros. The NFD/Comparable EBITDA ratio decreased from 2.9x in 2014 to 2.2x in 2015 (using the comparable EBITDA of the last 12 months).

### Breakdown of Net Financial Debt

Thousand Euro	IFRS			
	2015	2014	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	25,770	17,278	8,492	49.1%
Bank borrowings and other financial liabilities (l.t.)	99,355	129,128	(29,773)	(23.1%)
<b>Gross Debt</b>	<b>125,126</b>	<b>146,406</b>	<b>(21,281)</b>	<b>(14.5%)</b>
+ Cash and cash equivalents	19,348	23,451	(4,104)	(17.5%)
+ Other non current financial asstes	270	380	(110)	(28.9%)
Deferred expenses	3,279	3,294	(15)	(0.5%)
<b>Net cash position/ (net debt)</b>	<b>(108,787)</b>	<b>(125,869)</b>	<b>17,082</b>	<b>13.6%</b>

Short term borrowings include:

- (i) debt with credit institutions of 24,306 thousand euros, including the reclassification of expenses for the syndicated loan, and other liabilities with a current financial cost of 2,509 thousand euros, mainly related to pension plans.

Long term borrowings include:

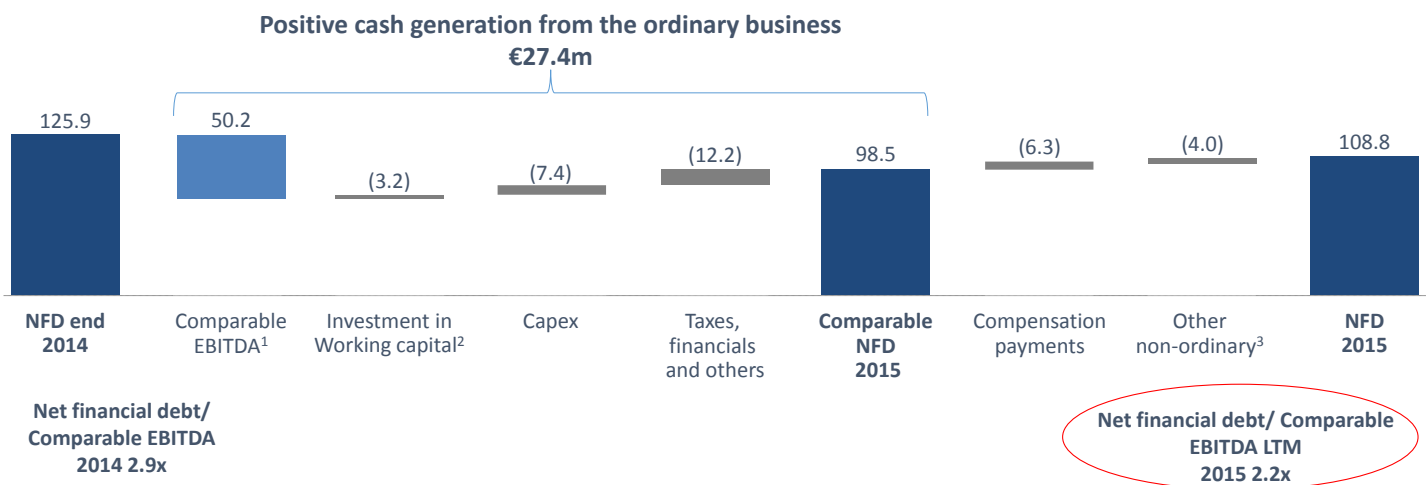
- (ii) debt with credit institutions of 99,239 thousand euros, including the reclassification of expenses related to the syndicated loan, and 2,022 thousand euros for the mark to market valuation of the interest rate hedge on the syndicated loan, and
- (iii) other liabilities with a non-current financial cost of 2,351 thousand euros, including mainly pension plans and pending compensation payments, associated with the downsizing plan at ABC in 2009.

An analysis of the variation in debt, including extraordinary items and the ordinary business, shows that ordinary operations have generated a total of 27,383 thousand euros in cash flow. The most significant ordinary movements in 2015 included:

- (i) Variation in working capital of -3,164 thousand euros, excluding extraordinaries.
- (ii) Investments in tangible and intangible fixed assets: total cash outflows of -7,437 thousand euros, mainly associated with digital business.

Non-recurring movements included compensation payments in 2015 of -6,329 thousand euros, which included downsizing in 2014 and 2015, and other non-ordinary cash outflows of -3,972 thousand euros, which included among others the purchase of a 34% stake in Rotomadrid from another shareholder and payments related to the put options on Las Provincias.

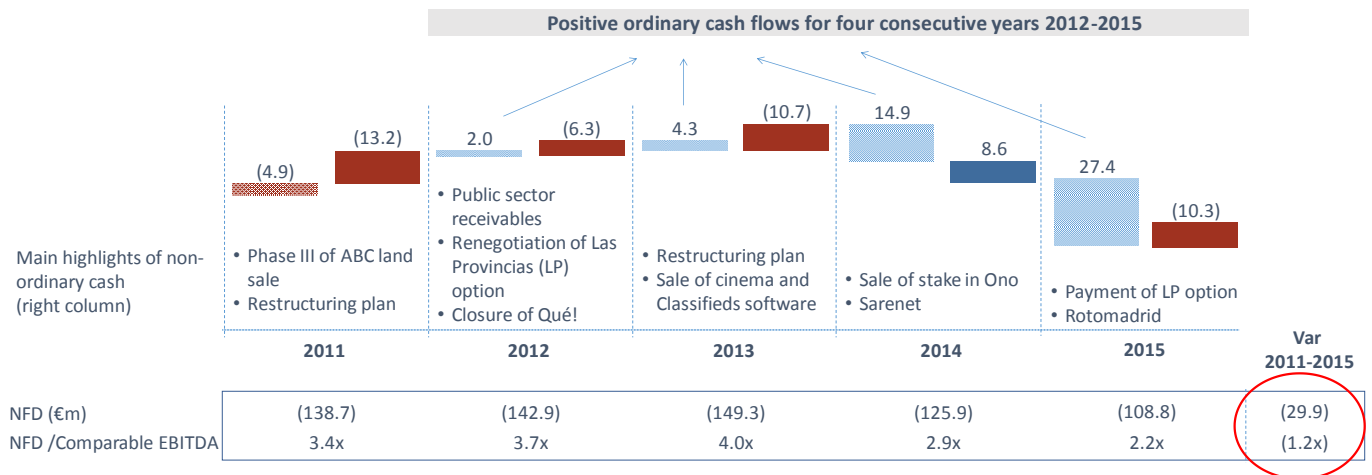
### Analysis of variation in net financial debt 2015-2014 (€m)



Note 1: Excluding personnel adjustment measures personal and one-offs 2015 €-2.6m. Note 2: variation in inventories, clients suppliers and current taxes (VAT). Note 3: Purchase of 34% of Rotomadrid, payments related to put options on Las Provincias and others.

From a longer term perspective, VOCENTO has been generating positive ordinary cash flows since 2012, and these have gradually increased over time.

## Analysis of variation in net financial debt 2011-2015 (€m)



### Other current liabilities

The variation in the Other Liabilities amount is mainly due to the reduction of balances with suppliers, as a result of reduced activity in Content.

## Cash flow statement

Thousand Euro	IFRS			
	2015	2014	Var Abs	% Var
<b>Net profit attributable to the parent</b>	<b>4,081</b>	<b>(22,346)</b>	<b>26,427</b>	<b>118.3%</b>
Adjustments to net profit	44,265	62,308	(18,043)	(29.0%)
<b>Cash flows from ordinary operating activities before changes in working capital</b>	<b>48,346</b>	<b>39,962</b>	<b>8,384</b>	<b>21.0%</b>
Changes in working capital & others	(5,164)	(6,638)	1,474	22.2%
Other payables without financial cost	(1,037)	2,909	(3,946)	(135.6%)
Other payables with financial cost	(3,635)	(4,262)	627	14.7%
Income tax paid	(2,553)	(2,743)	190	6.9%
Interests deduction for tax purposes	294	(2,012)	2,306	114.6%
<b>Net cash flow from operating activities (I)</b>	<b>36,251</b>	<b>27,216</b>	<b>9,035</b>	<b>33.2%</b>
Acquisitions of intangible and property, plant and equipment	(7,437)	(8,275)	838	10.1%
Net proceed on disposal of financial assets	189	17,857	(17,668)	(98.9%)
Interests and dividends received	882	6,788	(5,906)	(87.0%)
Other receivables and payables (investing)	0	0	0	n.a.
<b>Net cash flow from investing activities (II)</b>	<b>(6,366)</b>	<b>16,370</b>	<b>(22,736)</b>	<b>(138.9%)</b>
Interests and dividends paid	(10,784)	(19,221)	8,437	43.9%
Cash inflows/ (outflows) relating to bank borrowings	(17,600)	(31,451)	13,851	44.0%
Other receivables and payables (financing)	(19)	2	(21)	n.r.
Equity related instruments without financial cost	(4,931)	(2,001)	(2,930)	(146.4%)
Equity related instruments with financial cost	0	(1,025)	1,025	100.0%
<b>Net cash flows from financing activities (III)</b>	<b>(33,334)</b>	<b>(53,696)</b>	<b>20,362</b>	<b>37.9%</b>
<b>Net increase in cash and cash equivalents (I + II + III)</b>	<b>(3,449)</b>	<b>(10,111)</b>	<b>6,662</b>	<b>65.9%</b>
<b>Cash and cash equivalents of discounted operations</b>	<b>(654)</b>	<b>(1,158)</b>	<b>504</b>	<b>43.5%</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>23,451</b>	<b>34,721</b>	<b>(11,270)</b>	<b>(32.5%)</b>
<b>Cash and cash equivalents at end of year</b>	<b>19,348</b>	<b>23,452</b>	<b>(4,104)</b>	<b>(17.5%)</b>

Net cash flow from operating activities was 36,251 thousand euros, including among others: (i) payments of -6,329 thousand euros associated with the personnel adjustment measures, and (ii) a variation in working capital of -5,164 thousand euros mainly because of a reduction in balances with suppliers.

Net cash flow from investing activities was -6,366 thousand euros, almost entirely a result of investments in fixed assets (see Capex section).

Net cash flow from financing activity was -33,334 thousand euros, and included among others interest paid by Vocento and dividend payments by subsidiaries of VOCENTO to minority shareholders of -3,682 thousand euros, the payment to one of the minority shareholders of Rotomadrid for the acquisition of the 34% stake, and the repayment of debt in the period, among other items.

## Capex

Controlling investments in order to preserve cash is one of the main targets of VOCENTO's financial management and is compatible with a clear commitment to the Internet.

The difference euros between the cash spent on investments in fixed assets and the capex recorded in accounts (1,157 thousand euros) is due to payments pending for investments made in 2014 and 2015 and the investments made in 2015 but not yet paid out.

### Detail of capex by business area

	IFRS (thousand euros)								
	2015			2014			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	4,729	2,786	7,514	3,923	1,456	5,379	806	1,329	2,136
Audiovisual	202	211	413	269	124	393	(67)	86	19
Classified	326	77	403	251	28	279	76	49	125
Other	0	0	0	100	537	636	(100)	(537)	(636)
Corporate	216	48	264	229	37	266	(13)	10	(3)
<b>TOTAL</b>	<b>5,473</b>	<b>3,121</b>	<b>8,594</b>	<b>4,771</b>	<b>2,182</b>	<b>6,954</b>	<b>702</b>	<b>939</b>	<b>1,640</b>

## Information by business area

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

Thousand Euro	IFRS			
	2015	2014	Var Abs	Var %
<b>Total Revenues</b>				
Newspapers	407,826	416,476	(8,650)	(2.1%)
Audiovisual	47,354	57,696	(10,342)	(17.9%)
Classified	15,435	12,406	3,029	24.4%
Other	0	12,717	(12,717)	(100.0%)
Corporate and adjustments	(2,970)	(4,455)	1,485	33.3%
<b>Total Revenues</b>	<b>467,646</b>	<b>494,840</b>	<b>(27,195)</b>	<b>(5.5%)</b>
<b>EBITDA</b>				
Newspapers	45,010	37,304	7,706	20.7%
Audiovisual	12,680	10,782	1,898	17.6%
Classified	660	(878)	1,538	175.1%
Other	0	2,663	(2,663)	(100.0%)
Corporate and adjustments	(10,712)	(12,320)	1,608	13.1%
<b>Total EBITDA</b>	<b>47,638</b>	<b>37,550</b>	<b>10,088</b>	<b>26.9%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Newspapers	46,617	41,696	4,921	11.8%
Audiovisual	12,634	11,214	1,419	12.7%
Classified	831	(708)	1,539	217.4%
Other	0	2,663	(2,663)	(100.0%)
Corporate and adjustments	(9,887)	(10,795)	907	8.4%
<b>Total comparable EBITDA</b>	<b>50,194</b>	<b>44,070</b>	<b>6,124</b>	<b>13.9%</b>
<b>EBIT</b>				
Newspapers	30,609	21,193	9,416	44.4%
Audiovisual	8,030	5,263	2,767	52.6%
Classified	83	(1,831)	1,914	104.6%
Other	0	1,798	(1,798)	(100.0%)
Corporate and adjustments	(11,708)	(13,044)	1,337	10.2%
<b>Total EBIT</b>	<b>27,015</b>	<b>13,379</b>	<b>13,636</b>	<b>101.9%</b>
<b>Comparable EBIT<sup>1,2</sup></b>				
Newspapers	32,162	25,909	6,253	24.1%
Audiovisual	8,014	5,662	2,353	41.6%
Classified	261	(1,661)	1,921	115.7%
Other	0	1,798	(1,798)	(100.0%)
Corporate and adjustments	(10,297)	(11,519)	1,222	10.6%
<b>Total comparable EBIT</b>	<b>30,139</b>	<b>20,189</b>	<b>9,951</b>	<b>49.3%</b>

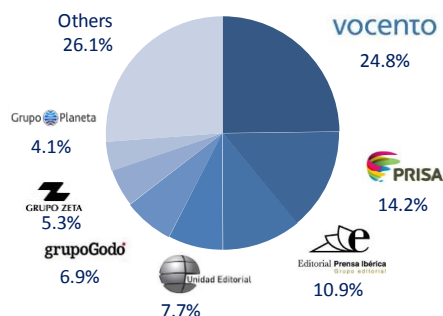
<sup>1</sup> Excluding personnel adjustment measures and one-offs 2015 -2,556 and 2014 -6,520 thousand euros.

<sup>2</sup> Excluding result from fixed asset sales 2015 -569 thousand euros and 2014 -291 thousand euros.

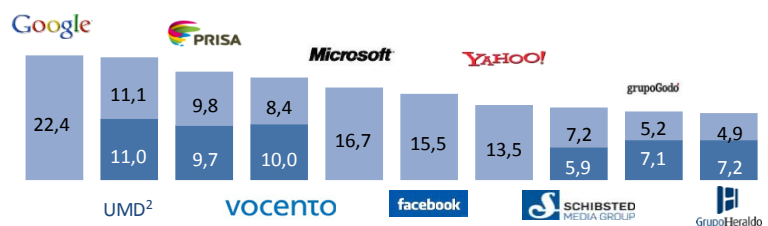
## Newspapers (offline and online)

VOCENTO has consolidated its undisputed leadership of the general press sector with a market share of circulation of 24.8%, more than 10 p.p. more than the number two media group. It is also the leader in readership, according to the 3rd EGM survey of 2015, with more than 2.5 million readers, around one million readers more than the number two group. It is a leader on the Internet with around 18 million unique monthly users according to comScore (December 2015).

### Share of ordinary circulation<sup>1</sup> (%)



### Ranking of Internet audiences<sup>2</sup> (thousand u.m.u)



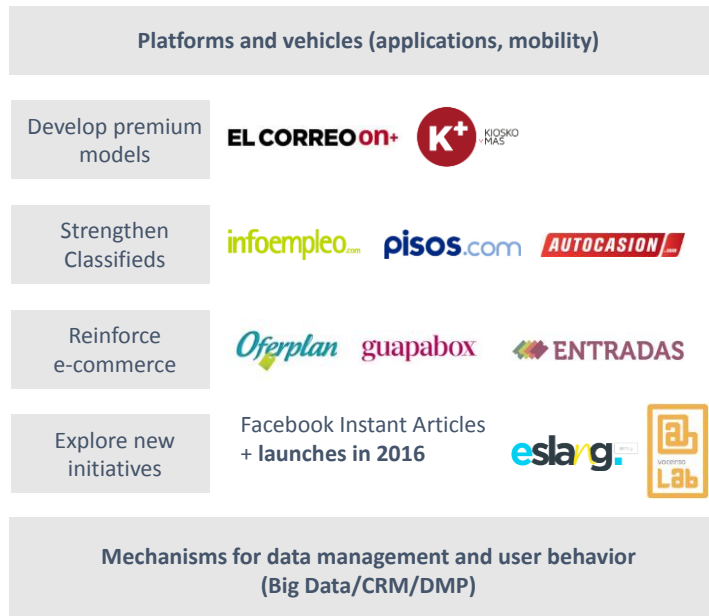
Note 1: Source OJD 2015. Data not certified. Note 2: Source comScore. Note 3: UMD= Unidad de Medios Digital includes Unidad Editorial, Zeta and Prensa Ibérica.

VOCENTO is present and active in today's new technological reality and is a pioneer in the use of new technologies, both to develop new businesses and to set up the internal infrastructure needed to optimize its positioning.

VOCENTO is working in the following areas to accelerate this digital growth;

- (i) **Understanding user behaviour;** creating and developing databases, managing the user experience, combining and assessing readerships, developing loyalty programmes, all using Big Data technologies and customer management tools;
- (ii) **The development of digital vehicles and platforms** for new consumer trends, especially in mobile. In the last quarter of 2015, the new mobile version of ABC was nominated at the Global Mobile Awards (GLOMO) 2016, in the category of Best Mobile App Media;
- (iii) **The development of products and services which adapt to the new reality;** generating new transactional/e-commerce business lines (and strengthening existing initiatives such as Oferplan and Ticketing), optimizing the presence on social media (ABC was the first national newspaper in Spain to participate in Facebook Instant Articles, the new publication tool on Facebook), and reaching new audiences (developing a viral slang portal for millennials, and deploying new narrative formulas);
- (iv) **Research and development** supported by VOCENTO Media Lab. The aim here is to research, experiment and enable innovative trends that are of interest to the press business. VOCENTO Media Lab is researching areas ranging from data journalism and new digital narratives to the internal training of journalists and the dynamics of sharing knowledge between different technical, editorial and business teams in the company.

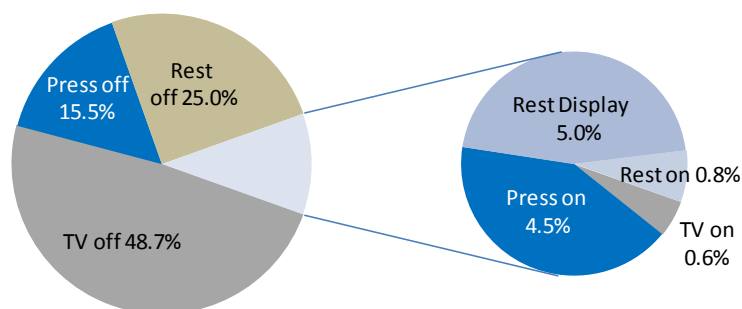
## VOCENTO: positioning and digital acceleration



All of these developments clearly benefit advertisers, who are now going digital. According to i2p, in 2015 the advertising spend on the Internet was 10.9% of the total, or around 435 million euros. It should be noted that:

- (i) The press is absorbing part of the online spend: of the 435 million euros, 41.6% went to the online press (up from 39.9% in 2014).
- (ii) The total share for the press of the advertising market was 20.0% in 2015: 15.5% of the spend was offline, and 4.5% was on the online press.
- (iii) There was a 17% increase in advertising on the online press in 2015.

The press sector stabilizes its share of online spending<sup>1</sup>  
Breakdown of advertising spend (%) offline and online



On+off ad share (%)	2014	2015	Var p.p.
TV	48.6%	49.3%	0.6 pp
Press	20.4%	20.0%	(0.4 pp)
Radio & cinema	26.1%	25.8%	(0.3 pp)
Display	4.9%	5.0%	0.0 pp

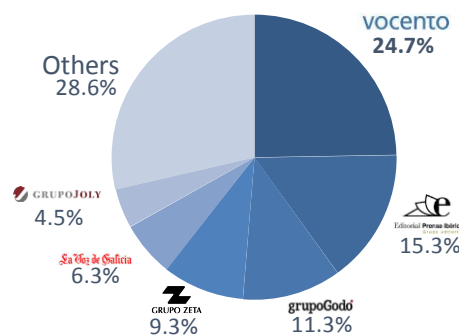
Note 1: Source i2p.

## Regional Newspapers

VOCENTO is the undisputed leader of the regional press markets of Spain due to the deep roots and excellent positioning of its 11 regional newspapers: El Correo, El Diario Vasco, El Diario Montañés, El Norte de Castilla, La Verdad, Ideal, Las Provincias, Sur, El Comercio, Hoy and La Rioja. The strength of these titles, some of which are over 100 hundred years old, their high level of local recognition and their strong links to their regions have turned them into clear references in their markets. VOCENTO regional newspapers are committed to journalism which is dedicated to accuracy, independence and freedom of expression.

VOCENTO's regional newspapers maintained their leadership in terms of circulation in 2015, with market share in the regional press of 24.7%, with the number two group on 15.3%.

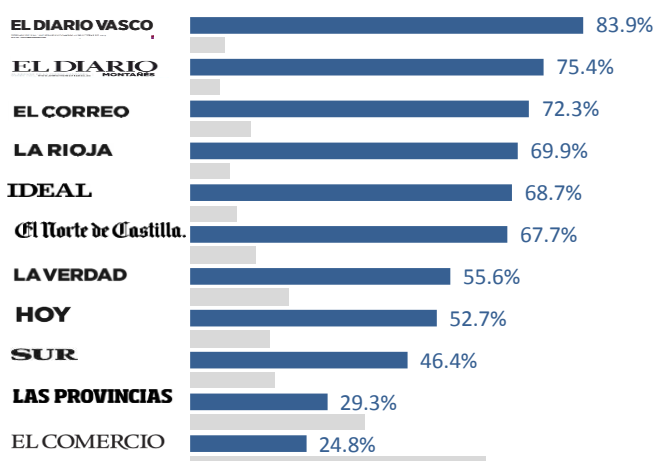
### Circulation share of the regional press 2015 (%)<sup>1</sup>



Note 1: source OJD. Data not certified.

In terms of readership, **the regional newspapers** remain leaders both **offline** (more than 2<sup>5</sup> million readers, 0.7m readers than the number two regional press group), **and online**, with a readership of more than 18<sup>6</sup> million unique monthly users. Each of the 11 portals is the leader in their respective areas of influence.

### Circulation share by title<sup>1</sup> (%)



### Local portal readership (thousand u.m.u.)<sup>2</sup>



Note 1: source OJD. 2015. Data not certified. Note 2: source comScore December 2015.

<sup>5</sup> Source: EGM 3rd survey 2015.

<sup>6</sup> Source: comScore MMX Multiplataforma December 2015. Total readership = combined readership of the 11 local portals.

In 2015, main efforts were focused on maintaining the leadership of VOCENTO newspapers, on whatever device they are read, and on preserving profitability.

For 2016, we will concentrate the work on the following areas:

- (i) **Digital investments:** investing in existing e-commerce developments (Oferplan, Ticketing), consolidation of the digital paid content model “on+” at El Correo, and analysis of new value added advertising services for local clients;
- (ii) **Protecting profitability:** increasing some cover prices, continuing to optimize processes and resources, but not to the detriment of investments in editorial quality, and developing selective agreements with other publishers which generate revenue synergies.

## National Newspaper- ABC

ABC is VOCENTO’s national newspaper, with over 110 years of history. It is one of the country’s leading national newspapers.

ABC has developed a multi-media presence: ABC in print + ABC on Kiosco y Más + ABC.es + ABC mobile (with applications for different multi-screen environments), as well as benefitting on the radio from the support of the agreement with COPE (see the Radio section). This combination of different media vehicles enables the development of editorial synergies and the capture of new audiences, mainly on the Internet.

In its print edition, ABC is focusing part of its efforts on ordinary circulation (sales including individual subscriptions and kiosk sales), which are the most profitable, while voluntarily reducing non-ordinary circulation (blocks and collective sales) in a controlled way. According to figures for 2015, the proportion of ordinary circulation to total circulation at ABC was 88.6%, higher than the 81.7% average for competitors (El País 89.8%, El Mundo 84.7% and La Razón 70.7%).

ABC is continuing to increase its market share<sup>7</sup> in the key market of the Comunidad de Madrid, where it has overtaken El Mundo and is now in second position, as the chart on page 6 shows.

For its part, abc.es continues to increase its readership, thanks above all to the potential of mobile devices. According to comScore research from December 2015, it reaches 12 million unique monthly users. Of these, 7 million or 58% use only mobile devices for access.

In 2015, major achievements included: i) the redesign of abc.es and the launch of the new mobile version, which was nominated at the Global Mobile Awards 2016 in the Best Mobile Apps category; ii) the improvement in circulation share, reaching the number two position in Madrid ahead of El Mundo, and iii) the increase in profitability, as a result among other factors of the logistic changes in the Balearic and Canary Islands and the optimization of the print plants.

In 2016, ABC will continue to focus on profitability and on its market positioning, and in particular:

- (i) In the digital business:
  - a. Strengthening the mobile offering, personalization and the capture of new user data
  - b. Strengthening the offer of services to clients: Oferplan, Ticketing, ABC Foto
- (ii) Improving profitability with the following measures:
  - a. Increasing cover prices, on Sundays from €2.8 to €3.
  - b. Continuing to reduce print costs by eliminating certain regional deputation
  - c. Increasing the loyalty of both kiosk readers and users of the digital platform Kiosco y Más.

<sup>7</sup> Source: OJD. Share of national press (sum of El País, El Mundo, La Razón and ABC).

## Supplements and Magazines

VOCENTO publishes the two most read supplements in Spain: XL Semanal and Mujer Hoy. Their success is due to the quality of the contributors and the overall commitment to accuracy, differentiating them from their main competitors. The supplements are distributed with all VOCENTO newspapers during the weekends and with other leading regional newspapers.

**XL Semanal is the most read Sunday supplement in Spain**, with journalists including Carlos Herrera, Arturo Pérez-Reverte, Juan Manuel de Prada, Carmen Posadas and others. Its aim continues to be to invest in a differentiated product with a journalistic vision that attracts readers and advertisers alike.

**Mujer Hoy** is the second most widely read supplement in Spain and is the leading women's supplement in its category. The magazine has worked increasingly on corporate projects with leading advertisers to enhance its brand, and has developed products such as the beauty box service Guapabox.

In the magazines area, the magazine **Corazón CZN TVE** was launched in 2015, in partnership with the **TVE programme Hoy Corazón**, presented by Anne Igartiburu. It has in a short period become one of the best-selling celebrity magazines in the country.

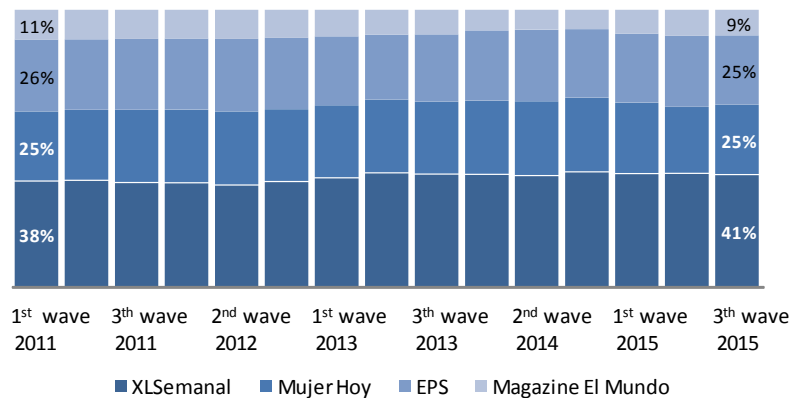
Also in 2015, VOCENTO launched the high end men's magazine **Código Único**, which is aimed at a readership of urban professionals with a taste for luxury and brands.

In the financial information segment, **Inversión y Finanzas** is the leading weekly finance magazine by kiosk sales, with 37,000 readers according to the 3rd EGM survey of 2015, and covers stock market and financial news with accuracy and professionalism. In 2015, the magazine published its 1,000th edition.

In the **corporate magazine** area, VOCENTO came to an agreement with Air Europa to publish its leading in-flight magazine.

The Magazines and Supplements of VOCENTO have a combined readership of around 3.6 million readers with XL Semanal the clear leader in its sector (with over two million readers, around one million readers more than its most immediate competitor according to the third EGM survey of 2015), while Mujer Hoy has over one million readers.

## Readership of the main supplements in Spain<sup>1</sup>



Note 1: EGM.

At the end of 2015 a business agreement was signed with **Grupo Zeta**, to develop sales synergies with *Mujer Hoy* by distributing it with *El Periódico*, making available the most widely read women's magazine to the Catalan readership.

In recent years, the supplements of VOCENTO have improved their position notably, in both terms of readers and in their share of the advertising market. According to internal data, *XL Semanal* and *Mujer Hoy* are **consolidating their share of the advertising market**. For the Sunday publications, and in a stable advertising market, *XL Semanal* has a share of 54.9%, up 1.5 p.p. from 2014; in the women's market, where advertising is growing at a double digit rate, *Mujer Hoy* has maintained its market share (47.5%) after improving it by 1.8 p.p. in 2014.

In the digital business, *Mujerhoy.com* with 1.28 million unique users is among the leading vertical portals in its category, in the number 5 position. The redesign of the portal has modernized the website compared to its competitors.

**In 2015**, this business area has focused on investing in differentiated products (*Corazón CZN TVE*, *Código Único*, the agreement with *Grupo Zeta*), giving it access to new readers and advertisers. It has also organized more than 25 events and invested in digital products such as the new *Mujerhoy.com* website in January 2016.

**Looking ahead to 2016**, VOCENTO will invest in the attractive portfolio of existing products and will also develop the events and special actions area as well as new digital initiatives, such as the *Mujer Hoy* portal and e-commerce businesses like *Guapabox*. VOCENTO guiding principles will continue to be to maintain the leadership position and the cost structure, without reducing the quality of the editorial content of the area.

<sup>8</sup> Source: MMX Multiplataforma December 2015.

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

	IFRS			
Thousand Euro	2015	2014	Var Abs	Var %
<b>Total Revenues</b>				
Regionals	286,501	294,146	(7,645)	(2.6%)
ABC	110,085	113,110	(3,025)	(2.7%)
Supplements& Magazines	29,942	31,309	(1,367)	(4.4%)
Adjustments intersegment	(18,702)	(22,089)	3,386	15.3%
<b>Total Revenues</b>	<b>407,826</b>	<b>416,476</b>	<b>(8,650)</b>	<b>(2.1%)</b>
<b>EBITDA</b>				
Regionals	38,588	33,341	5,248	15.7%
ABC	5,174	1,960	3,214	164.0%
Supplements& Magazines	1,248	2,004	(756)	(37.7%)
<b>Total EBITDA</b>	<b>45,010</b>	<b>37,304</b>	<b>7,706</b>	<b>20.7%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Regionals	39,510	37,562	1,947	5.2%
ABC	5,858	2,011	3,846	191.2%
Supplements& Magazines	1,249	2,122	(873)	(41.1%)
<b>Total comparable EBITDA</b>	<b>46,617</b>	<b>41,696</b>	<b>4,921</b>	<b>11.8%</b>
<b>EBIT</b>				
Regionals	29,511	23,695	5,816	24.5%
ABC	42	(4,130)	4,173	101.0%
Supplements & Magazines	1,055	1,628	(573)	(35.2%)
<b>Total EBIT</b>	<b>30,609</b>	<b>21,193</b>	<b>9,416</b>	<b>44.4%</b>
<b>Comparable EBIT<sup>1,2</sup></b>				
Regionals	30,390	28,212	2,178	7.7%
ABC	715	(4,080)	4,795	117.5%
Supplements& Magazines	1,056	1,777	(720)	(40.5%)
<b>Total comparable EBIT</b>	<b>32,162</b>	<b>25,909</b>	<b>6,253</b>	<b>24.1%</b>

Note: The main eliminations are a result of: a) sales of the supplements (XL Semanal, Mujer Hoy and Corazón CZN TVE) from TESA to the Regional Press and ABC, b) from the distribution revenues of Beralán.

<sup>1</sup> Excluding personnel adjustment measures and one-offs 2015 -1,606 and 2014 -4,391 thousand euros.

<sup>2</sup> Excluding result from fixed asset sales 2015 53 thousand euros and 2014 -325 thousand euros.

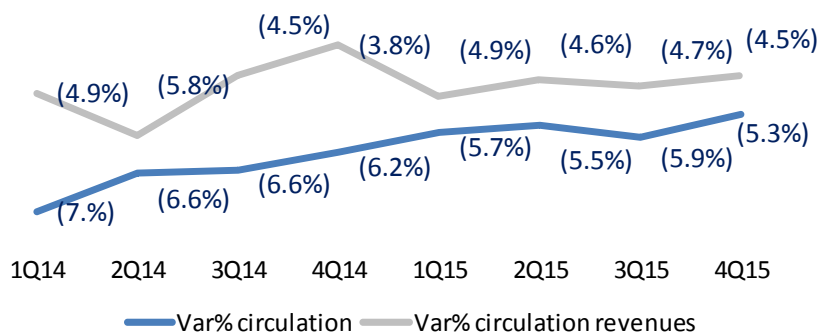
**Operating Revenues:** 407,826 thousand euros, a decrease of 2.1%.

The reduction in revenues is mainly a result of: (i) lower circulation sales at Regional and ABC, largely because of the change of the distribution model and logistics in the Balearic and Canary Islands, and (ii) a reduced effort in add-ons. These were voluntary decisions designed to improve the profitability of the print business (see the margin on circulation revenues). The improvement in advertising revenues partly offset the decline in these revenues.

**Circulation Revenues:** 194,043 thousand euros, down 5.4%.

At the [Regional Press](#), revenues from circulation fell by 4.7% in 2015 with circulation down 5.6%. As the following chart shows, in recent quarters the rate of decline has continued to slow down, and it has been partly offset by increases to cover prices.

### Annual variation in circulation at the VOCENTO regional press (%)



At [ABC](#), revenues from circulation sales fell by 10.2%, a drop which would be less than half as much (4.7%) if the end to physical distribution in the Balearic and Canary Islands is excluded.

ABC increased its cover price in January, from €1.4 to €1.5 on Mondays to Fridays and from €1.8 to €2.0 on Saturdays. Average daily circulation in 2015 was 107,787 copies, down 16.2%, or 8.2% when adjusted for the changes in the Balearic and Canary Islands, compared to a decline of 11.9% for the national press market.

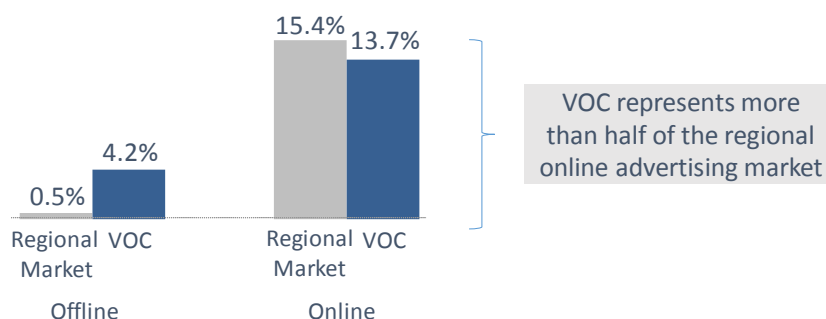
Finally, the performance of circulation revenues from [Supplements and Magazines](#) (-4.5%) reflects the lower circulation of the newspapers with which the supplements are distributed. In the second half of the year, this effect was reduced because of the positive impact on circulation figures of Corazón CZN TVE.

**Advertising Revenues** rose by 4.0% to 148,833 thousand euros. Advertising in the regional newspapers and ABC increased by 4.4% in the year.

At the [Regional Press](#) advertising revenues increased by 5.2% from 2014, to 97,085 thousand euros.

The growth of online advertising meant that the weight of digital revenues in the total revenues of the regional newspapers increased by more than at their peers, even when starting from a higher base than the other local players.

### Trend in advertising spend (%)<sup>1</sup>

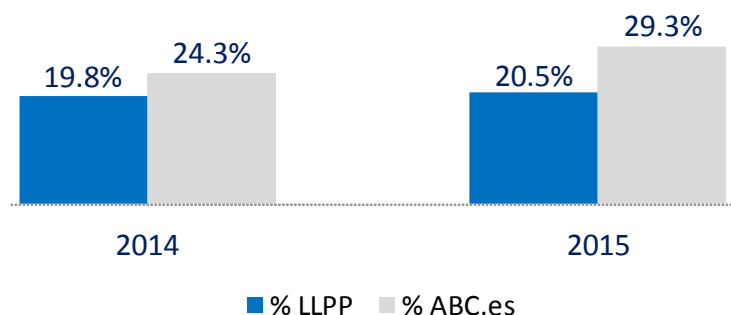


Note 1: Internal sources. Gross advertising data 2015.

At [ABC](#), advertising revenues increased by 3.3%, rising by 27.6% at ABC.es and falling by 3.5% in the print version, a reflection of the weaker advertising market for the national print press.

The gradual incorporation of the complementary digital business model is reflected in the increasing contribution of digital revenues, both at Regional (20.5% +0.7 p.p.), and at ABC (29.3% +5.0 p.p.).

**Weight of digital business (advertising + other revenues /e-commerce) in revenues (advertising + other revenues/e-commerce) at VOCENTO newspapers (%)**



**Other Revenues:** 64,950 thousand euros, down 4.6%, partly because of a more selective add-ons policy.

**Comparable EBITDA<sup>9</sup>:** 46,617 thousand euros, an increase of 4,921 thousand euros from 2014. The profitability of the area increased, with a comparable EBITDA margin of 11.5%, up from 10.0% in 2014.

**Performance of comparable EBITDA, newspapers (€m)**

IFRS Thousand Euro	Comparable EBITDA		
	2015	2014	Var Abs
Regional brands	39,510	37,562	1,947
ABC	5,858	2,011	3,846
Supplements & Magazines	1,249	2,122	(873)
<b>Total</b>	<b>46,617</b>	<b>41,696</b>	<b>4,921</b>

In 2015, costs were reduced by 3.6%<sup>9</sup>, as the following table details:

**Comparable costs, Newspapers 2015 (€m and %)**

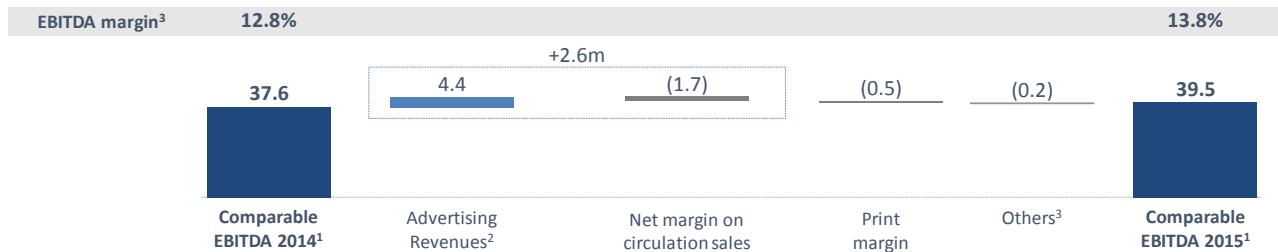
Like for like opex (thousand euros)	2015	2014	Var Abs	Var %
Regionals	(246,991)	(256,583)	(9,592)	(3.7%)
ABC	(104,227)	(111,099)	(6,871)	(6.2%)
Supplements & Magazines	(28,693)	(29,187)	(495)	(1.7%)
Adjustments	18,702	22,089	3,386	15.3%
<b>Total</b>	<b>(361,209)</b>	<b>(374,780)</b>	<b>(13,572)</b>	<b>(3.6%)</b>

- (i) **Regionals:** Comparable EBITDA of 39,510 thousand euros, an improvement of 1,947 thousand euros vs 2014. Costs at the Regional Press were reduced by 9,592 thousand euros, leading to a rise in the comparable EBITDA margin in 2015 of 1.0 p.p. to 13.8%.

<sup>9</sup> Excluding personnel adjustment measures and "one-offs" 2015 -1,606 and 2014 -4,391 thousand euros.

## Regionals: performance of comparable EBITDA

Variation 2015 vs 2014 except comparable EBITDA (€m) and comparable EBITDA margin (%).

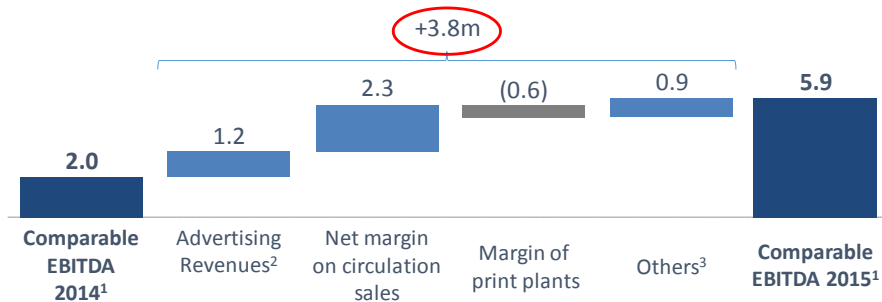


Note 1: Excluding personnel adjustment measures and one-offs 2014 €-4.2m and 2015 €-0.9m. Note 2: print and digital. Note 3: others includes margin on add-ons and fixed costs.

- (ii) ABC: an improvement in comparable EBITDA in 2015 of 3,846 thousand euros, to 5,858 thousand euros, thanks to a combination of advertising growth and an improvement in the circulation margin, despite a decrease in the margin of the print plants.

### ABC: comparable EBITDA<sup>1</sup>

Variation 2015 vs 2014 except for comparable EBITDA (€m)



Note 1: Excluding adjustment measures and "one-offs" 2014 €-0.1m and 2015 €-0.7m. Note 2: print and digital. Note 3: others includes margin on add-ons and fixed costs.

- (iii) Supplements and Magazines: comparable EBITDA of 1,249 thousand euros vs 2,122 thousand euros in 2014.

## Audiovisual

VOCENTO has a presence in the audiovisual market, with a national DTT licence which enables it to broadcast two channels, regional DTT licences, a network of radio licences, shareholdings in content producers and the management of a catalogue of film rights.

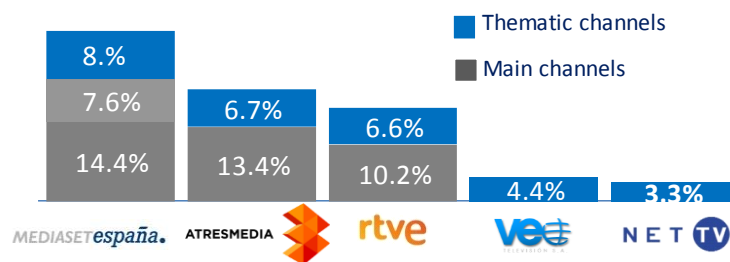
### Television

VOCENTO via its 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV") is one of the private companies to have a national free-to-air DTT license.

NET TV currently broadcasts Disney Channel and Paramount Channel, giving VOCENTO a presence in the niche television sector with international content suppliers who are global leaders in entertainment, guaranteeing the NET TV business for the medium and long term.

The combined channels had a share in December 2015 of 3.3%<sup>10</sup>. Their positioning in the thematic television market contributes to the Group's overall profitability.

Audience share by group of channels 2015 (%)<sup>10</sup>



Note 1: Source Kantar media.

In 2015, NET TV consolidated its two channels during a period of new license awards. 2016 will be a year of continuity.

### Radio

The development of the radio business is based on the alliance with Cadena COPE that was authorized by the Comisión Nacional de Competencia (CNC) on 15 March 2013. This is a strategic agreement that aims to reinforce a shared editorial line, especially with ABC, and to defend the same values.

Following the agreement, the broadcasters owned by various subsidiaries of COPE transmit channels including COPE, Cadena 100, Rock FM and Mega Star and close links have been created between the COPE and ABC brands especially in news bulletins. As well as working together, ABC also highlights the programmes, presenters and contents of COPE in its pages.

Likewise, the two groups have integrated the radio portals COPE, Cadena 100 and Rock FM on the ABC website to strengthen both media in the competitive online market for information and news.

2015 was a year of consolidation for the radio business and for creating value following the COPE agreement. Listener numbers were strong, with the audience rising by around one million to 2.671.000 according to the third EGM survey. In 2016, a similar trend is expected, with good listener numbers and results.

<sup>10</sup> Source: Kantar Media December 2015.

## **Audiovisual Production and Distribution -Veralia**

The presence of VOCENTO in the audiovisual production sector (the production of entertainment and drama programmes and the distribution of films) is based on: i) Veralia Contenidos, a holding company for audiovisual production companies, which includes BocaBoca Producciones, Europroducciones and Hill Valley, and ii) Veralia Distribución de Cine, which has a catalogue of rights for 230 films.

In 2015, the Veralia production companies had various formats in development, preproduction, production, and broadcasting, including "Hit, la canción" (TVE), the sixth series of "Conexión Samanta", "21 Días" (both on Cuatro), "Los Vengadores" (Disney), "Bailamos?" (Canal Sur), "A Tu Vera" (Castilla la Mancha TV) and "Guinness World Records" (Canale5, Italy).

Veralia is also internationalizing its output. The "21 días" format has been successfully adapted in the Netherlands, Italy, France, Canada and Chile. Magic Mania, a format developed and produced by Veralia, has been sold to Canal+ France and Israel. Agreements have also been reached with various international companies to introduce new formats into the Spanish market.

In the film distribution business, Veralia Distribución de Cine, the agreement in 2013 with some minority partners of Veralia has reduced the risk of the impact of the business's volatility and improved its prospects of profitability. In this segment, the strategy is to continue maximising the revenues from the existing catalogue.

In 2015, a highlight was the divestment of the Italian subsidiary Europroduzione, in line with VOCENTO commitment to profitability and the intention to focus the production efforts in Spain. Europroduzione was VOCENTO's only company outside Spain.

For 2016, VOCENTO will focus the efforts on consolidating production levels and on the renewal of programmes, in order to maintain profitability. The arrival of new players as potential new clients is an opportunity. VOCENTO will also maximise revenues from the film catalogue.

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

Thousand Euro	IFRS			
	2015	2014	Var Abs	Var %
<b>Total Revenues</b>				
DTT	30,113	33,524	(3,412)	(10.2%)
Radio	4,082	4,089	(7)	(0.2%)
Content	13,579	20,518	(6,939)	(33.8%)
Adjustments intersegment	(419)	(435)	16	3.6%
<b>Total Revenues</b>	<b>47,354</b>	<b>57,696</b>	<b>(10,342)</b>	<b>(17.9%)</b>
<b>EBITDA</b>				
DTT	5,328	3,793	1,534	40.4%
Radio	2,646	2,171	475	21.9%
Content	4,706	4,817	(111)	(2.3%)
<b>Total EBITDA</b>	<b>12,680</b>	<b>10,782</b>	<b>1,898</b>	<b>17.6%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
DTT	5,329	3,805	1,523	40.0%
Radio	2,599	2,284	315	13.8%
Content	4,706	5,126	(419)	(8.2%)
<b>Total comparable EBITDA</b>	<b>12,634</b>	<b>11,214</b>	<b>1,419</b>	<b>12.7%</b>
<b>EBIT</b>				
DTT	5,031	3,503	1,528	43.6%
Radio	2,626	2,189	437	20.0%
Content	374	(428)	802	187.4%
<b>Total EBIT</b>	<b>8,030</b>	<b>5,263</b>	<b>2,767</b>	<b>52.6%</b>
<b>Comparable EBIT<sup>1 2</sup></b>				
DTT	5,056	3,514	1,542	43.9%
Radio	2,584	2,267	317	14.0%
Content	374	(120)	494	412.7%
<b>Total comparable EBIT</b>	<b>8,014</b>	<b>5,662</b>	<b>2,353</b>	<b>41.6%</b>

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 2015 of 2,075 thousand euros and 2,008 thousand euros in 2014.

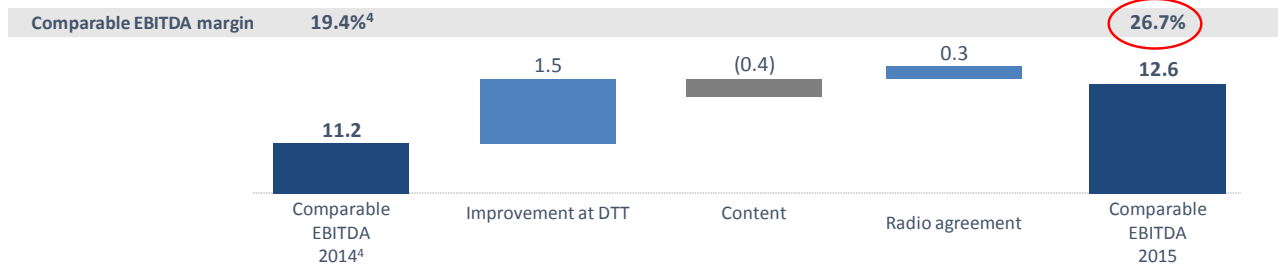
<sup>1</sup> Excluding adjustment measures 2015 46 thousand euros and 2014 -433 thousand euros.

<sup>2</sup> Excluding result from fixed asset sales 2015 -30 and 2014 34 thousand euros.

**Operating Revenues:** 47,354 thousand euros, down 17.9% because of reduced international activity at the production companies and a decline in DTT revenues following the end of broadcasting of two channels.

**Comparable EBITDA<sup>11</sup>:** 12,634 thousand euros, an improvement of 1,419 thousand euros from 2014, with all divisions profitable. A highlight has been the improvement in the comparable EBITDA margin, to 25.3% in 2015 from 18.12% in 2014.

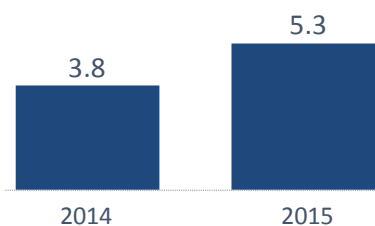
### Comparable EBITDA of the Audiovisual area (€m)



Note 1: not including personnel adjustment measures in 2014 of €-0.4m.

- (i) **DTT:** positive comparable EBITDA of 5,329 thousand euros in 2015, an improvement of 1,523 thousand euros compared to 2014, due to the impact that year of the provision of 1,053 thousand euros to cover part of the debt of Intereconomía, and also the improvement in profitability.

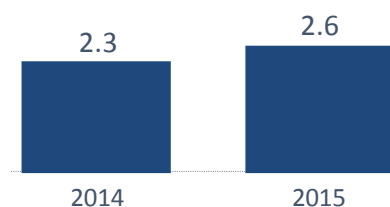
### Comparable EBITDA at DTT positive with two channels (€m<sup>1</sup>)



Note 1: including provision for Intereconomía in 2014 of €-1.1m

- (ii) **Radio:** Comparable EBITDA of 2,599 thousand euros compared to 2,284 thousand euros in 2014. This stability was the result of the agreement with COPE.

### Comparable EBITDA, Radio (€m<sup>1</sup>)

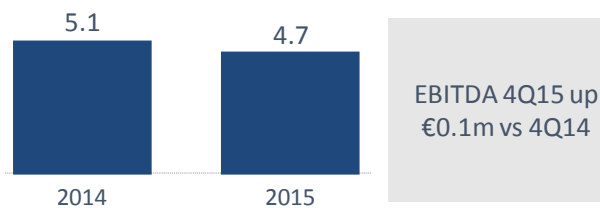


Note 1: not including personnel adjustment measures in 2014 of €-0.1m

- (iii) **Content:** comparable EBITSA of 4.706 thousand euros vs 5,126 thousand euros in 2014, as a result of: i) the sale of film distribution rights, and ii) a lower level of activity in content production, partly offset by measures such as the divestment in Italy.

<sup>11</sup> Excluding adjustment measures 2015 46 thousand euros and 2014 -433 thousand euros

## Comparable EBITDA, Content (€m)



Note 1: not including personnel adjustment measures in 2014 of €-0.3m.

In the fourth quarter of the year there was an improvement of 145 thousand euros, thanks to the impact of the measures taken at the production companies.

**Comparable Operating result:** (because of the level of amortization in this area, commentary is provided on the operating result). 8,014 thousand euros compared to 5,662 thousand euros in 2014, due to the improvement in EBITDA and the reduction in amortization in the Content area by 913 thousand euros in 2015.

## Classifieds

The nationwide Classifieds network of VOCENTO is unique in the Spanish media sector, thanks to its specialist team and its customer-focused service culture. These characteristics are supported by ABC.es and the 11 regional digital editions of VOCENTO, providing a nationwide service that is characterised by its content as well as by its understanding of the segment.

The portals are present with national brands in the three main markets for Internet classified advertising: in real estate with pisos.com (top#3 in its category), employment with Infoempleo.com (top#4) and automotive with autocasion.com (top#9).

In 2015, the Classifieds area has focused on selective investments in developing its different business areas, in accordance with their maturity and their commercial and technological development, in order to guarantee sustained growth. At the same time, the emphasis has been on the B2B sector, which has strengthened the customer base.

As with its other business areas, VOCENTO is committed to developing high added value products and services that are based on its deeper understanding of clients and users and its use of new technologies. The Classifieds area will make selective investments, while controlling costs, in each segment depending on the maturity of the business, in both commercial operations and technology in order to guarantee sustained growth rates.

For 2016, VOCENTO strategy remains focused on developing the business of each vertical. In line with the strategy across VOCENTO, we are committed to developing products and services with added value that enable us to improve the understanding of clients and the use of new technologies. The area is also looking to generate higher advertising revenues and to raise the average revenue per user, using new sales strategies and loyalty measures, while maintain the current cost structure. This strategy enabled positive EBIT to be achieved in 2015.

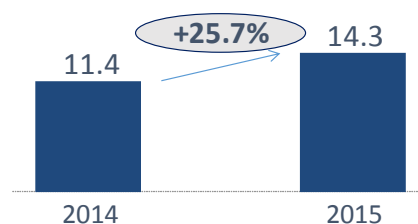
The following section provides more detail about the revenues, EBITDA and operating result of the Classifieds area.

Thousand Euro	IFRS			
	2015	2014	Var Abs	Var %
<b>Total Revenues</b>				
Classified	15,435	12,406	3,029	24.4%
<b>Total Revenues</b>	<b>15,435</b>	<b>12,406</b>	<b>3,029</b>	<b>24.4%</b>
<b>EBITDA</b>				
Classified	660	(878)	1,538	175.1%
<b>Total EBITDA</b>	<b>660</b>	<b>(878)</b>	<b>1,538</b>	<b>175.1%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Classified	831	(708)	1,539	217.4%
<b>Total comparable EBITDA</b>	<b>831</b>	<b>(708)</b>	<b>1,539</b>	<b>217.4%</b>
<b>EBIT</b>				
Classified	83	(1,831)	1,914	104.6%
<b>Total EBIT</b>	<b>83</b>	<b>(1,831)</b>	<b>1,914</b>	<b>104.6%</b>
<b>Comparable EBIT<sup>1</sup></b>				
Classified	261	(1,661)	1,921	115.7%
<b>Total comparable EBIT</b>	<b>261</b>	<b>(1,661)</b>	<b>1,921</b>	<b>115.7%</b>

<sup>1</sup> Excluding adjustment measures 2015 -171 thousand euros 2014 -170 thousand euros.

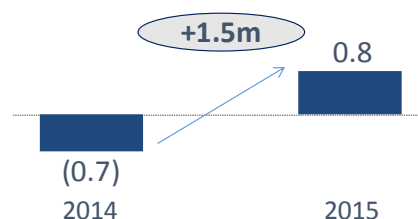
**Operating Revenues:** 15.435 thousand euros, up 24.4% thanks to a 25.7% rise in advertising revenues in this area.

### Advertising revenues in the Classifieds area (€m and %)



**Comparable EBITDA** achieved profitability in 2015, with 831 thousand euros compared to losses of -708 thousand euros in 2014, thanks to an increase in revenues which enabled breakeven in the area.

### Comparable EBITDA at Classifieds (€m<sup>1</sup>)



Note 1: excluding adjustment measures 2015 €-0.1m and 2014 €-0.1m.

## Others

Thousand Euro	IFRS			
	2015	2014	Var Abs	Var %
<b>Total Revenues</b>				
B2B	0	12,734	(12,734)	(100.0%)
Qué!	0	(17)	17	100.0%
Adjustments intersegment	0	0	0	n.a.
<b>Total Revenues</b>	<b>0</b>	<b>12,717</b>	<b>(12,717)</b>	<b>(100.0%)</b>
<b>EBITDA</b>				
B2B	0	2,716	(2,716)	(100.0%)
Qué!	0	(53)	53	100.0%
<b>Total EBITDA</b>	<b>0</b>	<b>2,663</b>	<b>(2,663)</b>	<b>(100.0%)</b>
<b>Comparable EBITDA</b>				
B2B	0	2,716	(2,716)	(100.0%)
Qué!	0	(53)	53	100.0%
<b>Total comparable EBITDA</b>	<b>0</b>	<b>2,663</b>	<b>(2,663)</b>	<b>(100.0%)</b>
<b>EBIT</b>				
B2B	0	1,851	(1,851)	(100.0%)
Qué!	0	(53)	53	100.0%
<b>Total EBIT</b>	<b>0</b>	<b>1,798</b>	<b>(1,798)</b>	<b>(100.0%)</b>
<b>Comparable EBIT</b>				
B2B	0	1,851	(1,851)	(100.0%)
Qué!	0	(53)	53	100.0%
<b>Total comparable EBIT</b>	<b>0</b>	<b>1,798</b>	<b>(1,798)</b>	<b>(100.0%)</b>

This business area included the B2B business Sarenet, which was sold at the end of 2014 (Relevant Fact of 15 December 2014) and Qué! which was closed in June 2012 (see Relevant Fact of 28 June 2012).

## Operating data

### Newspapers

Average Circulation Data	2015	2014	Var Abs	%
<b>National Press - ABC</b>	107,788	128,660	(20,872)	(16.2%)
<b>Regional Press</b>				
El Correo	72,957	77,237	(4,280)	(5.5%)
El Diario Vasco	53,493	55,923	(2,430)	(4.3%)
El Diario Montañés	25,156	26,381	(1,225)	(4.6%)
Ideal	19,624	21,011	(1,387)	(6.6%)
La Verdad	17,470	18,902	(1,432)	(7.6%)
Hoy	11,103	12,095	(992)	(8.2%)
Sur	17,579	18,694	(1,115)	(6.0%)
La Rioja	10,231	10,763	(532)	(4.9%)
El Norte de Castilla	20,456	21,682	(1,226)	(5.7%)
El Comercio	17,410	18,088	(678)	(3.7%)
Las Provincias	18,109	19,727	(1,617)	(8.2%)
<b>TOTAL Regional Press</b>	<b>283,586</b>	<b>300,502</b>	<b>(16,915)</b>	<b>(5.6%)</b>

Sources:OJD. 2015 non audited data.

Audience	3rd Survey 15	3rd Survey 14	Var Abs	%
<b>National Press - ABC</b>	<b>497,000</b>	<b>498,000</b>	<b>(1,000)</b>	<b>(0.2%)</b>
<b>Regional Press</b>	<b>2,029,000</b>	<b>2,019,000</b>	<b>10,000</b>	<b>0.5%</b>
El Correo	419,000	410,000	9,000	2.2%
El Diario Vasco	249,000	253,000	(4,000)	(1.6%)
El Diario Montañés	161,000	147,000	14,000	9.5%
Ideal	192,000	190,000	2,000	1.1%
La Verdad	191,000	209,000	(18,000)	(8.6%)
Hoy	134,000	139,000	(5,000)	(3.6%)
Sur	148,000	130,000	18,000	13.8%
La Rioja	84,000	79,000	5,000	6.3%
El Norte de Castilla	181,000	188,000	(7,000)	(3.7%)
El Comercio	155,000	148,000	7,000	4.7%
Las Provincias	115,000	126,000	(11,000)	(8.7%)
<b>Supplements</b>				
XL Semanal	2,024,000	2,292,000	(268,000)	(11.7%)
Mujer Hoy	1,255,000	1,447,000	(192,000)	(13.3%)
Mujer Hoy Corazón	266,000	321,000	(55,000)	(17.1%)
Inversión y Finanzas	37,000	53,000	(16,000)	(30.2%)
<b>Monthly Unique uses (Th)</b>	<b>dic-15</b>	<b>dic-14</b>	<b>Var Abs</b>	<b>%</b>
Vocento	18,449	16,666	1,783	10.7%

Source: comScore

### Audiovisual

National TV Market	dic-15	dic-14	Var Abs
Audinece share Net TV	3.3%	3.8%	(0.5) p.p.

## Disclaimer

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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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### **Investor and Shareholder Relations**

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