

Vocento, S.A. and Subsidiaries

Results for January-March 2016

11 May 2016

vocento



Breakdown of business areas of VOCENTO in 1Q16

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 ▪ Las Provincias 	<ul style="list-style-type: none"> ▪ El Comercio ▪ Hoy ▪ La Rioja ▪ Regional printing plants ▪ Beralán ▪ Colpisa ▪ Regional sales companies ▪ Other regional companies 	<ul style="list-style-type: none"> ▪ ABC ▪ National printing plant ▪ Sales company 	<ul style="list-style-type: none"> ▪ XL Semanal ▪ Mujer Hoy ▪ Corazón CZN TVE ▪ Inversión y Finanzas ▪ Mujerhoy.com ▪ Finanzas.com
AUDIOVISUAL			CLASSIFIEDS
DTT	RADIO	CONTENTS	
<ul style="list-style-type: none"> ▪ National DTT - Net TV ▪ TDT Regional 	<ul style="list-style-type: none"> ▪ Analog radio licenses ▪ Digital radio licenses 	<ul style="list-style-type: none"> ▪ Veralia Production (Boca Boca, Europroducciones y Hill Valley) ▪ Veralia Cinema 	<ul style="list-style-type: none"> ▪ Pisos.com ▪ Infoempleo ▪ Autocasión

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 important impacts can be put into three groups: 1) measures to adjust the workforce and one-offs, 2) impacts of strategic business decisions (e.g. the film distribution agreement in 2014), and 3) changes to the consolidation perimeter.

Main highlights of the financial performance of the business

Advertising revenues 1Q16 drop 7.1%, distorted by local advertising

Efficiency plan executed, comparable costs down 6.2% in 1Q16

Positive cash flows of €6.6m from the ordinary business

▪ Advertising revenues decreased by 7.1%, distorted by various factors:

- (i) Three developments affected advertising revenues in 1Q16: a) the comparison with a strong 1Q15 for local public entities advertising, contributing 60% of the decrease; b) the closure of four branch offices of ABC (contributing 25% of the decrease); and c) the effect of annual agreements (15% of the total) that have had a different booked over the year with no impact on the full year figure. Advertising revenues in the Classifieds area increased by 20.7% in 1Q16.
- (ii) Migration of the revenue profile towards digital: Internet advertising revenues and new digital businesses contributed 30.9% of total advertising and e-commerce revenues at VOCENTO in 1Q16 (+4.4 p.p. vs 1Q15).

▪ ABC continues to win market share in circulation and readership

- (i) In the Madrid region, in March the gap between ABC's ordinary circulation and El Mundo increased to 5,517¹ daily copies. In nationwide ordinary circulation, ABC outperformed El Mundo by 8 percentage points.
- (ii) In terms of readership, ABC moved ahead of El Mundo by 3.8² p.p. in the first survey of 2016 compared to last survey of 2015.

▪ Reduction in 1Q16 comparable costs by 6.2%, execution of efficiency plan

- (i) Comparable EBITDA³ fell by 1,437 thousand euros to 7,156 thousand euros.
- (ii) Comparable costs reduced by 6.2% in 1Q16, excluding personnel restructuring costs³. Costs savings totalling 6,635 thousand euros offset part of the decline in revenues of 8,072 thousand euros.
- (iii) Increase in the margin on circulation revenues in 1Q16 by 139 thousand euros, despite a fall in the circulation revenues (1Q16 -5.1%).
- (iv) Audiovisual and Classifieds areas maintain their positive contribution to EBITDA.

▪ Positive cash flow generation of 6,634 thousand euros

- (i) Positive cash flows generated from the ordinary business, excluding payments for compensation and other extraordinary outflows (of a total 10,754 thousand euros).
- (ii) LTM financial gearing 2.3x (2.2x at end 2015) with net financial debt 1Q16 of 112,909 thousand euros (vs 108,787 thousand euros in 2015).

▪ Actions taken to improve VOCENTO revenues and profitability:

- (i) Launch of new digital initiatives: Local Digital Kit provides an integrated solution to SMEs and was launched in April 2016.
- (ii) Closure of the Printolid print plant in April 2016, optimising costs in accordance with the Industrial Plan.
- (iii) Execution of the Efficiency Plan in 1Q16, with a restructuring cost of 9,936 thousand euros.

¹ Source: OJD March 2016. Data not certified. Percentage points calculated as variation to March 2015.

² Source: EGM. Accumulated readership of last three surveys.

³ Excluding personnel adjustment measures and one-offs 1Q16 9,936 thousand euros y 1Q15 2,563 thousand euros.

Main financial data

Consolidated Profit and Loss Account

Thousand Euro	IFRS			
	1T16	1T15	Var Abs	Var %
Circulation revenues	46,502	49,003	(2,501)	(5.1%)
Advertising revenues	36,385	39,146	(2,761)	(7.1%)
Other revenues	23,977	26,787	(2,810)	(10.5%)
Total revenue	106,865	114,936	(8,072)	(7.0%)
Staff costs	(47,176)	(42,985)	4,192	9.8%
Procurements	(16,734)	(18,596)	(1,862)	(10.0%)
External Services	(45,403)	(47,035)	(1,632)	(3.5%)
Provisions	(332)	(291)	40	13.8%
Operating expenses (without D&A)	(109,645)	(108,907)	738	0.7%
EBITDA	(2,780)	6,030	(8,810)	(146.1%)
Depreciation and amortization	(4,786)	(5,221)	(435)	(8.3%)
Impairment/gains on disposal of tan. & intan. assets	146	11	135	n.r.
EBIT	(7,420)	820	(8,239)	n.r.
Impairments/reversal of other intangible assets	(450)	(750)	300	40.0%
Profit of companies acc. equity method	(129)	(13)	(116)	(879.4%)
Net financial income	(1,616)	(740)	(876)	(118.4%)
Profit before taxes	(9,616)	(684)	(8,932)	n.r.
Corporation tax	1,292	(314)	1,606	511.5%
Net profit for the year	(8,323)	(998)	(7,326)	(734.3%)
Minority interests	(700)	(724)	24	3.3%
Net profit attributable to the parent	(9,023)	(1,721)	(7,302)	(424.2%)
Operating Expenses ex non recurring costs ¹	(99,709)	(106,344)	(6,635)	(6.2%)
Comparable EBITDA ¹	7,156	8,593	(1,437)	(16.7%)
Comparable EBIT ^{1,2}	2,370	3,372	(1,002)	(29.7%)

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 and one-offs 1Q16 9,936 thousand euros and 1Q15 2,563 thousand euros

² Excluding result from sale of fixed assets 1Q16 146 thousand euros and 1Q15 11 thousand euros.

Operating Revenues

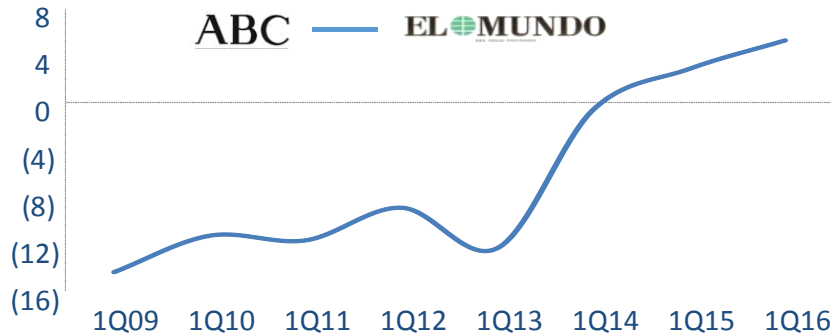
Total revenues in 1Q16 fell by -7.0% from 1Q15, to 106,865 thousand euros.

- (i) Circulation revenues: dropped in total by 5.1%, with circulation revenues at the Regional Press down 4.6% and at ABC down 5.6%. The Sunday cover price of ABC increased from €2.8 to €3.0.

Despite the fall in circulation revenues, the Regional Press continues to be the leader in its sector with market share of 24.8%. ABC retains the no.2 position for ordinary circulation in the Madrid region, which accounts for 34% of the national press market.

Circulation performance, ABC vs El Mundo¹

Gap between ABC and El Mundo for kiosk sales and individual subscriptions (in thousands)



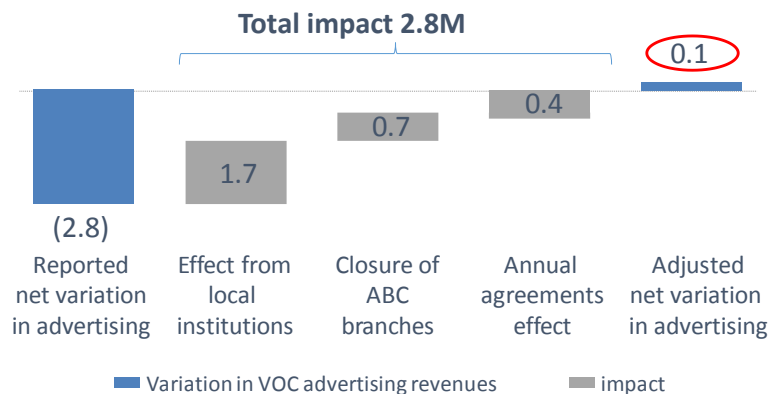
Note 1: source OJD. Kiosk sales and individual subscriptions. 2016 data not certified.

(ii) Advertising revenues decreased by 7.1% in 1Q16, as a result mainly of the following factors:

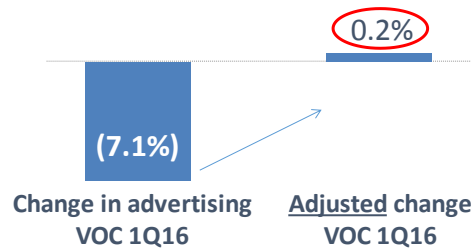
- a. The comparative effect with 1Q15 is responsible for around 60% of the distortion. In 1Q15 there was very strong advertising from local public entities in the first four months of the year (January-April) ahead of the regional elections in May 2015.
- b. The impact of the closure of four branch offices of ABC, contributing around 25% of the decrease. The decision reflects the focus on profitability at ABC. It has had an impact on local advertising in each region. The cost savings will be greater than the loss of revenues, and will be accrued over the course of the year.
- c. The effect of annual agreements: due to changing the way in which revenues from annual agreements are booked over the year, with no effect on the full year figure.

Excluding these effects, and adjusting each item in 2015 and 2016, Vocento’s advertising revenues in 1Q16 would have been flat (+0.1 million euros, +0.2%) compared to the previous year, as the following charts show:

Adjusted variation in advertising at Vocento in €m 1Q16-1Q15

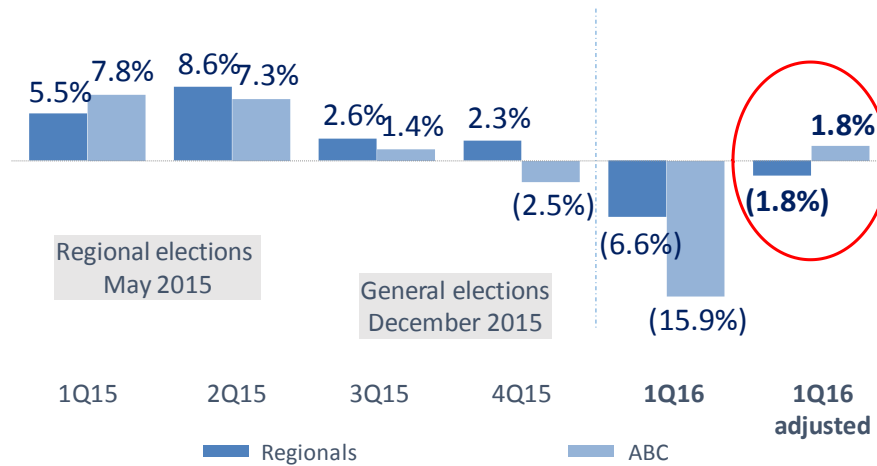


Adjusted variation in advertising at Vocento in % 1Q16-1Q15



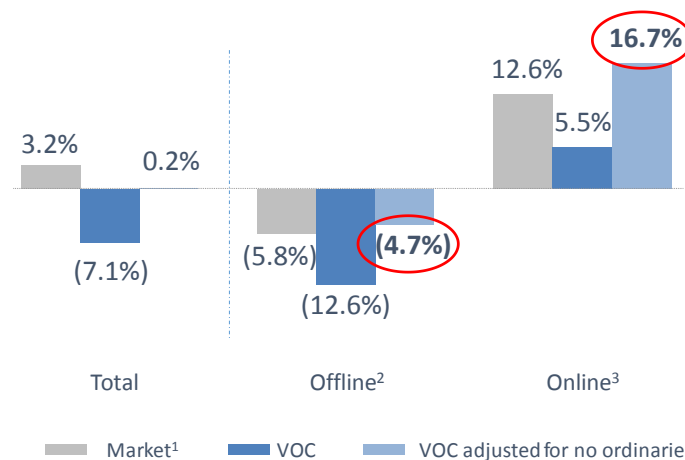
These factors impacted the performance of advertising revenues at Regional Press and ABC, and ABC was also affected by the closure of branch offices:

Performance of advertising revenues, Regional and ABC (off + online) (%)



In comparison with the market, the advertising revenues of VOCENTO brands underperformed. However, when adjusted for the effects mentioned above, advertising revenues performed better than the market, even without having a sporting or economic newspaper.

Advertising performance, VOCENTO vs the market¹ 1Q16 (%)

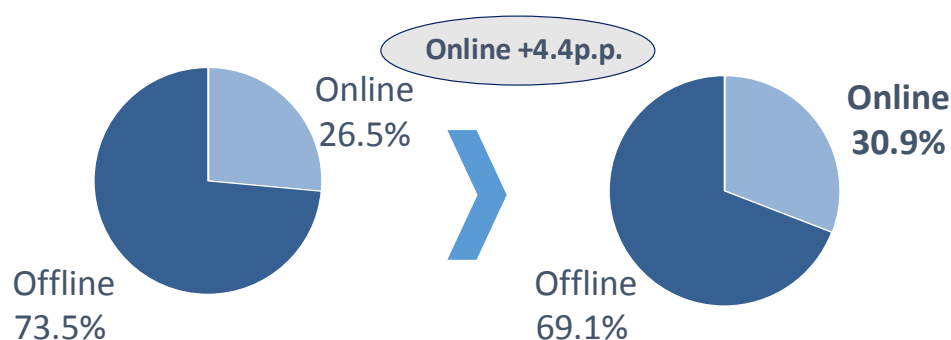


Note 1: sourcei2p. Not including search engine advertising. Note 2: ABC and Regional. Note 3: ABC and regional, digital business.

(iii) Other Revenues fell by 10.5%, reflecting the exceptional factors that distorted 1Q15.

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 1Q16 was 4.4 p.p. vs 1Q15, to 30.9% of revenues from advertising and new businesses.

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



Highlights among the new digital initiatives include the launch in April 2016 of Local Digital Kit, a solution for local digital advertising. The kit is a collection of digital marketing tools, which when combined with a presence on local portals can help SMEs generate immediate returns on their investments. It is a personalised digital strategy that aims to help local companies develop their online business.

Operating expenses

In the first quarter, comparable costs fell by 6.2%, excluding one-offs and personnel adjustment costs, which totalled -9,936 thousand euros in 1Q16 and -2,563 thousand euros in 1Q15.

By cost item, a highlight was the decrease in the cost of supplies, down 10.0% as a result of a reduction at Beralán and lower costs of circulation because of a fall in volume (i.e. the closure of ABC branches).

By business area, there was 7.4% reduction in comparable costs at Newspapers, reflecting efforts made to offset the fall in circulation with an increase in the margin on circulation revenues, a key metric for VOCENTO. Measures taken included a reduction in headcount and closure of ABC branches in 1Q16, which will generate savings over the course of 2016.

Costs in the Classifieds area increased by 5.3% as a result of the company's focus on digital transformation.

Detail of comparable operating expenses by business area

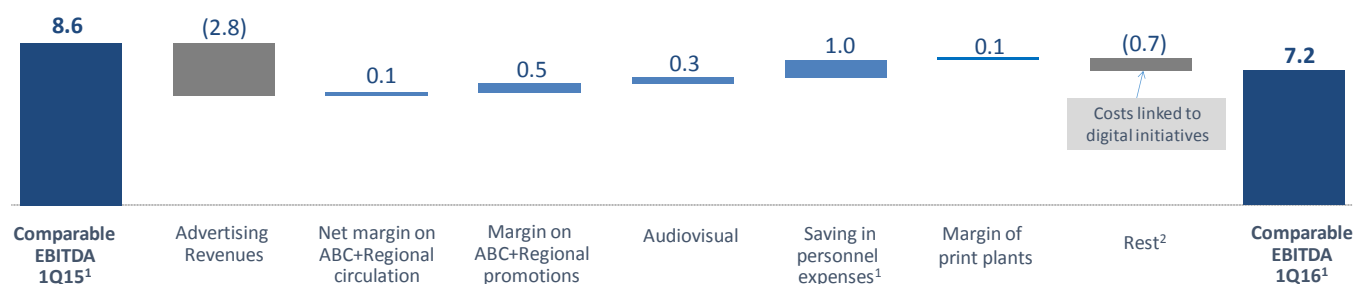
Like for like opex (thousand euros)	1Q16	1Q15	Var Abs	Var %
Newspapers	(85,473)	(92,300)	(6,827)	(7.4%)
Audiovisual	(8,276)	(8,319)	(44)	(0.5%)
Classified	(3,801)	(3,608)	193	5.3%
Corporate and adjustments	(2,159)	(2,116)	43	2.0%
Total	(99,709)	(106,344)	(6,635)	(6.2%)

Comparable EBITDA

Comparable EBITDA in 1Q16 was 7,156 thousand euros, compared to 8,593 thousand euros in 1Q15. The main reasons for this variation include:

- (i) A fall in advertising revenues of 2,761 thousand euros because of the factors mentioned previously.
- (ii) An improvement in the margin on circulation revenues of 139 thousand euros and in the margin on promotions of 468 thousand euros, reflecting the group's focus on profitability.
- (iii) Savings in personnel expenses of 955 thousand euros, reflecting the efficiency measures that have been implemented.
- (iv) Increases in other costs of 660 thousand euros, mainly related to costs of sales and the development of digital initiatives.

Detail of movement in comparable EBITDA¹ 1Q16-1Q15 (€m) (data in variation vs 1Q15 except comparable EBITDA)



Nota 1: excluding adjustment measures and one-offs 1Q16 €-9.9m and 1Q15 €-2.6m. Variation in personnel costs ex Audiovisual, adjustment measures 1Q16 €-9.9m and 1Q15 €-4.9m. Note 2: commercial costs and other costs mainly associated with Newspapers.

Highlights by business area include:

- (i) **Newspapers⁴**: a decrease of 1,866 thousand euros in comparable EBITDA in 1Q16 because of the fall in advertising, down 3,373 thousand euros from 1Q15. Measures implemented in 1Q16 will generate cost savings over the course of 2016.
- (ii) **Audiovisual⁵**: comparable EBITDA 1Q16 increased by 326 thousand euros to 3,128 thousand euros, due mainly to an improvement in the performance of the two national DTT channels.
- (iii) **Classifieds⁶**: comparable EBITDA 1Q16 improved by 476 thousand euros to 303 thousand euros, reaching break-even thanks to an increase in advertising by 654 thousand euros (+20.7%).
- (iv) **Corporate centre⁷**: comparable EBITDA decreased by 373 thousand euros to -3,147 because of an increase in costs linked to digital investments.

⁴ Newspapers Excluding adjustment measures and one-offs 1Q16 -6,638 and 1Q15 -2,003 thousand euros and thousand euros.

⁵ Audiovisual: Excluding adjustment measures 1Q16 -35 thousand euros.

⁶ Classifieds: Excluding adjustment measures 1Q16 -25 thousand euros and 1Q15 -180 thousand euros.

⁷ Corporate centre: Excluding adjustment measures 1Q16 -3,237 thousand euros and 1Q15 -379 thousand euros.

Performance of comparable EBITDA¹ by business area 1Q16 (data in variation in €m 1Q16 vs 1Q15 except for comparable EBITDA)



Note 1: excluding personnel adjustment measures and one-offs 1Q16 €-9.9m and 1Q15 €-2.6m

Operating result (EBIT)

The operating results in 1Q16 was -7,420 thousand euros compared to 820 thousand euros in 1Q15, because of compensation payments and the decrease in advertising.

The comparable operating result was a positive 2,370 thousand euros in 1Q16 (3,372 thousand euros in 1Q15).

Writedown of goodwill

In 1Q16 goodwill totalling 450 thousand euros was written down, reflecting the gradual reduction of the remaining life of the film catalogue in the Content area, following the sale of the film distribution business in 2014.

Net financial result and others

The net financial result of -1,616 thousand euros in 1Q16, compared to -740 thousand euros, reflects the income of 1,177 thousand euros received last year as a result of the renegotiation of the put option at Las Provincias.

Excluding this effect, the net financial result would have improved by 301 thousand euros, as a result of the reduction in financial debt and in financial expenses following the renegotiation of the syndicated loan conditions in the second half of 2015.

Corporation tax

The tax income of 1,292 thousand euros in 1Q16 reflects the performance of the operating result.

Minority interest

The level of minority interest in 1Q16 was practically the same as in 1Q15 (1Q16 -700 thousand euros vs 1Q15 -724 thousand euros), with the increase at DTT and Content offset by the reduced minority interest at Rotomadrid.

Net result attributable to the parent company

The net consolidated result for the first quarter of 2016 was -9,023 thousand euros, compared to -1,721 thousand euros in the same period last year.

Consolidated Balance Sheet

Miles de Euros	IFRS			
	1Q16	2015	Var abs	% Var
Non current assets	477,042	478,511	(1,469)	(0.3%)
Intangible assets	123,769	125,438	(1,668)	(1.3%)
Property, plant and equipment	155,620	156,772	(1,152)	(0.7%)
Investments accounted using equity method	6,176	6,305	(129)	(2.1%)
Other non current assets	191,476	189,996	1,480	0.8%
Current assets	122,060	135,138	(13,078)	(9.7%)
Other current assets	98,726	115,790	(17,064)	(14.7%)
Cash and cash equivalents	23,334	19,348	3,986	20.6%
Assets held for sale	193	1,492	(1,298)	(87.0%)
TOTAL ASSETS	599,295	615,141	(15,846)	(2.6%)
Equity	308,039	318,690	(10,652)	(3.3%)
Bank borrowings and other fin. liabilities	133,443	125,126	8,317	6.6%
Other non current liabilities	54,246	54,007	239	0.4%
Other current liabilities	103,567	117,318	(13,751)	(11.7%)
TOTAL EQUITY AND LIABILITIES	599,295	615,141	(15,846)	(2.6%)

Other current assets

The reduction by 17,064 thousand euros is mainly a result of a lower balance from clients because of the seasonality of sales.

Net financial position

The net financial position was -112,909 thousand euros, including cash and cash equivalents and other current financial assets of 23,604 thousand euros. The amount of unused credit lines was 30,912 thousand euros.

The NFD/Comparable EBITDA ratio (using the comparable EBITDA of the last 12 months) was 2.3x, similar to the end of 2015.

Breakdown of Net Financial Debt (data in thousand euros)

Thousand Euro	IFRS			
	1Q16	2015	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	25,692	25,770	(79)	(0.3%)
Bank borrowings and other financial liabilities (l.t.)	107,751	99,355	8,396	8.5%
Gross Debt	133,443	125,126	8,317	6.6%
+ Cash and cash equivalents	23,334	19,348	3,986	20.6%
+ Other non current financial asstes	270	270	(0)	(0.0%)
Deferred expenses	3,070	3,279	(209)	(6.4%)
Net cash position/ (net debt)	(112,909)	(108,787)	(4,122)	(3.8%)

Short term borrowings include:

- (i) debt with credit institutions of 24,638 thousand euros, including the reclassification of expenses for the syndicated loan, and

- (ii) other liabilities with a current financial cost of 2115 thousand euros, mainly related to pension plans.

Long term borrowings include:

- (i) debt with credit institutions of 108,398 thousand euros, including the reclassification of expenses related to the syndicated loan, and the mark to market valuation of the interest rate hedge on the loan, and
- (ii) other liabilities with a non-current financial cost of 1,362 thousand euros, including mainly pension plans and pending compensation payments, associated with the downsizing plan at ABC in 2009.

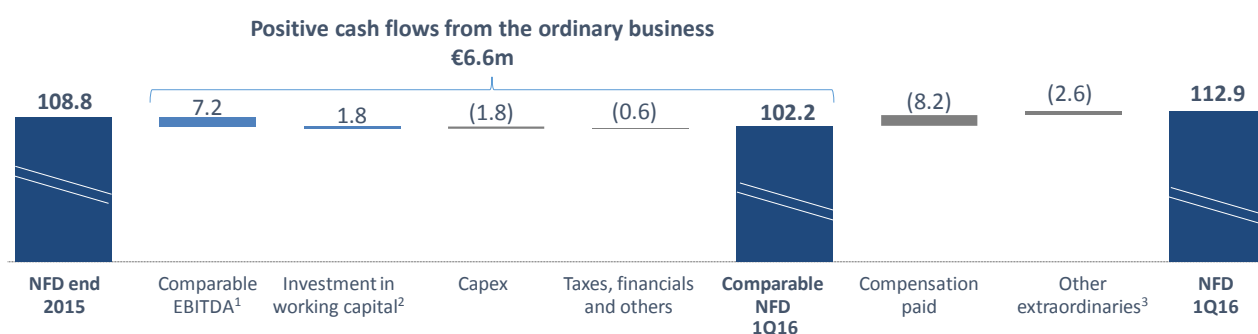
Ordinary business operations generated positive cash flows of 6,634 thousand euros in the period, partly the result of a strong performance from working capital in 1Q16.

The most significant cash movements in 1Q16 included:

- (i) [Variation in working capital](#) of 1,805 thousand euros.
- (ii) [Investments in tangible and intangible fixed assets](#): total cash outflow of 1,767 thousand euros.

Non-recurring movements included compensation payments in 1Q16 of 8,182 thousand euros, which included downsizing in 2015 and 2016, and other non-ordinary cash outflows such as the second stage of the purchase of a 34% stake in Rotomadrid from another shareholder and payments related to the renegotiated put options on Las Provincias.

Analysis of the movement in net financial debt 1Q16-2015 (€m)



Note 1: Excluding personnel adjustment measures personal and one-offs 1Q16 €-9.9m. Note 2: variation in inventories, clients, suppliers and current taxes. Note 3: Second stage of purchase of Rotomadrid, payments related to put options on Las Provincias.

Other current liabilities

The variation in the Other Liabilities amount is mainly due to the reduction of balances with suppliers, especially paper suppliers.

Cash flow statement

Thousand Euro	IFRS			
	1Q16	1Q15	Var Abs	% Var
Net profit attributable to the parent	(9,023)	(1,722)	(7,301)	(424.0%)
Adjustments to net profit	7,040	8,161	(1,121)	(13.7%)
Cash flows from ordinary operating activities before changes in working capital	(1,983)	6,439	(8,422)	(130.8%)
Changes in working capital & others	1,805	(4,719)	6,524	138.2%
Other payables without financial cost	2,652	2,347	305	13.0%
Other payables with financial cost	(1,385)	(1,693)	308	18.2%
Income tax paid	0	0	0	n.a.
Interests deduction for tax purposes	1,863	(866)	2,729	315.1%
Net cash flow from operating activities (I)	2,952	1,508	1,444	95.8%
Acquisitions of intangible and property, plan and equipment	(1,767)	(1,580)	(187)	(11.8%)
Net proceed on disposal of financial assets	150	(50)	200	400.0%
Interests and dividends received	96	96	0	0.0%
Other receivables and payables (investing)	0	0	0	n.a.
Net cash flow from investing activities (II)	(1,521)	(1,534)	13	0.8%
Interests and dividends paid	(4,274)	(2,804)	(1,470)	(52.4%)
Cash inflows/ (outflows) relating to bank borrowings	9,409	(793)	10,202	n.r.
Other receivables and payables (financing)	(8)	1	(9)	(900.0%)
Equity related instruments without financial cost	(2,572)	(410)	(2,162)	(527.3%)
Equity related instruments with financial cost	0	0	0	n.a.
Net cash flows from financing activities (III)	2,555	(4,006)	6,561	163.8%
Net increase in cash and cash equivalents (I + II + III)	3,986	(4,032)	8,018	198.9%
Cash and cash equivalents of discounted operations	0	0	0	n.a.
Cash and cash equivalents at beginning of the year	19,348	23,451	(4,103)	(17.5%)
Cash and cash equivalents at end of year	23,334	19,419	3,915	20.2%

Net cash flow from operating activities was 2,952 thousand euros, including among others: (i) payments of 8,182 thousand euros associated with the personnel adjustment measures, and (ii) a variation in working capital of 1,805 thousand euros mainly because of a reduction in balances with suppliers.

Net cash flow from investing activities was -1,521 thousand euros, almost entirely a result of investments in fixed assets (see Capex section).

Net cash flow from financing activity was 2,555 thousand euros, and included among others interest payments and dividend payments by subsidiaries of VOCENTO to minority shareholders of 2,270 thousand euros, the second payment to one of the minority shareholders of Rotomadrid for the acquisition of the 34% stake, the payment for the renegotiated put option at Las Provincias and the repayment of debt in the period.

Capex

Controlling investments in order to preserve cash is one of the main targets of VOCENTO's financial management.

The difference between the cash spent on investments in fixed assets and the capex recorded in accounts (-616 thousand euros) is due to payments pending for investments made in 2015 and 2016.

Detail of Capex by business area

	IFRS (thousand euros)								
	1Q16			1Q15			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	491	339	830	421	738	1,159	69	(399)	(329)
Audiovisual	124	13	137	27	106	132	97	(93)	4
Classified	60	6	66	58	47	105	2	(41)	(39)
Other	0	0	0	0	0	0	0	0	0
Corporate	103	16	118	28	12	40	74	4	78
TOTAL	777	374	1,151	534	902	1,436	243	(528)	(285)

Information by business area

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

Thousand Euro	IFRS			
	1Q16	1Q15	Var Abs	Var %
Total Revenues				
Newspapers	92,345	101,038	(8,692)	(8.6%)
Audiovisual	11,403	11,121	282	2.5%
Classified	4,104	3,435	669	19.5%
Corporate and adjustments	(988)	(657)	(330)	(50.3%)
Total Revenues	106,865	114,936	(8,072)	(7.0%)
EBITDA				
Newspapers	235	6,734	(6,500)	(96.5%)
Audiovisual	3,092	2,802	291	10.4%
Classified	278	(354)	631	178.5%
Corporate and adjustments	(6,384)	(3,153)	(3,231)	(102.5%)
Total EBITDA	(2,780)	6,030	(8,810)	(146.1%)
Comparable EBITDA¹				
Newspapers	6,872	8,738	(1,866)	(21.3%)
Audiovisual	3,128	2,802	326	11.6%
Classified	303	(174)	476	274.4%
Corporate and adjustments	(3,147)	(2,773)	(373)	(13.5%)
Total comparable EBITDA	7,156	8,593	(1,437)	(16.7%)
EBIT				
Newspapers	(3,321)	3,050	(6,371)	(208.9%)
Audiovisual	2,213	1,570	644	41.0%
Classified	159	(533)	692	129.8%
Corporate and adjustments	(6,471)	(3,267)	(3,204)	(98.1%)
Total EBIT	(7,420)	820	(8,239)	n.r.
Comparable EBIT¹²				
Newspapers	3,200	5,041	(1,841)	(36.5%)
Audiovisual	2,219	1,571	648	41.2%
Classified	184	(353)	537	152.2%
Corporate and adjustments	(3,233)	(2,887)	(346)	(12.0%)
Total comparable EBIT	2,370	3,372	(1,002)	(29.7%)

¹ Excluding personnel adjustment measures and one-offs 1Q16 -9,936 thousand euros and 1Q15 -2,563 thousand euros.

² Excluding result from sale of fixed assets 1Q16 146 thousand euros and 1Q15 11 thousand euros.

Newspapers (including offline and online activity)

Thousand Euro	IFRS			
	1Q16	1Q15	Var Abs	Var %
Total Revenues				
Regionals	66,351	70,222	(3,871)	(5.5%)
ABC	23,799	28,746	(4,947)	(17.2%)
Supplements& Magazines	6,392	6,804	(412)	(6.1%)
Adjustments intersegment	(4,197)	(4,735)	538	11.4%
Total Revenues	92,345	101,038	(8,692)	(8.6%)
EBITDA				
Regionals	3,444	7,825	(4,381)	(56.0%)
ABC	(2,652)	(781)	(1,871)	(239.6%)
Supplements& Magazines	(557)	(309)	(248)	(80.2%)
Total EBITDA	235	6,734	(6,500)	(96.5%)
Comparable EBITDA¹				
Regionals	7,682	9,125	(1,442)	(15.8%)
ABC	(303)	(78)	(225)	(289.7%)
Supplements& Magazines	(507)	(309)	(198)	(64.0%)
Total comparable EBITDA	6,872	8,738	(1,866)	(21.3%)
EBIT				
Regionals	1,246	5,582	(4,336)	(77.7%)
ABC	(3,932)	(2,171)	(1,760)	(81.1%)
Supplements & Magazines	(636)	(361)	(274)	(76.0%)
Total EBIT	(3,321)	3,050	(6,371)	(208.9%)
Comparable EBIT^{1,2}				
Regionals	5,368	6,867	(1,499)	(21.8%)
ABC	(1,582)	(1,465)	(117)	(8.0%)
Supplements& Magazines	(586)	(361)	(224)	(62.2%)
Total comparable EBIT	3,200	5,041	(1,841)	(36.5%)

Note: Major eliminations include: a) sales of supplements (XL Semanal, Mujer Hoy and Corazón CZN TVE) from TESA to the Regional press and ABC, b) Beralán distribution revenues from ABC, and c) print plant work from ABC.

¹ Excluding personnel adjustment measures and one-offs 1Q16 -6,638 thousand euros and 1Q15 -2,003 thousand euros.

² Excluding result from fixed asset sales 1Q16 116 thousand euros and 1Q15 12 thousand euros.

Operating Revenues: 92,345 thousand euros, a decrease of 8.6%.

The reduction in revenues is mainly a result of: (i) a decline in advertising revenues because of the factors mentioned in page 5, (ii) lower circulation sales at Regional and ABC and (iii) a tough comparison with 1Q15 when there were a series of exceptional factors at work.

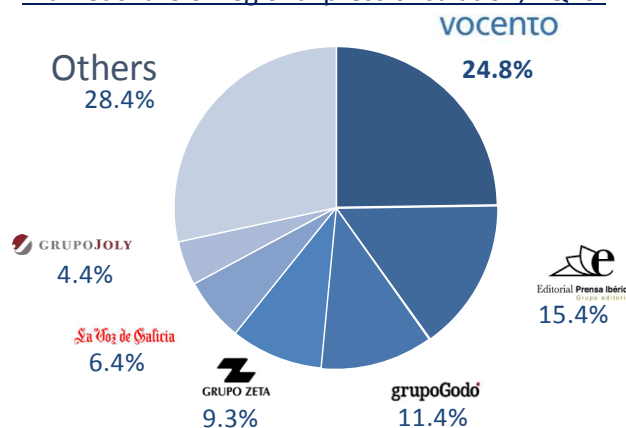
Data from the first EGM survey of 2016 shows that the regional titles of VOCENTO have maintained their readership, with a decline of just 0.7% from the last survey of 2015.

Meanwhile, ABC outperformed its peers both in absolute and relative terms compared to the third EGM survey of 2015: while ABC lost 8,000 readers (-1.6%), El País recorded a drop of 34,000 (-2.3%), and El Mundo lost 49,000 readers (-5.4%).

Circulation Revenues: 46,502 thousand euros, down 5.1%.

At the Regional Press, circulation revenues fell by -4.6% in 1Q16. The regional newspapers of VOCENTO have maintained their clear leadership of circulation in their regions, with a market share in the regional press of 24.8%, compared to the no.2 player on 15.4%:

Market share of regional press circulation, 1Q16¹



Note 1: source OJD general press, data not certified.

Correo on+, a digital subscription product from El Correo, had 6,146 subscribers in its first 6 months of operations.

At ABC, circulation revenues decreased by 5.6%. ABC continues to focus on high quality, profitable circulation. After the efforts of recent years, in 1Q16 non-ordinary circulation represented only 11.2% of total ABC circulation, compared to the average for peers of 23.2% (El Mundo 16.6% and La Razón 29.7%).

The cover price of the Sunday newspaper increased from €2.8 to €3.0 in January.

ABC continues to strengthen its position in terms of market share. ABC is now the no.2 newspaper in the Madrid region, the main market for the national press, where it has reversed the lead historically held by El Mundo (see chart on page 5).

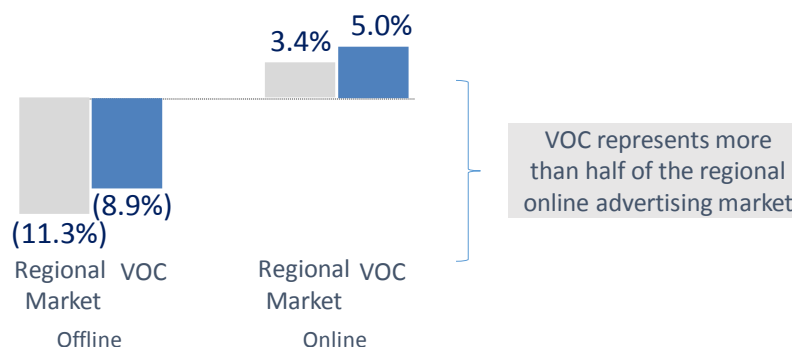
On the Kiosko y más platform, individual digital subscriptions to ABC increased by 24%.

Finally, the stable performance of circulation revenues at Supplements and Magazines (-0.1% in 1Q16) is reflects the successful launch of Corazón CZN TVE in 2Q15.

Advertising Revenues: down 9.6% to 31,734 thousand euros. As explained on page 5 of this report, advertising revenues in 1Q16 were affected by a series of factors. Excluding these factors, newspaper advertising revenues fell by -1.9% from 1Q15.

At Regional, advertising revenues decreased by 6.8% vs 1Q15. In a quarter characterised by a sharp fall in local advertising, VOCENTO media outperformed the market both online and offline.

Variation in regional advertising spend: online and offline (%)¹

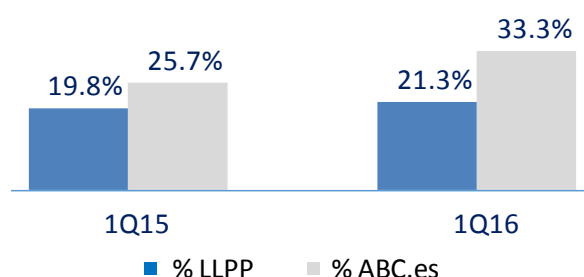


Note 1: internal sources. Gross advertising.

At ABC, advertising revenues dropped by 15.9% in 1Q16. Revenues at ABC.es, although also impact by the reduction in local public entities advertising, increased by 10.3%.

The continuing incorporation of complementary digital businesses has resulted in an increased contribution of digital revenues, both at Regional (21.3%, +1.5 p.p.) and at ABC (33.3%, +7.6 p.p.).

Contribution of digital business (advertising +other revenues/e-commerce) as proportion of revenues (advertising +other revenues/e-commerce) at VOCENTO newspapers (%)



At Supplements and Magazines advertising revenues fell by 12.1%.

Comparable EBITDA⁸: 6,872 thousand euros, a decrease of 1,866 thousand euros from 1Q15 as a result of the decrease in advertising.

Comparable EBITDA, Newspapers 1Q16 (€m)

IFRS Thousand Euro	Comparable EBITDA		
	1Q16	1Q15	Var Abs
Regional brands	7,682	9,125	(1,442)
ABC	(303)	(78)	(225)
Supplements & Magazines	(507)	(309)	(198)
Total	6,872	8,738	(1,866)

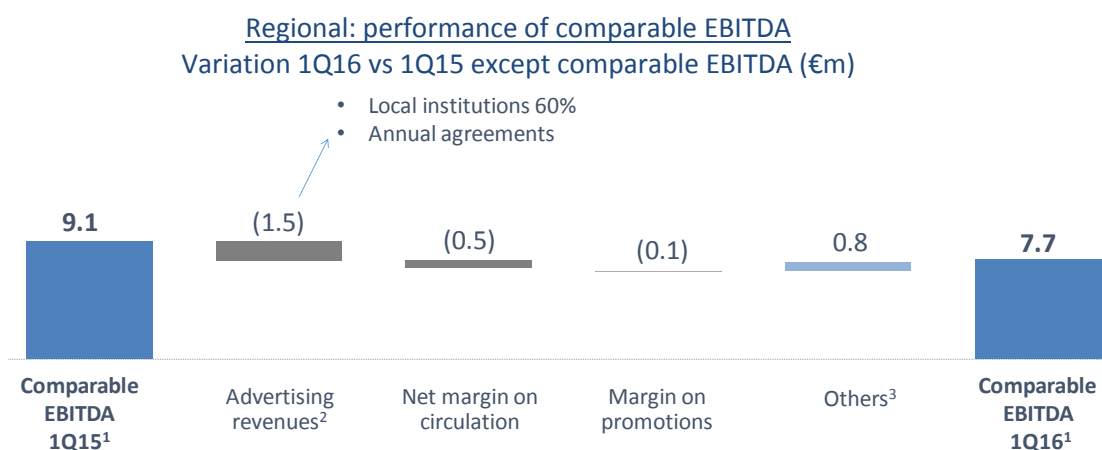
⁸ Excluding personnel adjustment measures and one-offs 1Q16 -6.638 thousand euros and 1Q15 -2,003 thousand euros.

In 1Q16 comparable costs were reduced by 7.4%⁹, as shown in the following table. In 2016 savings will continue to be made as a result of personnel measures and the closure of ABC offices.

Performance of comparable costs at Newspapers, 1Q16 (€m y %)

Like for like opex (thousand euros)	1Q16	1Q15	Var Abs	Var %
Regionals	(58,669)	(61,097)	(2,429)	(4.0%)
ABC	(24,102)	(28,824)	(4,722)	(16.4%)
Supplements & Magazines	(6,899)	(7,113)	(214)	(3.0%)
Adjustments	4,197	4,735	538	11.4%
Total	(85,473)	(92,300)	(6,827)	(7.4%)

- (i) **Regional:** comparable EBITDA of 7,682 thousand euros compared to 9,125 thousand euros in 1Q15, reflecting the decrease in advertising revenues.



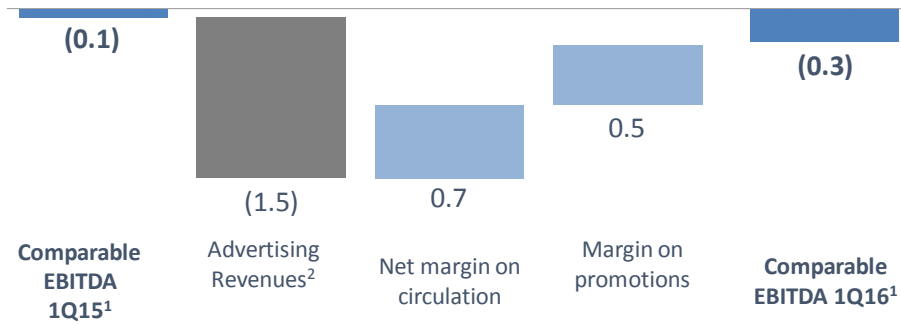
Note 1: Excluding personnel adjustment measures and one-offs 1Q15 €-1.3m and 1Q16 €-4.2m. Note 2: print and digital. Note 3: including print plant margin, commercial costs and fixed costs (personnel).

- (ii) **ABC:** comparable EBITDA in 1Q16 of -303 thousand euros vs -78 thousand euros in 1Q15 because of the decline in advertising revenues, offset almost entirely by improvements in two key areas: the margin on circulation revenues and on promotions.

⁹ Excluding personnel adjustment measures and one-offs 1Q16 -6, 638 thousand euros and 1Q15 -2,003 thousand euros.

ABC: performance of comparable EBITDA¹
Variation 1Q16 vs 1Q15 except comparable EBITDA (€m)

- Local institutions >30%
- Closure of branches >45%
- Annual agreements <25% (no impact on full year)



Note 1: Excluding adjustment measures and one offs 1Q15 €-0.7m and 1Q16 €-2.3m. Note 2: print and digital.

Supplements and Magazines: comparable EBITDA of -507 thousand euros vs -309 thousand euros in 1Q15.

Audiovisual

Thousand Euro	IFRS			
	1Q16	1Q15	Var Abs	Var %
Total Revenues				
DTT	7,055	6,877	179	2.6%
Radio	1,009	1,054	(45)	(4.3%)
Content	3,406	3,295	111	3.4%
Adjustments intersegment	(67)	(105)	38	36.5%
Total Revenues	11,403	11,121	282	2.5%
EBITDA				
DTT	1,497	1,196	302	25.3%
Radio	614	656	(42)	(6.4%)
Content	981	950	31	3.2%
Total EBITDA	3,092	2,802	291	10.4%
Comparable EBITDA¹				
DTT	1,497	1,196	302	25.3%
Radio	649	656	(7)	(1.0%)
Content	981	950	31	3.2%
Total comparable EBITDA	3,128	2,802	326	11.6%
EBIT				
DTT	1,433	1,125	308	27.4%
Radio	640	652	(11)	(1.8%)
Content	140	(207)	347	167.9%
Total EBIT	2,213	1,570	644	41.0%
Comparable EBIT^{1 2}				
DTT	1,433	1,126	307	27.3%
Radio	646	652	(6)	(0.9%)
Content	140	(207)	347	167.9%
Total comparable EBIT	2,219	1,571	648	41.2%

Note: Eliminations include the sale of programming from production companies to DTT and Radio.

Note: EBIT and comparable EBIT at content include amortization of goodwill at the Tripictures film catalogue in 1Q16 of 414 thousand euros and 1Q15 of 519 thousand euros

¹ Audiovisual: Excluding adjustment measures 1Q16 -35 thousand euros.

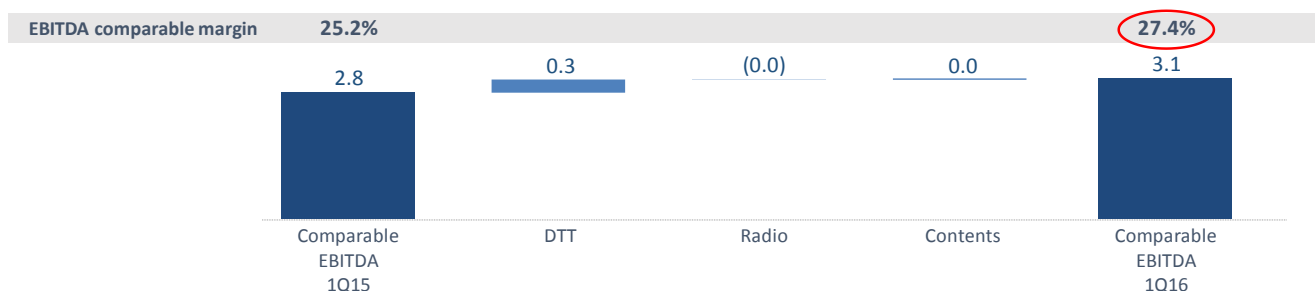
² Excluding result from fixed asset sales 1Q16 30 thousand euros and 1Q15 -1 thousand euros.

Operating Revenues: +2.5% to 11,403 thousand euros, mainly as a result of increased activity at DTT and Content.

Comparable EBITDA¹⁰: 3,128 thousand euros, an improvement of 326 thousand euros from 1Q15 mainly thanks to DTT.

¹⁰ Excluding adjustment measures 1Q16 -35 thousand euros.

Performance of comparable EBITDA¹ in the Audiovisual area (€m)

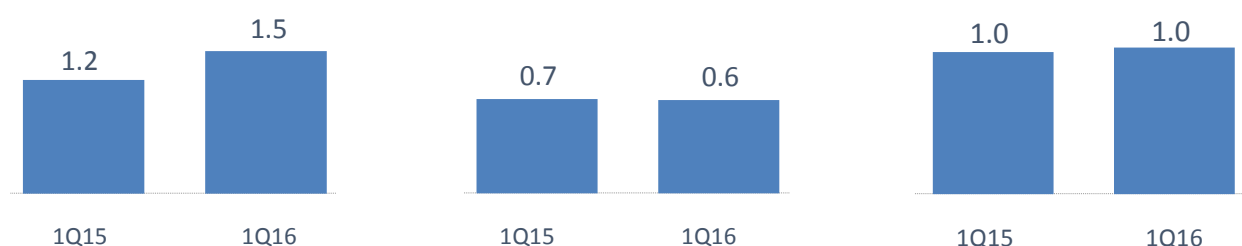


- (i) **DTT:** comparable EBITDA of 1,497 thousand euros in 1Q16, up 302 thousand euros from 1Q15 thanks to the performance of the two national DTT channels.
- (ii) **Radio:** comparable EBITDA of 649 thousand euros, practically the same level as in 1Q15 (656 thousand euros).
- (iii) **Content:** comparable EBITDA of 981 thousand euros, up 3.2% from 1Q15, with an improved performance from the production companies offsetting a decrease at film distribution.

Comparable EBITDA DTT (€m)

Comparable EBITDA Radio (€m)

Comparable EBITDA Content (€m)



Comparable operating result: (because of the level of amortization in the area, commentary is provided on EBIT) 2,219 thousand euros, an improvement of 648 thousand euros on 1Q15, as a result of the increase in EBITDA and a reduction in amortization at Content by 316 thousand euros in 1Q16.

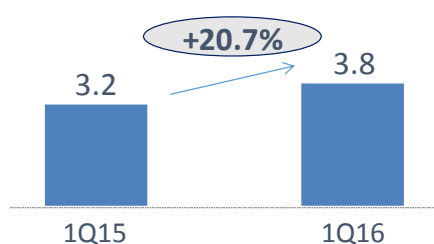
Classifieds

Thousand Euro	IFRS			
	1Q16	1Q15	Var Abs	Var %
Total Revenues				
Classified	4,104	3,435	669	19.5%
Total Revenues	4,104	3,435	669	19.5%
EBITDA				
Classified	278	(354)	631	178.5%
Total EBITDA	278	(354)	631	178.5%
Comparable EBITDA¹				
Classified	303	(174)	476	274.4%
Total comparable EBITDA	303	(174)	476	274.4%
EBIT				
Classified	159	(533)	692	129.8%
Total EBIT	159	(533)	692	129.8%
Comparable EBIT¹				
Classified	184	(353)	537	152.2%
Total comparable EBIT	184	(353)	537	152.2%

¹ Excluding adjustment measures 1Q16 -25 thousand euros and 1Q15 -180 thousand euros.

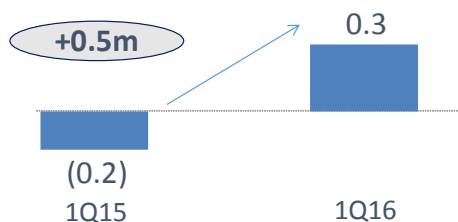
Operating Revenues: 4,104 thousand euros, up 19.5% thanks to the 20.7% rise in advertising revenues.

Classifieds advertising revenues (%)



Comparable EBITDA: the area reached breakeven and reported positive comparable EBITDA of 303 thousand euros in 1Q16, from a loss of -174 thousand euros in 1Q15, thanks to increased revenues, which resulted in profitability despite increased costs derived from digital expansion.

Performance of comparable EBITDA, Classifieds (%)



Operating data

Newspapers

Average Circulation Data	1Q16	1Q15	Var Abs	%
National Press - ABC	102,194	112,056	(9,862)	(8.8%)
Regional Press				
El Correo	69,516	75,744	(6,228)	(8.2%)
El Diario Vasco	52,162	54,679	(2,517)	(4.6%)
El Diario Montañés	24,133	25,379	(1,246)	(4.9%)
Ideal	18,857	20,082	(1,225)	(6.1%)
La Verdad	15,924	17,332	(1,408)	(8.1%)
Hoy	10,473	11,230	(757)	(6.7%)
Sur	16,676	17,916	(1,240)	(6.9%)
La Rioja	9,840	10,381	(541)	(5.2%)
El Norte de Castilla	19,786	21,601	(1,815)	(8.4%)
El Comercio	16,708	17,501	(793)	(4.5%)
Las Provincias	17,391	18,505	(1,114)	(6.0%)
TOTAL Regional Press	271,466	290,350	(18,884)	(6.5%)

Sources:OJD. 2015 non audited data.

Audience	1st Survey 16	1st Survey 15	Var Abs	%
National Press - ABC	489,000	495,000	(6,000)	(1.2%)
Regional Press	2,015,000	2,009,000	6,000	0.3%
El Correo	411,000	408,000	3,000	0.7%
El Diario Vasco	234,000	254,000	(20,000)	(7.9%)
El Diario Montañés	159,000	156,000	3,000	1.9%
Ideal	180,000	178,000	2,000	1.1%
La Verdad	194,000	206,000	(12,000)	(5.8%)
Hoy	136,000	134,000	2,000	1.5%
Sur	146,000	141,000	5,000	3.5%
La Rioja	94,000	76,000	18,000	23.7%
El Norte de Castilla	187,000	183,000	4,000	2.2%
El Comercio	161,000	145,000	16,000	11.0%
Las Provincias	113,000	128,000	(15,000)	(11.7%)
Supplements				
XL Semanal	1,939,000	2,187,000	(248,000)	(11.3%)
Mujer Hoy	1,239,000	1,362,000	(123,000)	(9.0%)
Mujer Hoy Corazón	213,000	311,000	(98,000)	(31.5%)
Inversión y Finanzas	29,000	51,000	(22,000)	(43.1%)

Monthly Unique uses (Th)

	mar-16	mar-15	Var Abs	%
Vocento	18,039	18,832	-793	(4.2%)

Source: comScore

Audiovisual

National TV Market

	mar-16	mar-15	Var Abs
Audience share Net TV	3.9%	3.4%	0.5 p.p.

Source: Kantar Media last month.

Disclaimer

This document contains forward-looking statements regarding intention, expectations or estimates of the Company or its management at the date of issue thereof, relating to various aspects, including the growth of various lines of business and the business overall, the market share, the results of the Company and other aspects of the activity and status thereof.

Analysts and investors should bear in mind that such estimates do not amount to any warranty as to the future behaviour or results of the Company, and they shall bear all risks and uncertainties with regard to relevant aspects, and thus, the real future results and behaviour of the Company might be substantially different from what is stated in the said predictions or estimates.

The statements in this document should be taken into account by any persons or entities who may have to make decisions or prepare or disseminate opinions on securities issued by the Company and, in particular, by the analysts who handle this document. All are invited to consult the documentation and information published or registered by the Company before the National Securities Market Commission.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited and, therefore, is subject to potential future modifications.

This document is only provided for information purposes and does not constitute, nor may it be interpreted as, an offer to sell or exchange or acquire, or solicitation for offers to purchase or accept any kind of compromise.

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.

Contact

Investor and Shareholder Relations

C/ Pintor Losada, 7
48007 Bilbao
Bizkaia
Tel.: 902 404 073
e-mail: ir@vocento.com