

The background is a solid blue color with a faint, high-angle photograph of school supplies. A silver pen with a blue grip lies on a lined notebook page in the upper left. Below it, the spines and pages of several books are visible, some open and some closed, creating a sense of a study desk or library. The lighting is soft, and the overall aesthetic is clean and academic.

RESULTS FOR JANUARY-MARCH 2017

11 May 2017

PERFORMANCE OF THE VOCENTO 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.

For the organisation of management information, three business lines have been defined: Newspapers, Audiovisual and Classifieds. Reports to the market are based on this organization of information, which covers all the businesses in which VOCENTO is present, assigned to their respective business segments

Breakdown of VOCENTO business areas 1Q17

NEWSPAPERS (offline and online)			
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 ▪ Regional distribution (Beralán) ▪ News agency (Colpisa) ▪ Regional sales companies ▪ Other regional companies 	<ul style="list-style-type: none"> ▪ ABC ▪ National printing plant 	<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 	<ul style="list-style-type: none"> ▪ Analog radio licenses ▪ Digital radio licenses 	<ul style="list-style-type: none"> ▪ Veralia production (BocaBoca, Europroducciones y Hill Valley) ▪ Veralia distribution 	<ul style="list-style-type: none"> ▪ Pisos.com ▪ Infoempleo ▪ Autocasión

IMPORTANT NOTE

To facilitate the analysis of financial 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 grouped into: 1) measures to adjust the workforce and one-offs, 2) changes to the consolidation perimeter and the impacts of strategic business decisions.

Highlights of the financial performance of the business, 1Q17

Advertising revenues stabilize: 1Q17 +0.9%, offline local +1.0%

Continued decrease in comparable costs (1Q17 -5.1%). 90% of Efficiency Plan now executed

Comparable EBITDA 1Q17 down €-0.6m to €6.6m, impacted by new lease on ABC headquarters

Positive ordinary cash generation of €11.2m

- **Advertising revenues increase by +0.9%, leading to market share gains**
 - i. Advertising revenues stabilised in the first quarter (1Q17 +0.9%). The advertising revenues of the digital brands increased by +9.9%, with local offline advertising up +1.0%.
 - ii. Vocento brands increased their market share, both offline (-2.1%¹ vs -7.4%² for the market) and online (+9.9%³ vs +7.2%²).
 - iii. One third (33.5%) of advertising and e-commerce revenues are now digital.

- **Revenues from circulation sales -8.9%, but margin on circulation maintained**
 - i. In 1Q17 in the Comunidad de Madrid, ABC increased its share of ordinary circulation by +0.8 p.p. to 27.0%⁴.
 - ii. Savings in the cost of circulation helped protect the margin in 1Q17 (-50 thousand euros from 1Q16).

- **EBITDA 6,604⁵ thousand euros, impacted by the new expense of the ABC lease**
 - i. Execution of the Efficiency Plan: c.90% already implemented (cost of compensation 1Q17 10,714 thousand euros, vs 2017 full year target of 12,000 thousand euros).
 - ii. Continued cost efficiency: comparable costs 1Q17 fell by -5.1%.
 - iii. The decrease in comparable EBITDA⁵ in 1Q17 vs 1Q16 of 552 thousand euros reflects the new expense of leasing the ABC headquarters (c.500 thousand euros).

- **Generation of ordinary operating cash flows of 11,246 thousand euros**
 - i. Net financial debt/comparable LTM EBITDA 1.3x. NFD fell to 66,312 thousand euros vs 66,412 thousand euros in 2016.
 - ii. Cash outflow of -8,007 thousand euros for compensation payments and -3,139 thousand euros for other extraordinary payments.

- **Measures aimed at future growth**
 - i. Continued investment in new digital products: acquisition of 50% stake in Shows on Demand, a crowdfunding platform for organising concerts.

¹ Including Regional Press and ABC.

² Source i2p.

³ Including Local Portals, ABC.es and Classifieds.

⁴ Source OJD. Ordinary circulation (kiosk sales and individual subscriptions).

⁵ Excluding personnel adjustment measures and one-offs 1Q16 -9,936 thousand euros and 1Q17 -10,714 thousand euros.

Main financial data

Consolidated Profit and Loss Account

Thousand Euro	IFRS			
	1Q17	1Q16	Var Abs	Var %
Circulation revenues	42,356	46,502	-4,146	-8.9%
Advertising revenues	36,724	36,385	338	0.9%
Other revenues	22,176	23,977	-1,802	-7.5%
Total revenue	101,256	106,865	-5,609	-5.2%
Staff costs	-47,354	-47,176	-178	-0.4%
Procurements	-14,901	-16,734	1,833	11.0%
External Services	-42,708	-45,403	2,695	5.9%
Provisions	-402	-332	-70	-21.2%
Operating expenses (without D&A)	-105,365	-109,645	4,279	3.9%
EBITDA	-4,110	-2,780	-1,330	-47.8%
Depreciation and amortization	-4,233	-4,786	553	11.6%
Impairment/gains on disposal of tan. & intan. asse	-7	146	-153	-104.5%
EBIT	-8,349	-7,420	-929	-12.5%
Impairments/reversal of other intangible assets	-250	-450	200	44.4%
Profit of companies acc. equity method	-57	-129	73	56.3%
Net financial income	-1,285	-1,616	332	20.5%
Profit before taxes	-9,940	-9,616	-325	-3.4%
Corporation tax	161	1,292	-1,131	-87.5%
Net profit for the year	-9,779	-8,323	-1,456	-17.5%
Minority interests	-612	-700	88	12.6%
Net profit attributable to the parent	-10,391	-9,023	-1,368	-15.2%
Operating Expenses ex non recurring costs ¹	-36,740	-37,240	501	1.3%
Comparable EBITDA ¹	-94,651	-99,709	5,058	5.1%
Comparable EBITDA¹	6,604	7,156	-552	-7.7%
Comparable EBIT ^{1 2}	2,371	2,370	2	0.1%

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

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

¹ Excluding personnel adjustment measures and one-offs 1Q16 -9,936 thousand euros and 1Q17 -10,714 thousand euros.

² Excluding result from sale of fixed assets 1Q16 146 thousand euros and 1Q17 -7 thousand euros.

Operating revenues

Total revenues in 1Q17 reached 101,256 thousand euros, down -5.2% from 1Q16, reflecting the following major trends:

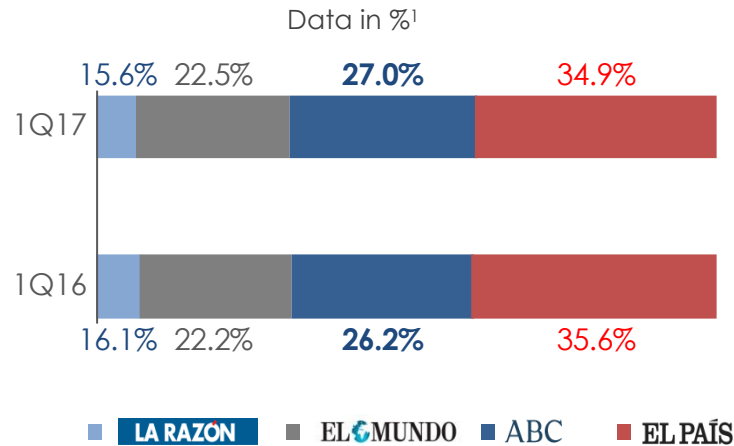
- i. Circulation revenues fell by -8.9%, including decreases at the Regional Press of -6.3% and at ABC of -14.4%.

The Regional Press continues to be the market leader, with share of 24.4%, while in the Madrid region ABC has consolidated its position as number two in the ordinary circulation market. Madrid is a key market, representing 37% of the total sales of the national press.

At ABC, the cover price was increased for Monday to Friday editions from €1.5 to €1.6 and there has been a continuation of the policy to end unprofitable sales.

Despite the fall in circulation revenues, the margin on circulation remained at the same level as in 1Q16.

Market share of ordinary circulation in Comunidad de Madrid

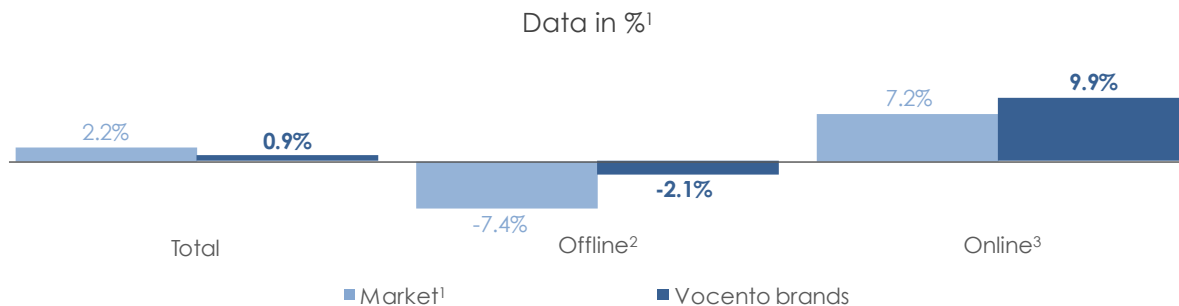


Note 1: source OJD.

- ii. Advertising revenues increased by +0.9% in 1Q17, with a +9.9% rise in digital advertising and a +1.0% increase in local offline advertising revenues.

VOCENTO has outperformed the market both online and offline, with a decrease for offline advertising of -2.1% vs -7.4% for the market, and an increase of +9.9% for online brands vs +7.2% for the market.

QoQ advertising performance of VOCENTO vs market



Note 1: market source i2p. Note 2: Regional Press and ABC. Note 3: Local Portals, ABC.es and Classifieds.

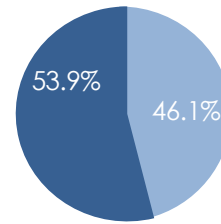
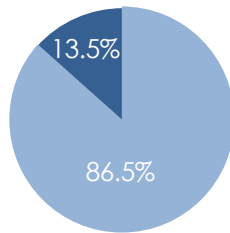
In terms of the performance of advertising revenues along local and national lines, local advertising, which represents 55.2% of total advertising at VOCENTO, increased by +2.3% in 1Q17, while national advertising declined by -0.5%, although national digital advertising revenues increased by +9.4%.

National vs Local advertising

Data in €m and %¹

Local €19.9m (55.2% of total)

National €16.1m (44.8% of total)



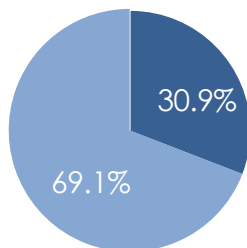
■ Offline ■ Online

Note 1: not including Audiovisual, sales companies or eliminations

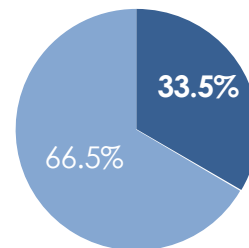
In terms of digital revenues at VOCENTO, including not only digital advertising revenues but also revenues from new digital businesses based on e-commerce and booked as other revenues, there has been a 2.6. p.p. increase in their contribution since 1Q16. They now represent 33.5% of total advertising and e-commerce revenues.

Migration of advertising revenues and new businesses towards digital

Data in %¹



1Q16



1Q17

■ Offline ■ Online

Note 1: advertising revenues and e-commerce.

Highlights of the new digital initiatives include Local Digital Kit, which currently has almost 500 companies as clients.

- iii. Other Revenues declined by -7.5% as a result of a fall in the Newspapers area, mainly because of lower revenues from add-ons, with a limited impact on EBITDA, and because of a lower level of activity at the local print plants.

With the aim of increasing future revenues, the company has acquired a 50% stake in the digital Shows on Demand, which specialises in organising concerts via crowdfunding. The other 50% is owned by the founding partners.

Operating expenses

In 1Q17, comparable costs fell by -5.1%, excluding personnel adjustment measures and one-offs of -10,714 thousand euros in 1Q17 and -9,936 thousand euros in 1Q16. By item, a highlight was the -11.0% decrease in costs of supply.

By business area, comparable costs at Newspapers fell by -5.9% due to the impact of measures focused on profitable circulation. The +10.0% rise in operating costs at Classifieds reflects the strategic priority given to this digital area.

Detail of comparable operating expenses by business area

Like for like opex (thousand euros)	1Q17	1Q16	Var Abs	Var %
Newspapers	-80,472	-85,473	5,001	5.9%
Audiovisual	-7,882	-8,276	393	4.8%
Classified	-4,181	-3,801	-380	-10.0%
Corporate and adjustments	-2,116	-2,159	43	2.0%
Total	-94,651	-99,709	5,058	5.1%

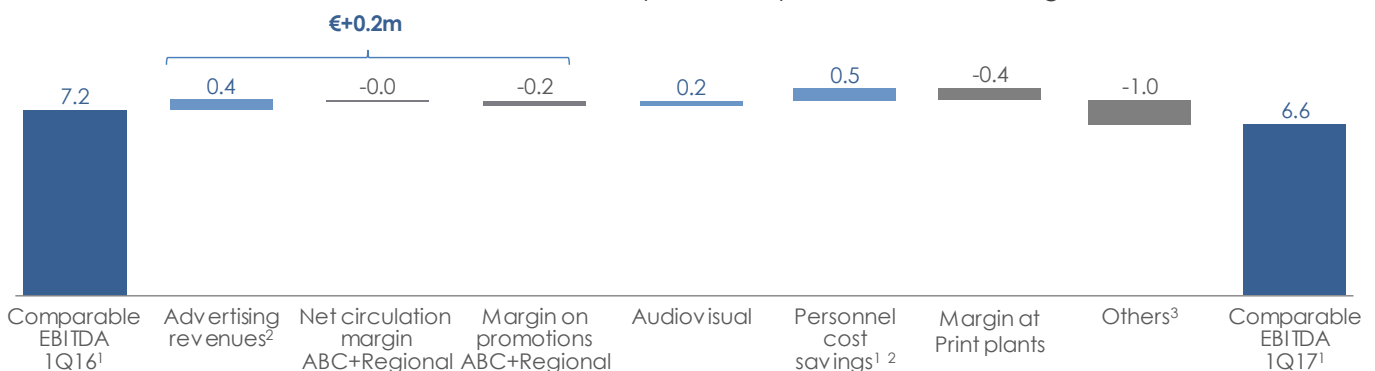
Comparable EBITDA

Comparable EBITDA in 1Q17 reached 6,604 thousand euros in comparison with 7,156 thousand euros de 1Q16. The main factors in the variation in comparable EBITDA include:

- The key variables in the business, including advertising revenues and margins on circulation and on promotions, generated 157 thousand euros more than in the prior-year period.
- The personnel cost measures deriving from the Efficiency Plan delivered savings of 501 thousand euros, while being compatible with the arrival of 32 new digital profiles, slightly higher than 70% of total staff recruitment.
- The decrease in activity in the printing business had an impact of -400 thousand euros, partly as a result of the closure of plants and outsourcing.
- Other items: impact of -968 thousand euros, mainly from the new building lease at ABC, which increased costs by around 500 thousand euros, and higher costs associated with digital development.

Detail of variation in comparable¹ EBITDA 1Q16-1Q17

Data in variation 1Q16 vs 1Q17 except for comparable EBITDA. All figures in €m



Note 1: excluding personnel adjustment measures and one-offs 1Q16 €-9.9m and 1Q17 €-10.7m. Note 2: variation ex. Audiovisual and printing plants. Note 3: various costs.

Highlights by business area include:

- i. Newspapers⁶: comparable EBITDA in 1Q17 of 6,095 thousand euros, down -777 thousand euros from 1Q16. The new lease at ABC and the decline in EBITDA at the printing plants were the main factors.
- ii. Audiovisual⁷: an increase of 165 thousand euros from, 1Q16, based on the performance at Content, with total comparable EBITDA of 3,292 thousand euros in 1Q17.
- iii. Classifieds⁸: 1Q17 comparable EBITDA of 260 thousand euros, down -43 thousand euros from 1Q16. The revenue rise in the quarter of 337 thousand euros has been reinvested in this growth business.

Performance of comparable EBITDA¹ by business area

IFRS thousand euros	1Q17	1Q16	Var Abs
Newspapers	6,095	6,872	-777
Audiovisual	3,292	3,128	165
Classified	260	303	-43
Corporate	-3,043	-3,147	104
Total	6,604	7,156	-552

Excluding personnel adjustment measures and one-offs 1Q16 -9,936 and 1Q17 -10,714 thousand euros.

Operating result (EBIT)

In 1Q17, the operating result was -8,349 thousand euros, compared with -7,420 thousand euros in the prior-year period, due to a rise in compensation costs this year.

In terms of comparable EBIT, excluding the costs of compensation payments, one-offs and writedowns, as well as capital gains from real estate, the result was 2,371 thousand euros. All business areas reported positive comparable EBIT.

Writedown of goodwill

This item was 250 thousand euros in 1Q17, reflecting the writedown of goodwill at the Content division as a result of the gradual reduction of the residual life of the film rights catalogue.

Financial result and others

The 20.2% improvement in the financial result, from -1,616 thousand euros in 1Q16 to -1,285 thousand euros in 1Q17, reflects the reduction in the average cost of financial debt and lower financial expenses following the decrease in debt.

Corporation Tax

Tax income of 161 thousand euros in 1Q17 reflects the performance of the operating result. In contrast to 1Q16, following the adjustments to tax legislation in Spain as a result of RDL 3/2016, no new tax credits have been activated for the common jurisdiction.

⁶ Newspapers: excluding personnel adjustment measures and one-offs 1Q16 -6,638 thousand euros and 1Q17 -9,413 thousand euros.

⁷ Audiovisual: excluding adjustment measures 1Q16 -35 thousand euros and 1Q17 -161 thousand euros.

⁸ Classifieds: excluding adjustment measures 1Q16 -25 thousand euros and 1Q17 -33 thousand euros.

Minority interest

Minority interest in 1Q17 was practically the same amount as in 1Q16, -612 thousand euros vs -700 thousand euros in the prior year. The variation is due to higher compensation payments at the Regional Press, partly offset by an improved performance at Content.

Net result attributable to parent company

The consolidated net result in 1Q17 was -10,391 thousand euros, compared with -9,023 thousand euros in 1Q16.

Consolidated Balance Sheet

Thousand Euros	IFRS			
	1Q17	2016	Var abs	% Var
Non current assets	359,833	363,777	-3,943	-1.1%
Intangible assets	118,164	119,912	-1,748	-1.5%
Property, plant and equipment	134,919	137,023	-2,104	-1.5%
Investments accounted using equity method	5,482	5,539	-57	-1.0%
Other non current assets	101,268	101,303	-35	-0.0%
Current assets	118,313	134,889	-16,576	-12.3%
Other current assets	96,945	113,181	-16,236	-14.3%
Cash and cash equivalents	21,368	21,709	-340	-1.6%
Assets held for sale	193	193	0	n.a.
TOTAL ASSETS	478,340	498,860	-20,520	-4.1%
Equity	243,132	255,067	-11,935	-4.7%
Bank borrowings and other fin. liabilities	86,007	86,120	-114	-0.1%
Other non current liabilities	52,533	53,610	-1,077	-2.0%
Other current liabilities	96,668	104,063	-7,394	-7.1%
TOTAL EQUITY AND LIABILITIES	478,340	498,860	-20,520	-4.1%

Other current assets

The reduction in current assets of 16,236 thousand euros reflects a lower balance with clients, resulting from the seasonality of sales, as well as the receipt of balances from 2016.

Net financial position

The net financial position in 1Q17 stood at -66,312 thousand euros, including cash and cash equivalents of 21,368 thousand euros.

The NFD/comparable EBITDA ratio in 1Q17 was 1.3x (using the comparable EBITDA of the last 12 months), the same level as at the end of 2016, and lower than in 1Q16 (NFD/comparable EBITDA 1Q16 2.3x).

Breakdown of Net Financial Debt

Thousand Euro	IFRS			
	1Q17	2016	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	21,413	19,724	1,689	8.6%
Bank borrowings and other financial liabilities (l.t.)	64,593	66,396	-1,802	-2.7%
Gross Debt	86,007	86,120	-114	-0.1%
+ Cash and cash equivalents	21,368	21,709	-340	-1.6%
+ Other non current financial asstes	384	1,069	-685	-64.1%
Deferred expenses	2,058	3,070	-1,012	-33.0%
Net cash position/ (net debt)	-66,312	-66,412	100	0.2%

Short-term borrowings include debt with credit institutions of 20,893 thousand euros, and the reclassification of expenses for the syndicated loan as short term, and other liabilities with a current financial cost of 1,607 thousand euros, mainly related to pension plans.

Long-term borrowings include debt with credit institutions of 64,935 thousand euros, and the reclassification of expenses related to the syndicated loan, and the mark-to-market valuation of the interest rate hedge on the loan, and other liabilities with a non-current financial cost of 630 thousand euros, including mainly pension plans and pending compensation payments, associated with the downsizing plan at ABC in 2009.

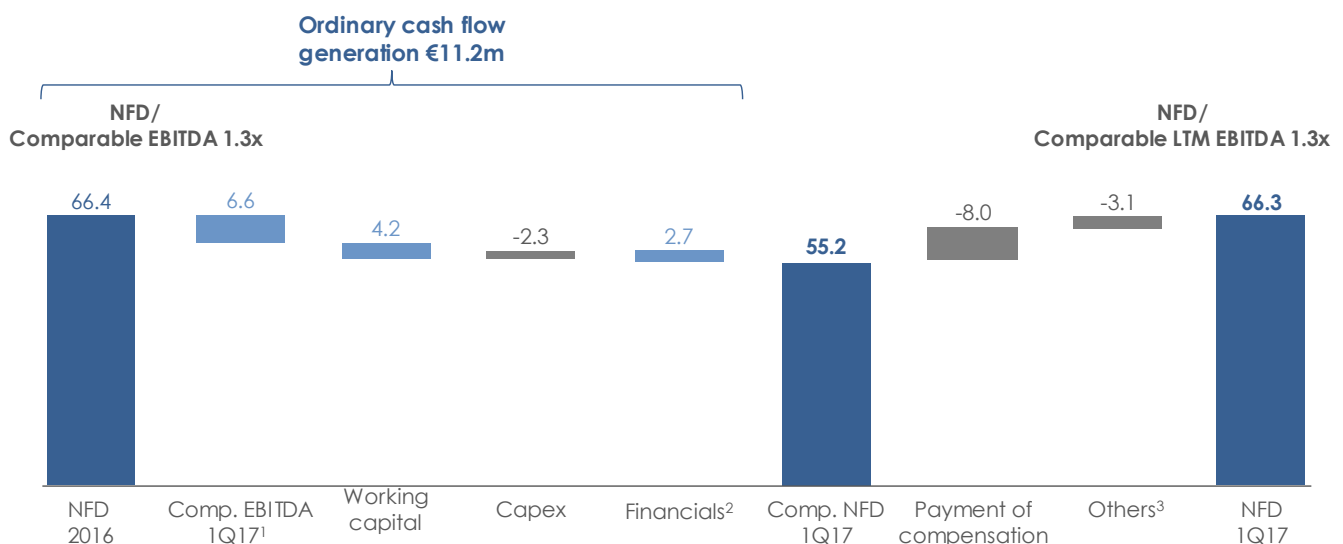
An analysis of the variation to debt, including the ordinary and non-ordinary business, shows that the generation of cash from ordinary business operations was positive in 11,246 thousand euros in 1Q17. The most significant ordinary variations include:

- i. Variation in working capital: a positive impact of debt of 4,225 thousand euros, with an exceptionally high level of receivables from clients, partly reflecting lower receivables in 4Q16.
- ii. Items related to financials: positive impact of 2,701 thousand euros.
- iii. Investments in fixed and non-fixed assets: total cash outflows of -2,284 thousand euros, mainly related to digital activities.

Non-recurring movements included, compensation payments of -8,007 thousand euros, following downsizing in 2016 and 2017, and other non-ordinary cash outflows of -3,139 thousand euros, including payments related to the put options on Las Provincias.

Analysis of movement in net financial debt 2016-1Q17

Data in €m



Note 1: Excluding adjustment measures personal and one-offs 1Q17 €-10.7m. Note 2: including referred revenues, financial expenses, dividends to minority interest and taxes. Note 3: includes payment related to Las Provincias and taxes on sale of ABC building.

Other current liabilities

The variation in this item is due mainly to the reduction of balances with suppliers.

Cash flow statement

Thousand Euro	IFRS			
	1Q17	1Q16	Var Abs	% Var
Net profit attributable to the parent	-10,390	-9,023	-1,367	-15.2%
Adjustments to net profit	6,576	7,040	-464	-6.6%
Cash flows from ordinary operating activities before changes in working capital	-3,814	-1,983	-1,831	-92.3%
Changes in working capital & others	4,225	1,805	2,420	134.1%
Other payables without financial cost	7,708	2,652	5,056	190.6%
Other payables with financial cost	-1,038	-1,385	347	25.1%
Income tax paid	0	0	0	n.a.
Interests deduction for tax purposes	437	1,863	-1,426	-76.5%
Net cash flow from operating activities (I)	7,518	2,952	4,566	154.7%
Acquisitions of intangible and property, plan and equipment	-2,284	-1,767	-517	-29.3%
Net proceed on disposal of financial assets	-1,386	150	-1,536	n.r.
Interests and dividends received	54	96	-42	-43.8%
Net cash flow from investing activities (II)	-3,616	-1,521	-2,095	-137.7%
Interests and dividends paid	-3,488	-4,274	786	18.4%
Cash inflows/ (outflows) relating to bank borrowings	1,021	9,409	-8,388	-89.1%
Other receivables and payables (financing)	-23	-8	-15	-187.5%
Equity related instruments without financial cost	-1,752	-2,572	820	31.9%
Net cash flows from financing activities (III)	-4,242	2,555	-6,797	-266.0%
Net increase in cash and cash equivalents (I + II + III)	-340	3,986	-4,326	-108.5%
Cash and cash equivalents at beginning of the year	21,709	19,348	2,361	12.2%
Cash and cash equivalents at end of year	21,369	23,334	-1,965	-8.4%

Net cash flow from operating activities was 7,518 thousand euros, including among others:

- i. payments of -8,007 thousand euros associated with the personnel adjustment measures, and
- ii. a variation in working capital of 4,225 thousand euros.

Net cash flow from investing activities was -3,616 thousand euros, mainly because of investment in fixed assets (see Capex section).

Net cash flow from financing activity was -4,242 thousand euros, and included among others interest payments and dividend payments by subsidiaries of VOCENTO to minority shareholders of -3,488 thousand euros, a payment for the put option at Las Provincias and the repayment of debt in the period.

CAPEX

The decrease in CAPEX in the first quarter of 2017 compared with the previous year is the result of different timings for the start of projects.

The difference between the cash outflow by investments in fixed assets and the CAPEX recorded in accounts, 1,647 thousand euros, reflects pending payments for investments carried out in 2016 and 2017.

Detail of Capex by business area

	IFRS (thousand euros)								
	1Q17			1Q16			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	260	271	531	491	339	830	-230	-68	-299
Audiovisual	11	20	31	124	13	137	-112	7	-106
Classified	27	22	49	60	6	66	-33	15	-17
Corporate	10	16	26	103	16	118	-92	0	-92
TOTAL	309	328	637	777	374	1,151	-468	-46	-514

Information by business area

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

Thousand Euro	IFRS			
	1Q17	2016	Var Abs	Var %
Total Revenues				
Newspapers	86,567	92,345	-5,778	-6.3%
Audiovisual	11,175	11,403	-229	-2.0%
Classified	4,441	4,104	337	8.2%
Corporate and adjustments	-927	-988	60	6.1%
Total Revenues	101,256	106,865	-5,609	-5.2%
EBITDA				
Newspapers	-3,318	235	-3,553	n.r.
Audiovisual	3,131	3,092	39	1.3%
Classified	227	278	-51	-18.3%
Corporate and adjustments	-4,150	-6,384	2,234	35.0%
Total EBITDA	-4,110	-2,780	-1,330	-47.8%
Comparable EBITDA¹				
Newspapers	6,095	6,872	-777	-11.3%
Audiovisual	3,292	3,128	165	5.3%
Classified	260	303	-43	-14.1%
Corporate and adjustments	-3,043	-3,147	104	3.3%
Total comparable EBITDA	6,604	7,156	-552	-7.7%
EBIT				
Newspapers	-6,638	-3,321	-3,317	-99.9%
Audiovisual	2,396	2,213	183	8.2%
Classified	140	159	-19	-11.9%
Corporate and adjustments	-4,247	-6,471	2,223	34.4%
Total EBIT	-8,349	-7,420	-929	-12.5%
Comparable EBIT^{1, 2}				
Newspapers	2,781	3,200	-419	-13.1%
Audiovisual	2,557	2,219	338	15.3%
Classified	173	184	-11	-5.7%
Corporate and adjustments	-3,141	-3,233	93	2.9%
Total comparable EBIT	2,371	2,370	2	0.1%

¹ Excluding personnel adjustment measures and one-offs 1Q16 -9,936 thousand euros and 1Q17 -10,714 thousand euros.

² Excluding result from sale of fixed assets 1Q16 146 thousand euros and 1Q17 -7 thousand euros.

Newspapers (including offline and online)

Thousand Euro	IFRS			
	1Q17	1Q16	Var Abs	Var %
Total Revenues				
Regionals	63,221	66,351	-3,130	-4.7%
ABC	22,449	23,799	-1,350	-5.7%
Supplements & Magazines	5,800	6,392	-592	-9.3%
Adjustments intersegment	-4,903	-4,197	-706	-16.8%
Total Revenues	86,567	92,345	-5,778	-6.3%
EBITDA				
Regionals	2,129	3,444	-1,315	-38.2%
ABC	-4,486	-2,652	-1,833	-69.1%
Supplements & Magazines	-961	-557	-404	-72.5%
Total EBITDA	-3,318	235	-3,553	n.r.
Comparable EBITDA¹				
Regionals	7,202	7,682	-481	-6.3%
ABC	-520	-303	-217	-71.6%
Supplements & Magazines	-586	-507	-79	-15.6%
Total comparable EBITDA	6,095	6,872	-777	-11.3%
EBIT				
Regionals	-116	1,246	-1,362	-109.3%
ABC	-5,460	-3,932	-1,528	-38.9%
Supplements & Magazines	-1,062	-636	-427	-67.1%
Total EBIT	-6,638	-3,321	-3,317	-99.9%
Comparable EBIT^{1, 2}				
Regionals	4,968	5,368	-400	-7.4%
ABC	-1,494	-1,582	88	5.6%
Supplements & Magazines	-693	-586	-107	-18.3%
Total comparable EBIT	2,781	3,200	-419	-13.1%

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.

¹ Excluding adjustment measures de personal and one-offs 1Q16 -6,638 thousand euros and 1Q17 -9,413 thousand euros.

² Excluding result from sale of fixed assets 1Q16 116 thousand euros and 1Q17 -6 thousand euros.

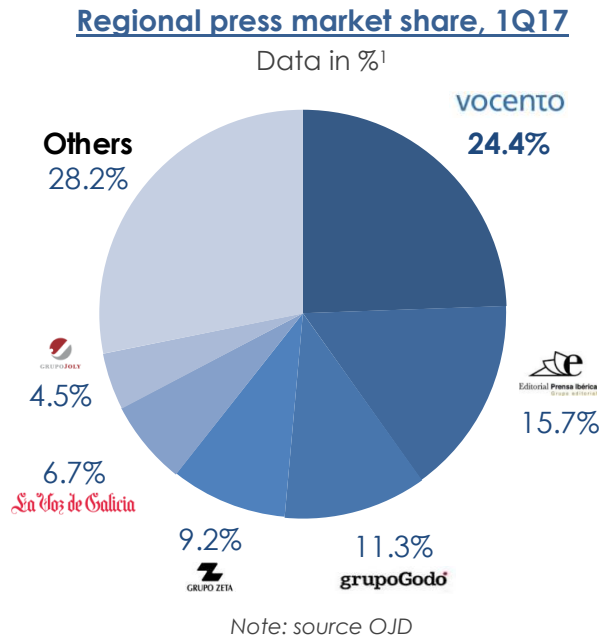
Operating Revenues: 86,567 thousand euros, a decrease of -6.3% from 1Q16.

The fall in revenues is primarily a result of lower circulation sales from the Regional press and ABC and a decline in other revenues.

Data from the first EGM survey of 2017 show a -2.1% drop in the readership of VOCENTO regional newspapers compared to the last survey of 2016.

ABC outperformed its peers, in both absolute terms and in comparison, with the final survey of 2016: while ABC lost 21,000 readers (-4.6%), the average decline at El País and El Mundo was -61,000 readers (-6.1%).

Circulation revenues: 42,373 thousand euros, down -8.9%. At the Regional Press revenues from circulation fell by -6.3% in 1Q17, with an -8.1% drop in ordinary circulation. VOCENTO's regional titles continues to be clear leaders in their areas, with a total market share in regional press of 24.4%, ahead of the nearest competitor on 15.7%:



The on+ subscription models at El Correo, Diario Vasco and Diario Montañés have around 9,000 subscribers.

At ABC, revenues from circulation sales dropped by -14.4%, with a fall in circulation of -19.6%. However, this drop in circulation would be reduced to just -7.1% if only kiosk sales and individual subscriptions are included, as ABC continues to be focused on high quality, profitable circulation.

Furthermore, the cover price on weekdays has been increased from €1.5 to €1.6.

ABC continues to strengthen its position in terms of market share, as reflected in ordinary circulation in the Madrid region, the main market for the national press, increasing its lead over El Mundo and narrowing the gap to El País (see chart on page 5).

Finally, there was a -10.7% decrease in circulation revenues at Supplements & Magazines.

Advertising Revenues: 31,793 thousand euros, flat compared to 1Q16 (+0.2%). Advertising at the regional brands increased by 2.8%, while advertising at ABC dropped by -5.1%.

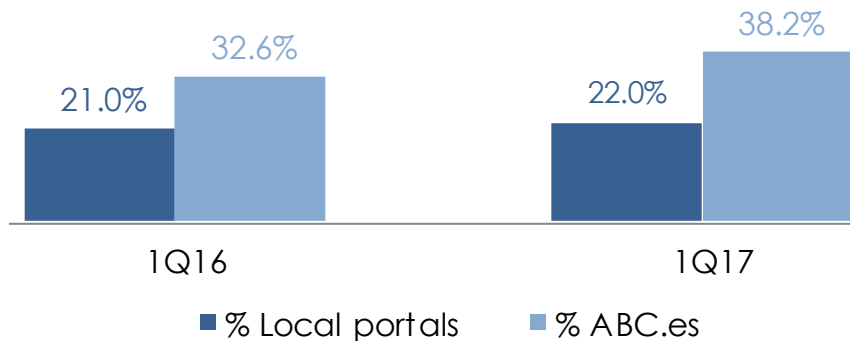
At Regional, advertising revenues increased by 2.9% from 1Q16 to 22,245 thousand euros.

At ABC, advertising revenues fell by -5.1%, with an increase at ABC.es of +12.2% and a decline at offline of -13.1%, a reflection of the weaker advertising market for the national offline press.

The steady expansion of digital business models is reflected in the increased contribution of digital revenues, both at Regional (22.0% +1.0 p.p. from 1Q16), and at ABC (38.2% +5.5 p.p.).

Weight of digital business at VOCENTO newspapers

Data in %¹



Note 1: The weight of the digital business is shown as the contribution of digital advertising revenues plus e-commerce to total advertising plus e-commerce revenues.

Other Revenues: 12,402 thousand euros, down -12.1%, reflecting a more selective add-ons policy at ABC and lower activity at the print plants.

Comparable EBITDA⁹: 6,095 thousand euros, a decrease of -777 thousand euros from 1Q16, with a comparable EBITDA margin of +7.0% in 1Q17.

Performance of comparable EBITDA, newspapers

IFRS Thousand Euro	1Q17	1Q16	Var Abs
Regionals	7,202	7,682	-481
ABC	-520	-303	-217
Supplements & Magazines	-586	-507	-79
Total	6,095	6,872	-777

In the first quarter of the year, comparable costs were cut by -5.9%⁹:

Performance of comparable costs, Newspapers

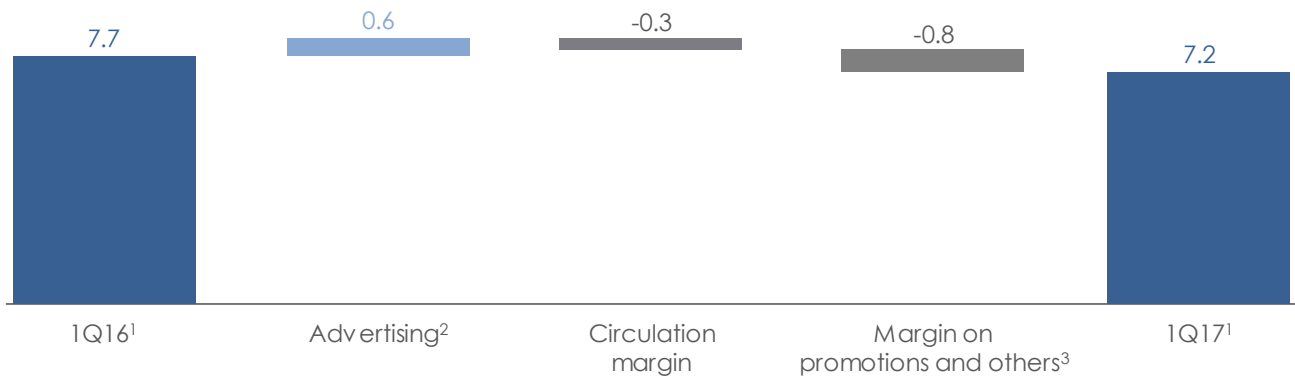
Like for like opex (thousand euros)	1Q17	1Q16	Var Abs	Var %
Regionals	-56,019	-58,669	2,649	4.5%
ABC	-22,969	-24,102	1,133	4.7%
Supplements & Magazines	-6,387	-6,899	513	7.4%
Adjustments	4,903	4,197	706	16.8%
Total	-80,472	-85,473	5,001	5.9%

- i. **Regional:** comparable EBITDA of 7,202 thousand euros, down -481 thousand euros from 1Q16 as a result of a fall in circulation, a lower margin on promotions and lower EBITDA from print plants and other subsidiaries. The comparable EBITDA margin was similar to the level of 1Q16 (margin 1Q17 11.4% vs 1Q16 11.6%).

⁹ Excluding personnel adjustment measures and one-offs 1Q17 -9,413 thousand euros and 1Q16 -6,638 thousand euros.

Regional: performance of comparable EBITDA

Variation 1Q16 vs 1Q17 except comparable EBITDA €m

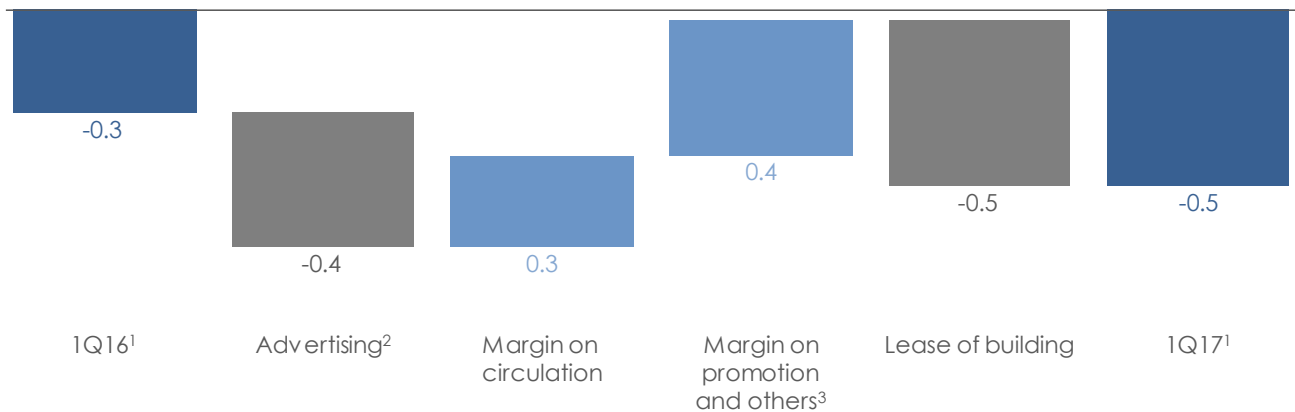


Note 1: Excluding adjustment measures and one-offs 1Q16 €-4.2m and 1Q17 €-5.1m. Note 2: print and digital. Note 3: including personnel costs, print plant margins, commercial and other fixed costs

- ii. ABC: comparable EBITDA of -520 thousand euros, a decrease of -217 thousand euros from 1Q16. The decrease reflects a fall in advertising revenues and the lease of the ABC building for 500 thousand euros.

ABC: performance of comparable EBITDA

Variation 1Q16 vs 1Q17 except comparable EBITDA €m and comparable EBITDA margin %¹



Note 1: Excluding adjustment measures and one-offs 1Q16 €-2.3m and 1Q17 €-4.0m. Note 2: print and digital. Note 3: including personnel costs, print plant margins, commercial and other fixed costs.

- iii. Supplements and Magazines: comparable EBITDA of -586 thousand euros compared to -507 thousand euros in 1Q16.

Audiovisual

Thousand Euro	IFRS			
	1Q17	1Q16	Var Abs	Var %
Total Revenues				
DTT	6,701	7,055	-354	-5.0%
Radio	996	1,009	-13	-1.3%
Content	3,542	3,406	136	4.0%
Adjustments intersegment	-65	-67	2	2.6%
Total Revenues	11,175	11,403	-229	-2.0%
EBITDA				
DTT	1,319	1,497	-179	-11.9%
Radio	627	614	13	2.2%
Content	1,186	981	205	20.8%
Total EBITDA	3,131	3,092	39	1.3%
Comparable EBITDA¹				
DTT	1,480	1,497	-18	-1.2%
Radio	627	649	-22	-3.4%
Content	1,186	981	205	20.8%
Total comparable EBITDA	3,292	3,128	165	5.3%
EBIT				
DTT	1,252	1,433	-181	-12.6%
Radio	622	640	-18	-2.9%
Content	522	140	381	271.8%
Total EBIT	2,396	2,213	183	8.2%
Comparable EBIT^{1, 2}				
DTT	1,413	1,433	-19	-1.4%
Radio	622	646	-24	-3.7%
Content	522	140	381	271.8%
Total comparable EBIT	2,557	2,219	338	15.3%

Note: Eliminations are derived from the sale of the output of the production companies to DTT and Radio.

Note: EBIT and comparable EBIT of Content include the amortization of goodwill assigned to the Tripictures film catalogue of 414 thousand euros in 1Q16 and in 1Q17 of 39 thousand euros.

¹ Excluding personnel adjustment measures in 1Q16 of -35 thousand euros and in 1Q17 of -161 thousand euros.

² Excluding result from sale of fixed assets in 1Q16 30 thousand euros.

Operating Revenues: 11,175 thousand euros, down -2.0%.

Comparable EBITDA¹⁰: 3,292 thousand euros, an improvement of 165 thousand euros to 1Q16:

- i. **DTT:** Comparable EBITDA of 1,480 thousand euros in 1Q17, almost unchanged from 1,497 thousand euros in 1Q16.

¹⁰ Excluding personnel adjustment measures in 1Q17 of -161 thousand euros and 1Q16 of -35 thousand euros.

- ii. Radio: comparable EBITDA of 627 thousand euros, almost the same as 1Q16 (649 thousand euros). The stability is a result of the agreement with COPE.
- iii. Content: comparable EBITDA of 1,186 thousand euros, an increase of 205 thousand euros from 1Q16.

Comparable Operating Result: *(because of the level of amortization in this area, commentary is provided on the operating result)*. 2,557 thousand euros, compared to 2,219 thousand euros in 1Q16, thanks to the improvement in comparable EBITDA and a 177 thousand euros decrease in amortization in the Content area in 1Q17. All divisions are now profitable at the comparable EBIT level.

Classifieds

Thousand Euro	IFRS			
	1Q17	1Q16	Var Abs	Var %
Total Revenues				
Classified	4,441	4,104	337	8.2%
Total Revenues	4,441	4,104	337	8.2%
EBITDA				
Classified	227	278	-51	-18.3%
Total EBITDA	227	278	-51	-18.3%
Comparable EBITDA¹				
Classified	260	303	-43	-14.1%
Total comparable EBITDA	260	303	-43	-14.1%
EBIT				
Classified	140	159	-19	-11.9%
Total EBIT	140	159	-19	-11.9%
Comparable EBIT^{1 2}				
Classified	173	184	-11	-5.7%
Total comparable EBIT	173	184	-11	-5.7%

¹ Excluding personnel adjustment measures, -25 thousand euros in 1Q16 and -33 thousand in 1Q17.

² Excluding result from sale of fixed assets in 1Q17 -1 thousand euros.

Operating Revenues: up 8.2% to 4,441 thousand euros, due to the 8.1% increase in advertising revenues in the area.

Comparable EBITDA: 260 thousand euros, compared with 303 thousand euros in 1Q16, due to increased costs resulting from the focus on digital.

Operating data

Newspapers

Average Circulation Data	1Q17	1Q16	Var Abs	%
National Press - ABC	82,157	102,225	-20,068	-19.6%
Regional Press				
El Correo	63,241	69,516	-6,275	-9.0%
El Diario Vasco	48,511	52,162	-3,651	-7.0%
El Diario Montañés	21,038	24,133	-3,095	-12.8%
Ideal	16,922	18,857	-1,935	-10.3%
La Verdad	13,674	15,924	-2,250	-14.1%
Hoy	9,740	10,473	-733	-7.0%
Sur	14,925	16,676	-1,751	-10.5%
La Rioja	8,556	9,840	-1,284	-13.0%
El Norte de Castilla	16,935	19,786	-2,851	-14.4%
El Comercio	14,943	16,708	-1,765	-10.6%
Las Provincias	15,532	17,391	-1,859	-10.7%
TOTAL Regional Press	244,017	271,467	-27,450	-10.1%

Sources:OJD. 1Q17 non audited data.

Audience	1st Survey 17	1st Survey 16	Var Abs	%
National Press - ABC	432,000	489,000	-57,000	-11.7%
Regional Press	1,821,000	2,015,000	-194,000	-9.6%
El Correo	382,000	411,000	-29,000	-7.1%
El Diario Vasco	201,000	234,000	-33,000	-14.1%
El Diario Montañés	141,000	159,000	-18,000	-11.3%
Ideal	138,000	180,000	-42,000	-23.3%
La Verdad	186,000	194,000	-8,000	-4.1%
Hoy	129,000	136,000	-7,000	-5.1%
Sur	123,000	146,000	-23,000	-15.8%
La Rioja	76,000	94,000	-18,000	-19.1%
El Norte de Castilla	177,000	187,000	-10,000	-5.3%
El Comercio	147,000	161,000	-14,000	-8.7%
Las Provincias	121,000	113,000	8,000	7.1%
Supplements				
XL Semanal	1,894,000	1,939,000	-45,000	-2.3%
Mujer Hoy	1,117,000	1,239,000	-122,000	-9.8%
Mujer Hoy Corazón	204,000	213,000	-9,000	-4.2%
Inversión y Finanzas	25,000	29,000	-4,000	-13.8%
Monthly Unique uses (Th)	mar-17	mar-16	Var Abs	%
Vocento	21,823	18,039	3,784	21.0%

Source: comScore.

Audiovisual

National TV Market	mar-17	mar-16	Var Abs
Audience share Net TV	2.9%	3.0%	-0.1 p.p

Source: Kantar Media last month.

Appendix I: Alternative Performance Measures

On 20 October 2015, the CNMV stated its intention to comply with the Guidelines on Alternative Performance Measures published by the European Securities and Market Authority (ESMA) on 30 June 2015 in accordance with Article 16 of EU Regulation 1095/2010 of the European Parliament and Council.

The APMs used in this report include the following:

EBITDA represents the net result of the period before financial income and expenses, other results from financial instruments, tax on profits, amortization, depreciation, the impairment and sale of fixed and non-fixed assets, the writedown of goodwill in the period, excluding (a) the net result from the sale of current financial assets and (b) the results from equity-accounted subsidiaries.

Comparable EBITDA is the adjustment of EBITDA for all non-recurring exceptional revenues and costs, in order to facilitate the comparison between EBITDA in different periods.

Exceptional non-recurring costs include the costs of compensation for dismissals incurred in each period.

EBIT is EBITDA less amortization and depreciation and the result from the impairment or sale of fixed and non-fixed assets.

Comparable EBIT is EBITDA less exceptional and non-recurring revenues and expenses, to facilitate the comparison of EBIT between the periods, and less the result from the sale or impairment of fixed and non-fixed assets. Exceptional non-recurring costs include the costs of compensation for dismissals incurred in each period.

Net Financial Debt (NFD) represents long-term and short-term debt with an explicit financial cost, either with financial institutions or other third parties, plus debt from the issue of bonds, commercial paper, securities convertible into shares or similar financial instruments plus the collateral or guarantees provided to third parties as part of the debt with a financial cost and which are not recorded as liabilities with payment obligations, minus cash plus the mark-to-market value of any hedging instruments apart from hedging for trading. Cash includes cash and other liquid equivalents, plus other current and non-current financial assets held either at financial institutions or with other third parties. The amount of the item of 'debt with credit institutions' is the nominal value and not its amortized cost; i.e. it does not include the impact of deferred arrangement costs. Guarantees of technical and financial capacity are not included in Net Financial Debt.

Comparable Net Financial Debt (NFD) is NFD adjusted for exceptional and non-recurring receivables and payables for comparative purposes. Exceptional non-recurring payments include

payments made for compensation for dismissal each period, plus payments related to the agreements with shareholders of Federico Domenech and payments made to buy shares.

Generation of ordinary cash represents the difference between the NFD at the beginning and end of the period, adjusted for non-recurring and exceptional receivables and payables for comparative purposes. Exceptional non-recurring payments include payments made for compensation for dismissal each period, plus payments related to the agreements with shareholders of Federico Domenech and payments made to buy shares.

Calculation of APMs: reconciliation between accounting data and Alternative Performance Measures

Thousand Euros	1Q17	1Q16
NET RESULT OF THE YEAR	-9,779	-8,323
Financial income	-54	-96
Financial expenses	1,339	1,712
Other results from financial instruments	0	0
Tax on profits of continued operations	-161	-1,292
Amortization and depreciation	4,233	4,786
Impairment of goodwill	250	450
Impairment and result from sale of fixed and non-fixed assets	7	-146
Result from equity-accounted subsidiaries	57	129
Net result of sale of non-current financial assets	0	0
EBITDA	-4,110	-2,780
Compensations payments	10,614	9,936
Others costs one-off	100	
COMPARABLE EBITDA	6,604	7,156
EBITDA	-4,110	-2,780
Amortization and depreciation	-4,233	-4,786
Impairment and result from sale of fixed and non-fixed assets	-7	146
EBIT	-8,349	-7,420
Compensations payments	10,614	9,936
Others costs one-off	100	
Impairment and result from sale of fixed and non-fixed assets	7	-146
EBIT COMPARABLE	2,371	2,370

Thousand Euros	1Q17	1Q16
Long term financial debt with credit institutions	63,964	64,903
Other liabilities with long term financial cost	630	1,493
Short term financial debt with credit institutions	19,807	17,942
Other liabilities with short term financial cost	1,607	1,783
Cash and cash equivalents	-21,368	-21,709
Other non-current payables with a financial cost	-384	-270
Arrangement fee for syndicated loan	2,058	2,271
NET FINANCIAL DEBT (NFD)	66,312	66,413
NET FINANCIAL DEBT (NFD)	66,312	66,413
compensation payments in the period	-8,007	-8,176
Sale of the ABC building	-1,387	0
Payment for renegotiation of put options on Las Provincias and second payment of purchase of 34% of Rotomadrid and others	-1,752	-2,572
COMPARABLE NET FINANCIAL DEBT	55,166	55,665
NFD at start period	66,413	108,787
NFD at end of period	-66,312	-112,909
compensation payments in the period	8,007	8,176
Sale of the ABC building	1,387	0
Payment for renegotiation of put options on Las Provincias and second payment of purchase of 34% of Rotomadrid and others	1,752	2,572
ORDINARY CASH GENERATION	11,246	6,626

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.

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