



**RESULTS FOR JANUARY-DECEMBER  
2017**

27 February 2018

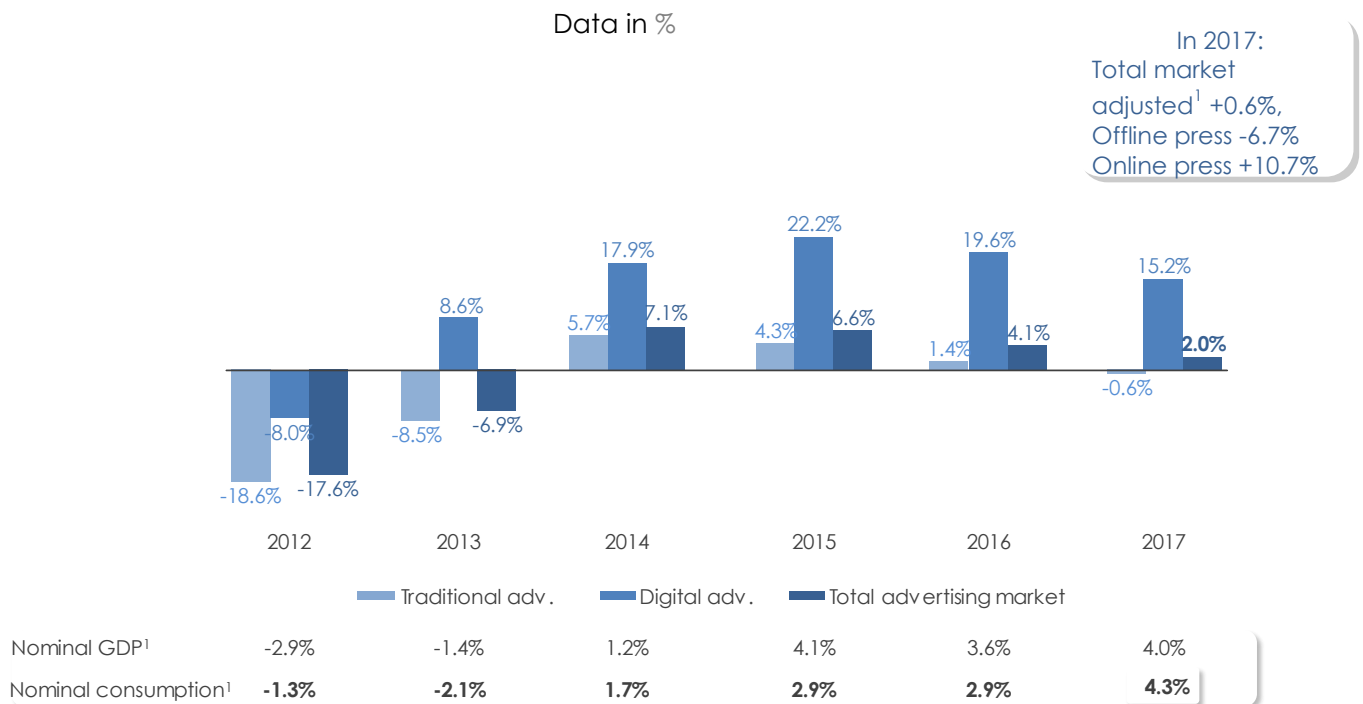
## INTRODUCTION: VOCENTO AND THE MACROECONOMIC AND ADVERTISING CONTEXT

The Spanish economy is maintaining its cruising speed for GDP in constant terms, with growth of +3.1% according to the first estimate from the INE, just 0.2 p.p. below the level of 2016. The sources of growth have changed, with a lower contribution from household consumption and an increased role for investment and external demand, reflecting both the export of goods and revenues from tourism.

However, the increase in prices implies that in nominal terms growth in 2017 was higher than in 2016, with GDP up +4.0% and household consumption rising by +4.3% in 9M17, 0.4 p.p. and 0.14 p.p. higher respectively than in 2016.

Despite positive macroeconomic conditions, the growth of the advertising market has decelerated in recent years. The offline market has been declining at a mid-single digit rate, while growth in online advertising, excluding social media, slowed down in 2017.

### Performance of advertising market and macro conditions



Source: i2p and INE. Note 1: Total advertising market ex social media. Note 2: 9M17 data for 2017

For 2018, the outlook is for lower economic growth, of +2.6% in constant terms according to the Funcas consensus. Advertising spend is expected to remain sluggish in 2018, with a fall in the traditional media market (excluding digital) of 0.5%, according to i2p.

## PERFORMANCE OF VOCENTO BUSINESSES

VOCENTO is a multimedia group, whose parent company is VOCENTO, S.A., and 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. Starting in 2018, Gastronomy will be introduced as a differentiated activity.

### Breakdown of areas of activity of VOCENTO

NEWSPAPERS (offline and online)		
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>▪ Regional distribution (Beralán)</li> <li>▪ News agency (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> </ul>
		<ul style="list-style-type: none"> <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			CLASSIFIEDS	GASTRONOMY
DTT	RADIO	CONTENTS		
<ul style="list-style-type: none"> <li>▪ National DTT - Net TV</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>▪ Izen</li> <li>▪ Veralia distribution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pisos.com</li> <li>▪ Infoempleo</li> <li>▪ Autocasión</li> </ul>	<ul style="list-style-type: none"> <li>▪ Madrid Fusión</li> <li>▪ Gastronomika</li> <li>▪ Others diversification</li> </ul>
Accounted for by the equity method since 3Q17 onwards				

### 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 (e.g. the deconsolidation of Veralia Contenidos in 2017).

## Highlights of the financial performance of the businesses in 2017

**VOCENTO brands continued to increase their market share in a flat advertising market**

**Circulation margin maintained (€-0.3m, with savings made in circulation add-ons)**

**Comparable EBITDA 2017 decreased by €-2.6m, with new lease at ABC €2.0m**

**The net financial position improved by €+10.3m, with positive ordinary cash flow of €21.6m**

### **Diversification into the gastronomy area and others**

- **Advertising revenues +0.1% in 2017 vs. -1.4% for total press advertising market**
  - i. The advertising market, excluding social media, was stagnant, increasing by +0.6% in 2017. Including social media, the market expanded by +2.0% (vs. +4.1% in 2016).
  - ii. There were diverging performances in the local and national advertising market: increased strength in the local market, with VOC local advertising revenues rising by +2.6% in 2017.
  
- **Margin on circulation maintained in 2017 vs. 2016 despite fall in circulation**
  - i. In the Comunidad de Madrid, ABC increased its share of ordinary circulation by +0.7 p.p. to 27.3%<sup>1</sup>.
  - ii. Savings in the costs of circulation maintained the margin in 2017 (a variation of -290 thousand euros from 2016).
  
- **Comparable EBITDA 49,677<sup>2</sup> thousand euros, decreasing by -4.9% vs. 2016**
  - i. There was a decrease in comparable EBITDA (-2,562 thousand euros), partly as a result of the ABC lease (c. 2,000 thousand euros). In 4Q17, there was a pro forma<sup>3</sup> increase of +258 thousand euros.
  - ii. Execution of the Efficiency Plan: comparable costs fell by -5.6% in 2017.
  - iii. Agreements with third parties have also been reached in order to improve profitability, such as the integration of Veralia Contenidos and in 2018 the printing deal with Prisa.
  
- **Generation of ordinary operating cash flow of 21,612 thousand euros**
  - i. Net financial debt/comparable EBITDA improved to 1.1x. NFD fell to -56,153 thousand euros vs. -66,412 thousand euros in 2016.
  - ii. Cash outflows of -9,735 thousand euros for compensation payments and -1,167 thousand euros for other extraordinaries, including the acquisition of Madridfusión and the Veralia Contenidos transaction.
  
- **Measures aimed at diversification of revenues**
  - i. The diversification strategy has been accelerated: Madridfusión, Shows on Demand and Factor Moka. Funds from the sale of non-productive assets (real estate) are being re-invested in growth businesses.

<sup>1</sup> Source OJD. Ordinary paid circulation (kiosk sales and individual subscriptions).

<sup>2</sup> Excluding personnel adjustment measures and one-offs VOC 2017 -10,067 thousand euros and 2016 -10,115 thousand euros.

<sup>3</sup> Excluding impact of deconsolidation of Veralia Contenidos.

## Main financial data

### Consolidated Profit and Loss Account

IFRS thousand euros	IFRS			
	2017	2016	Var Abs	Var %
Circulation revenues	170,973	182,733	-11,760	-6.4%
Advertising revenues	163,065	162,981	84	0.1%
Other revenues	89,877	103,051	-13,174	-12.8%
<b>Total revenue</b>	<b>423,915</b>	<b>448,765</b>	<b>-24,850</b>	<b>-5.5%</b>
Staff costs	-152,256	-154,814	2,558	1.7%
Procurements	-60,215	-67,246	7,032	10.5%
External Services	-169,335	-182,516	13,181	7.2%
Provisions	-2,500	-2,065	-435	-21.0%
Operating expenses (without D&A)	-384,306	-406,642	22,336	5.5%
<b>EBITDA</b>	<b>39,609</b>	<b>42,123</b>	<b>-2,514</b>	<b>-6.0%</b>
Depreciation and amortization	-16,916	-18,650	1,734	9.3%
Impairment/gains on disposal of tan. & intan. asse	-4,874	20,881	-25,754	n.r.
<b>EBIT</b>	<b>17,820</b>	<b>44,354</b>	<b>-26,534</b>	<b>-59.8%</b>
Impairments/reversal of other intangible assets	-1,000	-2,500	1,500	60.0%
Profit of companies acc. equity method	-90	-110	20	18.4%
Net financial income	-4,788	-6,752	1,964	29.1%
Net income from disposal of non-current assets	2,932	-177	3,109	n.r.
<b>Profit before taxes</b>	<b>14,874</b>	<b>34,814</b>	<b>-19,940</b>	<b>-57.3%</b>
Corporation tax	-13,073	-92,570	79,497	85.9%
<b>Net profit for the year</b>	<b>1,801</b>	<b>-57,756</b>	<b>59,557</b>	<b>n.r.</b>
Minority interests	-6,597	-2,255	-4,342	n.r.
<b>Net profit attributable to the parent</b>	<b>-4,796</b>	<b>-60,011</b>	<b>55,215</b>	<b>92.0%</b>
Staff costs ex non recurring costs	-142,288	-144,699	2,410	1.7%
Operating Expenses ex non recurring costs	-374,238	-396,527	22,288	5.6%
<b>Comparable EBITDA<sup>1</sup></b>	<b>49,677</b>	<b>52,238</b>	<b>-2,562</b>	<b>-4.9%</b>
Comparable EBIT <sup>1 2</sup>	32,761	33,588	-827	-2.5%

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 2016 -10,115 and 2017 -10,067 thousand euros.

<sup>2</sup> Excluding Result from divestment of fixed assets 2016 20.881 thousand euros and 2017 -4,874 thousand euros.

## Operating revenues

In 2017 revenues totaled 423,915 thousand euros, a decrease of -5.5% from their level in 2016.

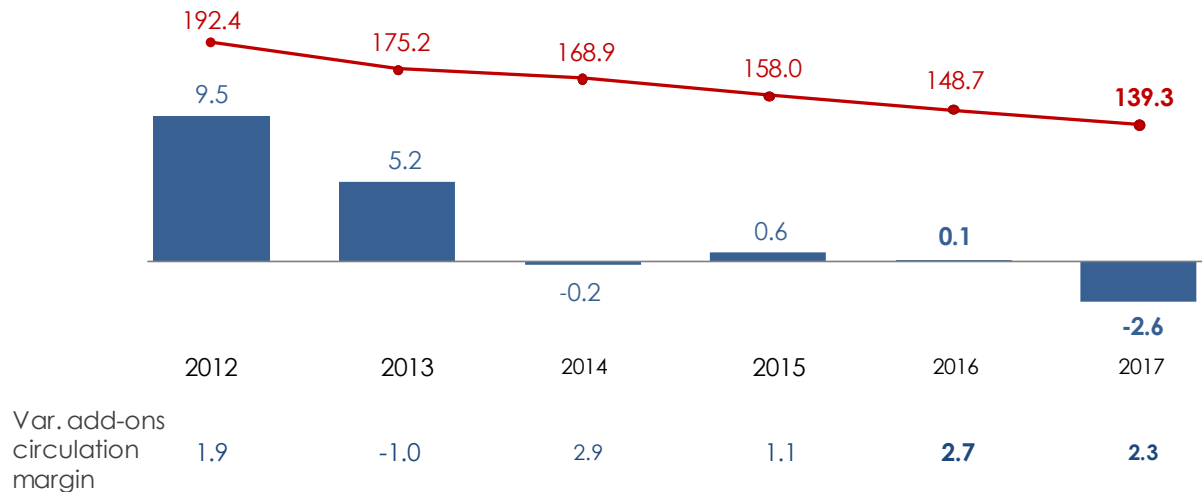
- i. Circulation revenues fell by -6.4%, with a -5.5% decrease at the Regional Press and a drop of -8.2% at ABC.

The total savings have which resulted from measures aimed at reducing the direct costs of printing and add-ons over the 2011-2017 period now exceed by €22.5m the decrease in

circulation revenues over this same period. In 2017, the combined circulation margin was practically stable (€-0.3m including the impact of costs and savings on add-ons in the circulation area). Among the initiatives that have improved the margin on promotions is the successful ABC Oro card.

## Development of circulation margin 2011-2017

Data in €m



■ Variation in circulation margin at ABC and regional

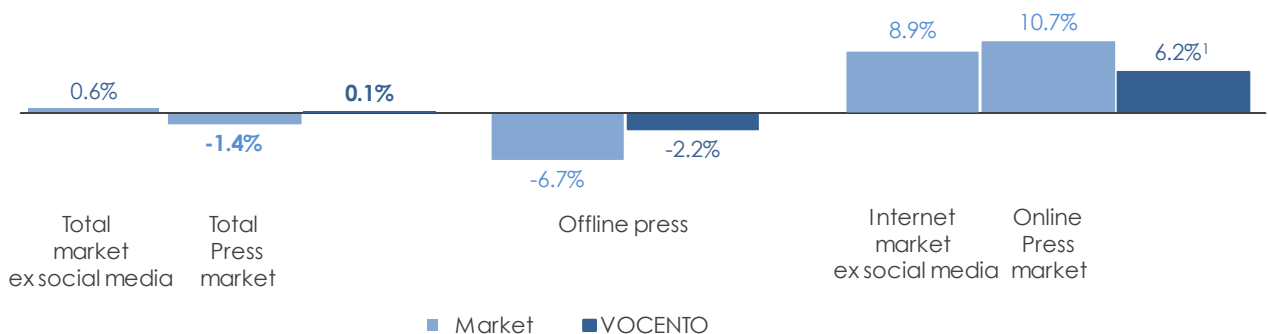
—● Circulation revenues, ABC and regional

- ii. Revenues from advertising sales were stable (2017 +0.1%), in another year characterised by a weak advertising market, and were supported by initiatives linked to the 15th anniversary of VOCENTO.

VOCENTO outperformed the press market (2017 -1.4%). It reported a lower offline decline than the market (-2.2% vs. -6.7%), while online increased by +6.2%.

## VOCENTO advertising performance vs. market 2017

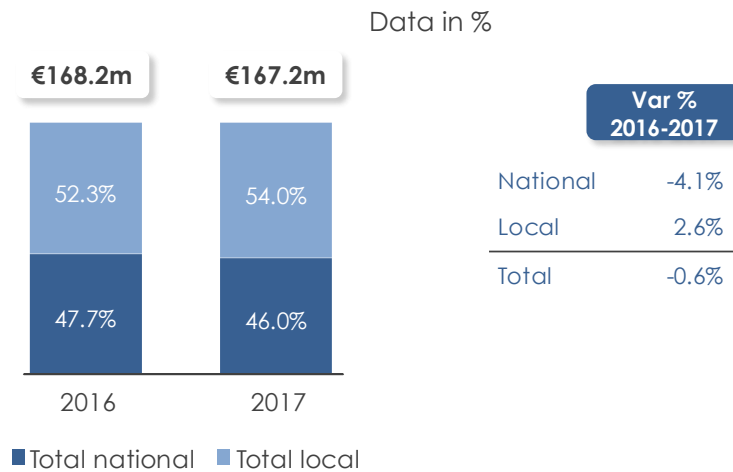
Data in %



Market source i2p. Note 1: Local portals, ABC.es and Classifieds.

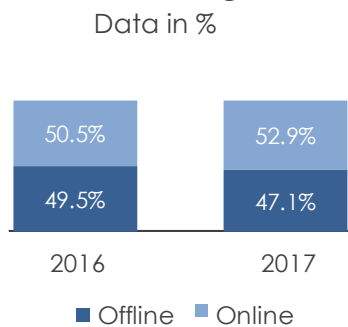
In the VOCENTO advertising mix, in gross terms local advertising is gaining weight and is outperforming national advertising.

## Gross advertising, national vs. local

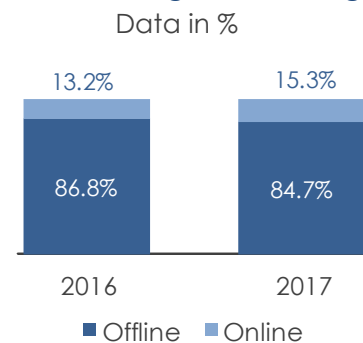


In terms of the VOCENTO revenue profile, digital advertising is continuing to increase in importance, especially national digital advertising.

### National advertising: Print vs. Digital



### Local advertising: Print vs. Digital



Including not only digital advertising revenues at VOCENTO but also revenues from new digital businesses in the e-commerce area, which are booked as other revenues, the increase in 2017 was 1.2 p.p. from 2016. Digital revenues now represent 32.1% of total revenues from advertising and new businesses.

- iii. Other revenues fell by -12.8% from 2016, reflecting the deconsolidation of the content production area, and lower levels of activity in add-ons and at local printing plants, with a limited impact on EBITDA.

## Operating expenses

Comparable costs in 2017 fell by -5.6%, excluding personnel adjustment measures and one-offs of -10,115 thousand euros in 2016 and -10,067 thousand euros in 2017.

By cost item, highlights include the decrease in the cost of supplies (-10.5%) and in comparable personnel expenses (-1.7%).

By business area, comparable costs at Newspapers fell by -5.5% because of the impact of measures focusing on circulation and personnel cost savings.

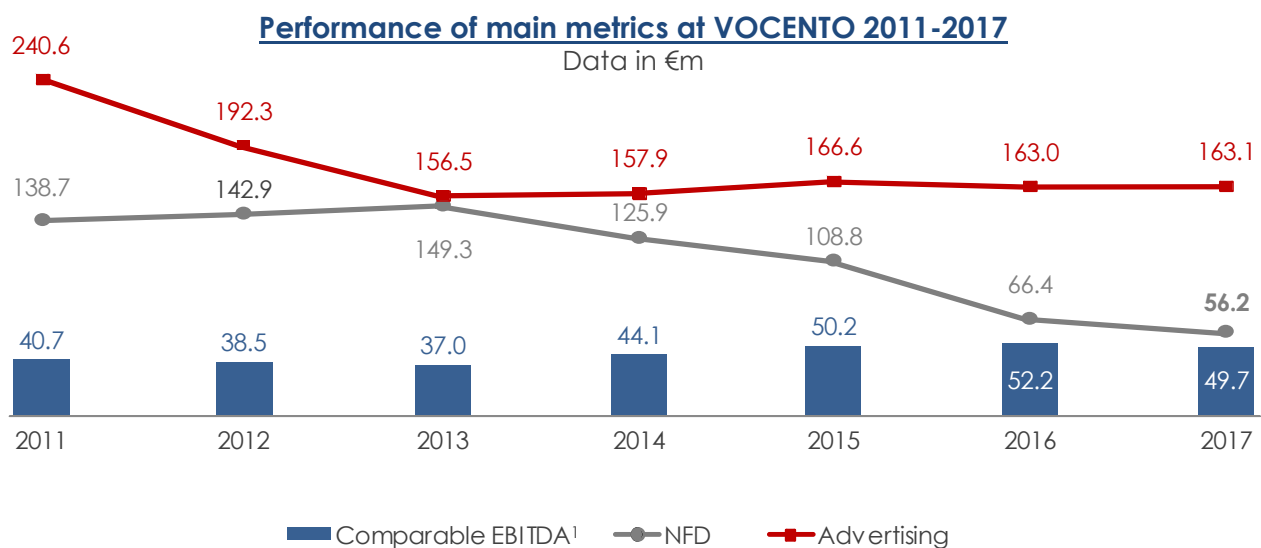
## Detail of comparable operating costs by business area

IFRS thousand euros	2017	2016	Var Abs	Var %
Newspapers	-320,858	-339,693	18,836	5.5%
Audiovisual	-31,015	-35,933	4,918	13.7%
Classifieds	-16,187	-15,739	-448	-2.8%
Corporate and adjustments	-6,178	-5,161	-1,018	-19.7%
<b>Total</b>	<b>-374,238</b>	<b>-396,527</b>	<b>22,288</b>	<b>5.6%</b>

## Comparable EBITDA

Comparable EBITDA in 2017 fell to 49,677 thousand euros from 52,238 thousand euros in 2016, while the comparable EBITDA margin expanded by +0.1 p.p. to 11.7%.

In recent years, VOCENTO has made strategic decisions to reduce financial debt which may have negative impacts on EBITDA. For example, in 2014 the sale of Sarenat and its exit from the perimeter, and the sale of the ABC building in 2017, which led to a new lease expense. In this context, profitability and debt need to be analysed together.



Note 1: not including personnel adjustment measures and one-offs.

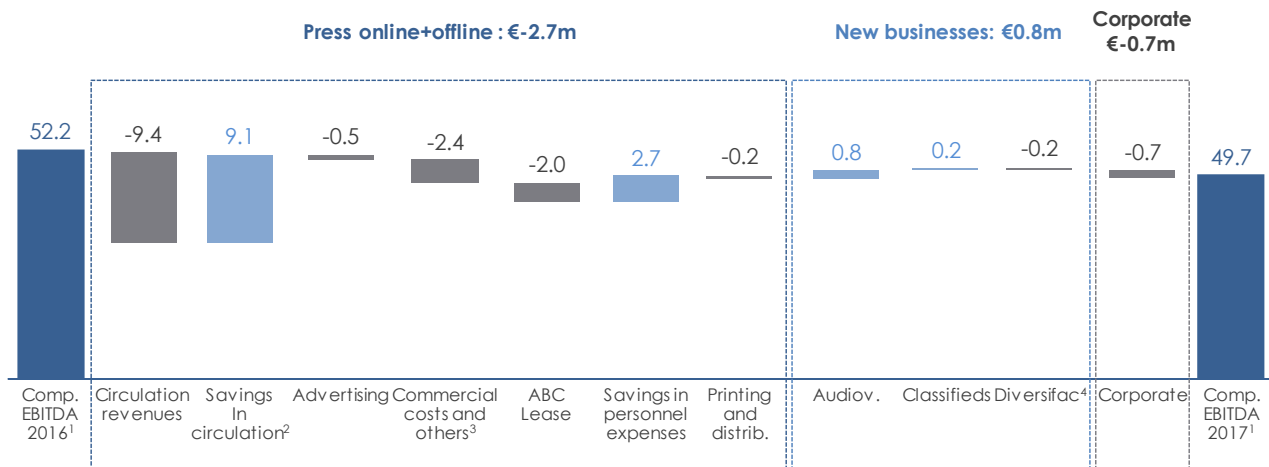
The main factors in the variation in comparable EBITDA in 2017 include:

- i. Personnel savings at Newspapers, which generated a saving of 2,710 thousand euros.
- ii. Marketing costs and others: impact of -2,370 thousand euros from higher costs associated with digital investments (e.g. the launch of Local Digital Kit).
- iii. The new lease on the ABC building, which represented an increase in expenses of c. 2,000 thousand euros.



## Detail of variation to comparable EBITDA<sup>1</sup> 2016-2017

Data as variation 2017 vs. 2016 except for comparable EBITDA. All figures in €m



Note 1: Excluding personnel adjustment measures and one-offs 2016 €-10.1m and 2017 €-10.1m. Note 2: including savings in promotions on circulation. Note 3: Including LDK expenses, higher event costs, etc. Note 4: Gastronomía and Factor Moka.

By business area, highlights in the comparable EBITDA performance in 2017 include:

- Newspapers<sup>4</sup>: a decline of -2,657 thousand euros from 2016, but with an improvement of +134 thousand euros in 4Q17.
- Audiovisual<sup>5</sup>: an increase of +787 thousand euros, to 13,498 thousand euros.
- Classifieds<sup>6</sup>: an increase of +240 thousand euros to 2,315 thousand euros.

## Performance of comparable EBITDA<sup>1</sup> by business area 2017

IFRS thousand euros	2017	2016	Var Abs
Newspapers	44,378	47,035	-2,657
Audiovisual	13,498	12,710	787
Classifieds	2,315	2,076	240
Corporate	-10,514	-9,582	-932
<b>Total</b>	<b>49,677</b>	<b>52,238</b>	<b>-2,562</b>

Note 1: Excluding personnel adjustment measures and one-offs 2017 €-10.1m and 2016 €-10.1m.

## Operating result (EBIT)

In 2017, the operating result was 17,820 thousand euros, compared with 44,354 thousand euros in 2016, when the amount was positively impacted by the sale of the ABC headquarters. The amount included a capital loss of 3,842 thousand euros on the sale of the Veralia Contenidos building, partly offset by capital gains of 2,946 thousand euros from the sale of shares in Veralia Contenidos as part of the creation of IZEN. Comparable EBIT, excluding extraordinary and one-offs, decreased by -2.5% to 32,761 thousand euros.

<sup>4</sup> Newspapers: excluding personnel adjustment measures and one-offs 2016 -6,787 thousand euros and 2017 -8,746 thousand euros.

<sup>5</sup> Audiovisual: excluding adjustment measures 2016 30 thousand euros and 2017 -238 thousand euros.

<sup>6</sup> Classifieds: excluding adjustment measures 2016 -61 thousand euros and 2017 -22 thousand euros.

## **Writedown of goodwill**

Goodwill was written down by -1,000 thousand euros, due to the impairment to goodwill at the Content division because of the gradual reduction of the residual life of the film rights catalogue.

## **Financial result and others**

The improvement in the financial result, from -6,752 thousand euros in 2016 to -4,788 thousand euros in 2017, is a reflection of the reduction in average financial debt and the reduction in financial expenses following the renegotiation of the syndicated loan.

## **Net result from divestment of non-current assets**

This item reflects the capital gains made on the sale of shares in Veralia Contenidos.

## **Corporation tax**

The tax expense in 2017 of 13,073 thousand euros is partly the result of the adjustment to the value of tax credits by 14,111 thousand euros, compared with a tax expense of 92,570 thousand euros in 2016, following the implementation of the tax reforms of Royal Decree Law 3/2016.

## **Minority interest**

The increase in minority interest, to -6,597 thousand euros from -2,255 thousand euros in 2016, is partly a result of various effects of the Veralia Contenidos transaction and the sale of the division's building in 2017, and also of the negative impacts at Veralia in 2016 of tax reform.

## **Net result attributable to the parent company**

The net consolidated result in 2017 was -4,796 thousand euros compared with -60,011 thousand euros in 2016.

## Consolidated Balance Sheet

IFRS thousand euros	IFRS			
	2017	2016	Var abs	% Var
<b>Non current assets</b>	<b>330,876</b>	<b>363,777</b>	<b>-32,901</b>	<b>-9.0%</b>
Intangible assets	114,842	119,912	-5,070	-4.2%
Property, plant and equipment	121,707	137,023	-15,315	-11.2%
Investments accounted using equity method	19,369	5,539	13,830	n.r.
Other non current assets	74,957	101,303	-26,346	-26.0%
<b>Current assets</b>	<b>136,333</b>	<b>134,889</b>	<b>1,444</b>	<b>1.1%</b>
Other current assets	110,775	113,181	-2,406	-2.1%
Cash and cash equivalents	25,558	21,709	3,849	17.7%
<b>Assets held for sale</b>	<b>523</b>	<b>193</b>	<b>329</b>	<b>n.r.</b>
<b>TOTAL ASSETS</b>	<b>467,731</b>	<b>498,860</b>	<b>-31,128</b>	<b>-6.2%</b>
Equity	252,022	255,067	-3,045	-1.2%
Bank borrowings and other fin. liabilities	79,576	86,120	-6,544	-7.6%
Other non current liabilities	38,888	53,610	-14,722	-27.5%
Other current liabilities	97,245	104,063	-6,818	-6.6%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>467,731</b>	<b>498,860</b>	<b>-31,128</b>	<b>-6.2%</b>

### Property, plant and equipment

The sale of the Veralia building, combined with depreciation and capex, has resulted in a decrease of -15,315 thousand euros.

### Equity-accounted investments

Veralia Contenidos is now part of Izen, where VOCENTO has a 45% equity-accounted stake, which explains the increase in this item in 2017.

### Other current assets

The decrease in the amount is due mainly to adjustments made to the value of tax credits.

### Net financial position

The net financial position at the end of the year was -56,153 thousand euros, including cash and cash equivalents of 25,558 thousand euros. The NFD/comparable EBITDA ratio decreased from 1.3x in 2016 to 1.1x in 2017.

In 2017 two financial landmarks were achieved: the renegotiation of the syndicated loan, reducing the financing cost and extending the maturity, and the launch of a programme of promissory notes on the Alternative Fixed Income Market, which has enabled us to diversify our sources of financing.

## Breakdown of Net Financial Debt

IFRS thousand euros	IFRS			
	2017	2016	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	25,903	19,724	6,179	31.3%
Bank borrowings and other financial liabilities (l.t.)	53,673	66,396	-12,723	-19.2%
<b>Gross Debt</b>	<b>79,576</b>	<b>86,120</b>	<b>-6,544</b>	<b>-7.6%</b>
+ Cash and cash equivalents	25,558	21,709	3,849	17.7%
+ Other non current financial asstes	664	270	394	n.r.
Deferred expenses	2,799	2,271	528	23.3%
<b>Net cash position/ (net debt)</b>	<b>-56,153</b>	<b>-66,412</b>	<b>10,259</b>	<b>15.4%</b>

Short-term borrowings include:

- i. debt with credit institutions of 12,444 thousand euros, including the reclassification of expenses for the syndicated loan as short-term.
- ii. other current liabilities with a financial cost of 14,297 thousand euros, mainly related to the issuance of promissory notes, and to a lesser degree to pension plans.

Long-term borrowings include:

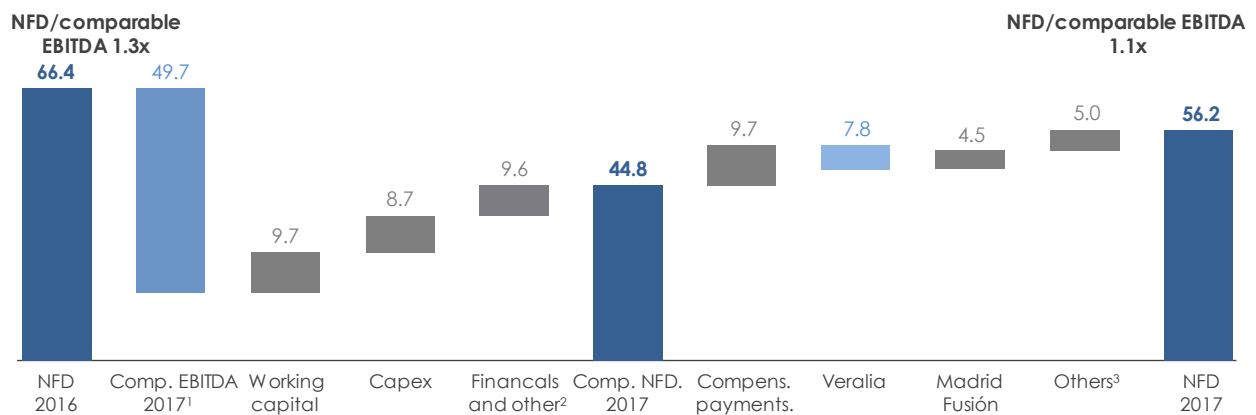
- i. debt with credit institutions of 54,274 thousand euros, including the reclassification of the expenses of the syndicated loan and the valuation of the interest rate hedge on this loan, and
- ii. other non-current liabilities with a financial cost of 1,361 thousand euros, including mainly pension plans and pending compensation payments related to the ABC downsizing in 2009.

In 2017 positive cash flows from ordinary operations totaled 21,612 thousand euros. The most significant variations include: i) variation in working capital: -9,695 thousand euros, of which c. 3,400 thousand euros are payments to suppliers which have been put back to 2018, and ii) Capex: -8,739 thousand euros.

Extraordinary movements in cash include: iii) compensation payments of -9,735 thousand euros, and iv) other extraordinary cash outflows of -1,617 thousand euros, as a result mainly of effects related to the deconsolidation of Veralia, the acquisition of Madridfusión, with a greater impact on debt of 2,000 thousand euros expected in 2018, and finally the put options at Las Provincias.

## Analysis of variation in net financial debt 2016-2017

Data in €m



Note 1: excluding personnel adjustment measures and one-offs 2017 €-1012m. Note 2: including anticipated income, net financial expenses, dividends to minority interest, taxes. Note 3: including payment related to Las Provincias and taxes on sale of ABC building.

### Other non-current liabilities

The decrease by -14,722 thousand euros is mainly the result of a lower balance with suppliers following the deconsolidation in the Content area.

### Other current liabilities

The decrease by -6,818 thousand euros is mainly a result of the effect mentioned above.

## Cash flow statement

IFRS thousand euros	IFRS			
	2017	2016	Var Abs	% Var
<b>Net profit attributable to the parent</b>	<b>-4,795</b>	<b>-60,011</b>	<b>55,216</b>	<b>92.0%</b>
Adjustments to net profit	46,970	104,840	-57,870	-55.2%
<b>Cash flows from ordinary operating activities before changes in working capital</b>	<b>42,175</b>	<b>44,829</b>	<b>-2,654</b>	<b>-5.9%</b>
Changes in working capital & others	-9,695	-12,262	2,567	20.9%
Other payables without financial cost	1,739	-4,247	5,986	n.r.
Other payables with financial cost	-915	-2,286	1,371	60.0%
Income tax paid	-3,135	-2,473	-662	-26.8%
Interests deduction for tax purposes	1,534	1,863	-329	-17.7%
<b>Net cash flow from operating activities (I)</b>	<b>31,703</b>	<b>25,424</b>	<b>6,279</b>	<b>24.7%</b>
Acquisitions of intangible and property, plan and equipment	-8,739	-7,270	-1,469	-20.2%
Acquisitions of financial assets, subsidiaries and associates	-1,741	36,689	-38,430	n.r.
Interests and dividends received	372	230	142	61.7%
<b>Net cash flow from investing activities (II)</b>	<b>-10,108</b>	<b>29,649</b>	<b>-39,757</b>	<b>n.r.</b>
Interests and dividends paid	-10,059	-10,433	374	3.6%
Cash inflows/ (outflows) relating to bank borrowings	-17,444	-37,761	20,317	53.8%
Other receivables and payables (financing)	13,081	19	13,062	n.r.
Equity related instruments without financial cost	-3,725	-4,537	812	17.9%
<b>Net cash flows from financing activities (III)</b>	<b>-18,147</b>	<b>-52,712</b>	<b>34,565</b>	<b>65.6%</b>
<b>Net increase in cash and cash equivalents (I + II + III)</b>	<b>3,448</b>	<b>2,361</b>	<b>1,087</b>	<b>46.0%</b>
<b>Cash and cash equivalents of discounted operations</b>	<b>402</b>	<b>0</b>	<b>402</b>	<b>n.a.</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>21,709</b>	<b>19,348</b>	<b>2,361</b>	<b>12.2%</b>
<b>Cash and cash equivalents at end of year</b>	<b>25,558</b>	<b>21,708</b>	<b>3,849</b>	<b>17.7%</b>

Net cash flow from operating activities was 31,703 thousand euros, including among others: (i) payments related the personnel adjustment measures, of -9,735 thousand euros, and (ii) a variation in working capital of -9,695 thousand euros.

Net cash flow from investing activities was -10,108 thousand euros, mainly because of investment in fixed assets (see Capex section) and the cash exit to pay for the acquisition of Madridfusión.

Net cash flow from financing activity was -18,147 thousand euros, and included among others debt interest payments and dividend payments by subsidiaries of VOCENTO to minority shareholders of -10,059 thousand euros, the entry of cash following the issue of promissory notes, and a payment for the renegotiated put options at Las Provincias.

## Capex

One of the aims of financial management at VOCENTO, compatible with a firm commitment to Internet development, is to control investments and protect cash.

The difference between the cash outflow from investments in fixed assets of 8,739 thousand euros and the capex recorded in accounts of 9,070 thousand euros reflects pending payments for investments made in 2016 and 2017, plus investments recorded in 2017 but not fully paid at the end of the year.

### Detail of capex by business area

	IFRS thousand euro								
	2017			2016			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	4,831	3,067	7,898	3,915	3,189	7,104	916	-121	794
Audiovisual	64	342	406	217	208	426	-153	133	-19
Classifieds	297	77	373	281	150	430	16	-73	-57
Corporate	311	81	393	416	102	518	-105	-21	-125
<b>TOTAL</b>	<b>5,503</b>	<b>3,567</b>	<b>9,070</b>	<b>4,829</b>	<b>3,648</b>	<b>8,477</b>	<b>674</b>	<b>-81</b>	<b>593</b>

## VOCENTO's strategy for 2018

VOCENTO's course of action for 2018 is based on the following principles:

- i. Progress with digital transformation.
- ii. Diversify into new business areas.
- iii. Protect the profitability of the offline business.
- iv. Generate operating cash flow.

### i. The digital strategy is focused on:

1. Maximising digital advertising revenues: the aim is to optimize advertising sales by using data analytics to segment audiences. These technologies also increase our understanding of users and improve their engagement and loyalty to VOCENTO brands.

Our commercial offering has been enhanced with the launch of new digital products and services, such as Local Digital Kit in 2017 in the SME segment. Our Classifieds portals constitute another service which differentiates VOCENTO.

2. Implementing payment-based models: with Ideal in 2018, there are now four VOCENTO portals which offer the ON+ payment service to their readers. In total, there are now more than 14,000 subscribers to ON+. This Premium model, which marks the end of the free content era, is based on high quality content, with innovation playing a major role, as well as on exclusive offers to subscribers. The service also enables a better understanding of the users, based on data analytics, helping us optimize the way we capture, retain and make loyal our readers.
3. Generate transactional revenues: Oferplan, a portal for discount offers and plans, is a responding to the changing needs of clients when it comes to making reservation plans. Data analytics are helping stimulate customer spending and generate new transactional businesses.

ii. In diversification, VOCENTO's aim is to acquire businesses that have some form of connection to its brands which can contribute to revenue growth. Furthermore, these new businesses are either profitable or close to breakeven in the short term. Finally, they increase the stability of the P&L and of cash flow, by reducing exposure to conventional advertising revenues.

As part of this strategy, the following acquisitions have been completed in recent quarters:

1. The acquisition of Madridfusión, a global leader in the gastronomy industry, with a high potential for international expansion and for the development of ancillary activities. The company, with San Sebastián Gastronomika (which belongs to VOCENTO), will form a new business area that will report on a separate basis from 2018.

This year, Gastronomika attracted 1,500 participants, 215 speakers from 45 nationalities (with more than 70 Michelin stars) and 13,000 professional visitors. Meanwhile, Madridfusión Congreso 2018 increased all its numbers from last year, with around 2,000 participants (+20% from 2017), 75 international speakers (with 55 Michelin stars), and 13,000 professional visitors.



2. The acquisition via M4E (Media for equity) of a 19% stake in Gelt, an online discount coupon application, 50% of Shows On Demand, an online platform for live music, and a stake in Music Has No Limits, a company which specialises in concert organisation.
3. The launch of Factor Moka, a communication and marketing agency focused on generating content which helps clients and their brands connect to their audiences.

iii. Actions aimed at protecting profitability, including increasing cover prices and reducing costs linked to circulation in order to maintain margins. In this area, the agreement in 2018 with Prisa to print some of its publications at Rotomadrid will enable further increases in operating margins.

Moreover, the implementation of restructuring measures enables the corporate structure to adapt to the performance of the traditional business.

iv. Generation of positive ordinary operating cash, financing investments in restructuring, digital and diversification.

## Information by business area

IFRS thousand euros	IFRS			
	2017	2016	Var Abs	Var %
<b>Total Revenues</b>				
Newspapers	365,235	386,728	-21,493	-5.6%
Audiovisual	44,513	48,643	-4,131	-8.5%
Classifieds	18,503	17,815	687	3.9%
Corporate and adjustments	-4,336	-4,422	86	1.9%
<b>Total Revenues</b>	<b>423,915</b>	<b>448,765</b>	<b>-24,850</b>	<b>-5.5%</b>
<b>EBITDA</b>				
Newspapers	35,632	40,247	-4,616	-11.5%
Audiovisual	13,260	12,740	519	4.1%
Classifieds	2,293	2,015	278	13.8%
Corporate and adjustments	-11,575	-12,879	1,304	10.1%
<b>Total EBITDA</b>	<b>39,609</b>	<b>42,123</b>	<b>-2,514</b>	<b>-6.0%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Newspapers	44,378	47,035	-2,657	-5.6%
Audiovisual	13,498	12,710	787	6.2%
Classifieds	2,315	2,076	240	11.5%
Corporate and adjustments	-10,514	-9,582	-932	-9.7%
<b>Total comparable EBITDA</b>	<b>49,677</b>	<b>52,238</b>	<b>-2,562</b>	<b>-4.9%</b>
<b>EBIT</b>				
Newspapers	21,235	45,445	-24,210	-53.3%
Audiovisual	6,735	10,574	-3,838	-36.3%
Classifieds	1,877	1,556	321	20.7%
Corporate and adjustments	-12,028	-13,221	1,193	9.0%
<b>Total EBIT</b>	<b>17,820</b>	<b>44,354</b>	<b>-26,534</b>	<b>-59.8%</b>
<b>Comparable EBIT<sup>1, 2</sup></b>				
Newspapers	30,970	32,585	-1,615	-5.0%
Audiovisual	10,857	9,313	1,545	16.6%
Classifieds	1,900	1,613	287	17.8%
Corporate and adjustments	-10,967	-9,923	-1,044	-10.5%
<b>Total comparable EBIT</b>	<b>32,761</b>	<b>33,588</b>	<b>-827</b>	<b>-2.5%</b>

<sup>1</sup> Excluding personnel adjustment measures and one-offs 2016 -10,115 and 2017 -10,067 thousand euros.

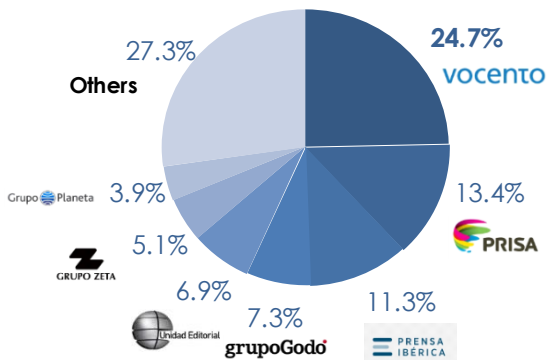
<sup>2</sup> Excluding Result from divestment of fixed assets 2016 20,881 thousand euros and 2017 -4,874 thousand euros.

## Newspapers (including offline and online activity)

VOCENTO is the clear leader of the general press sector with market share of 24.7%. It is also the leader in readership, with more than 2.2 million readers, and has a significant position in the Internet, with a readership of more than 21 million unique users.

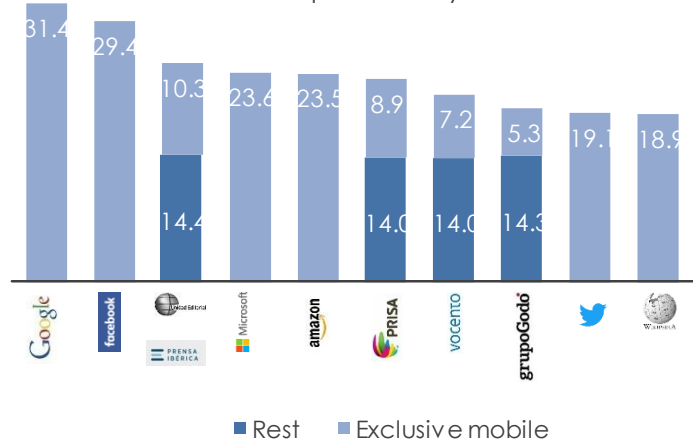
### Share of ordinary circulation<sup>1</sup>

Data in %



### Ranking of Internet audiences<sup>2</sup>

Data in millions of unique monthly users



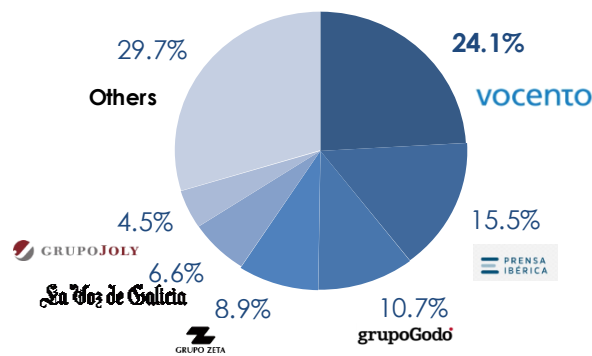
Note 1: Source OJD 2017. Data not certified. Note 2: Source comScore December 2017.

## Regional newspapers

VOCENTO's newspapers are clear leaders in the regional press market, with market share of 24.1%.

### Market share of regional press 2017<sup>1</sup>

Data in %



Note 1: Source OJD. Data not certified.

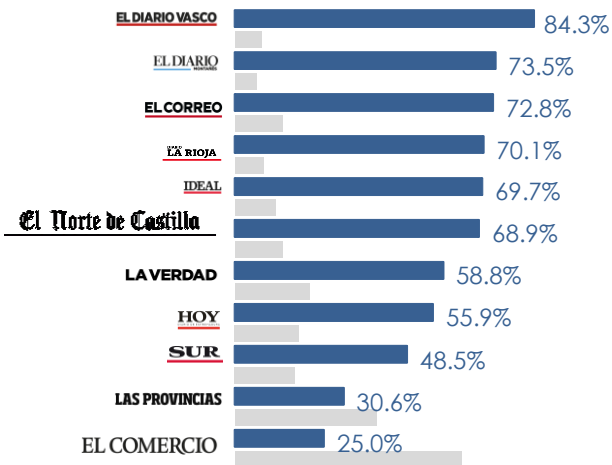
The newspapers are also leaders in terms of readership, with 1.8<sup>7</sup> million offline readers and more than 21<sup>8</sup> million unique users.

<sup>7</sup> Source EGM 3rd accumulated survey 2017.

<sup>8</sup> Source comScore average Jan-Dec 2017 of unique monthly users.

## Market share in area of influence<sup>1</sup>

Data in %



## Audience of local portals<sup>2</sup>

Data in thousands of unique monthly users



Note 1: Source OJD. 2017. Data not certified. Note 2: Source comScore December 2017.

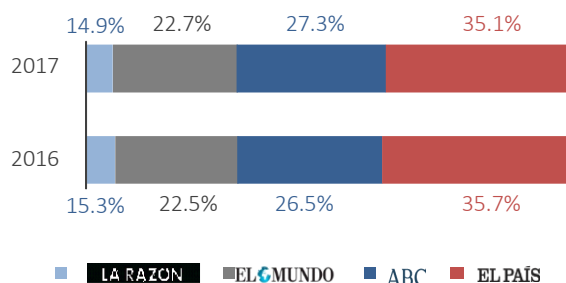
In 2017, the newspapers have continued to diversify their revenues, for example in the events area, with “Futuro en español,” a series of events about the Spanish language which has introduced the brand to Latin America. In the digital space, one highlight among a whole series of initiatives was the launch of Local Digital Kit in the regions where Vocento brands are present. The newspapers are continuing to implement efficiency measures related both to fixed costs and variable costs such as circulation.

## National newspaper - ABC

In 2017, ABC continued to reduce operating costs such as personnel expenses and distribution costs. These measures are fully compatible with a high-quality product, as shown by the increase in circulation market share to 27.3% in the key market of the Comunidad de Madrid, which represents 35% of the national press market.

## Ordinary circulation share in Madrid, 2016-2017<sup>1</sup>

Data in %



Note 1: Source OJD. 2017 data not certified.

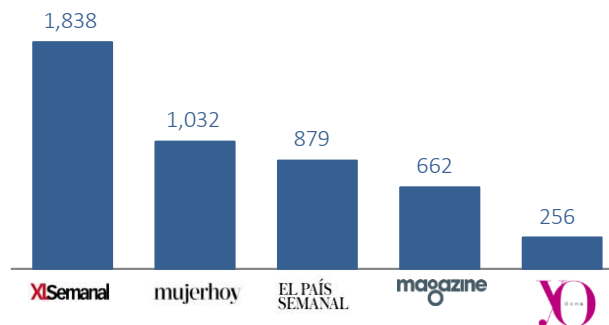
At abc.es, new verticals have joined the platform in order to improve the digital content offering. In 2017, abc.es continued to increase its market share thanks to the potential of mobile access, recording a 36.7% increase in mobile users, higher than at its peers.

## Supplements and Magazines

This is a business of strategic value to VOCENTO, with content which complements the weekend offering of VOCENTO newspapers. Distribution with newspapers from other publishers also enables nationwide coverage, with XL Semanal and Mujer Hoy the two most read supplements in Spain, with a combined readership of around 3 million people.

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

Data in thousand readers



Note 1: 2017 3rd accumulated EGM survey.

This leadership is reflected in the outperformance of revenues, with XL Semanal increasing its share of the advertising market by 1 p.p. compared to other supplements.

In 2017, XL Semanal celebrated its 30<sup>th</sup> anniversary with a special edition. Events linked to the publications were increasingly successful, in particular XL Desafío and the ninth edition of the Mujer hoy Awards. Meanwhile, Inversión y Finanzas launched its 'Inversión y Finanzas School' to increase public understanding about funds.

Corazón magazine (published with TVE) welcomed a new editorial team in January and in early 2018 will help support the circulation of the newspapers.

Digital initiatives also continued to prosper. In the second half of 2017, the relaunched Guapabox increased its volume of subscribers, while xlsemanal.com and mujerhoy.com achieved record numbers of unique users and page views.

Thousand Euro	IFRS			
	2017	2016	Var Abs	Var %
<b>Total Revenues</b>				
Regionals	264,057	276,355	-12,299	-4.5%
ABC	94,310	98,786	-4,476	-4.5%
Supplements & Magazines	26,663	28,821	-2,158	-7.5%
Adjustments intersegment	-19,794	-17,234	-2,560	-14.9%
<b>Total Revenues</b>	<b>365,235</b>	<b>386,728</b>	<b>-21,493</b>	<b>-5.6%</b>
<b>EBITDA</b>				
Regionals	33,826	34,704	-879	-2.5%
ABC	1,908	5,173	-3,265	-63.1%
Supplements & Magazines	-102	370	-472	n.r.
<b>Total EBITDA</b>	<b>35,632</b>	<b>40,247</b>	<b>-4,616</b>	<b>-11.5%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Regionals	38,590	38,908	-318	-0.8%
ABC	5,567	7,757	-2,190	-28.2%
Supplements & Magazines	221	370	-149	-40.2%
<b>Total comparable EBITDA</b>	<b>44,378</b>	<b>47,035</b>	<b>-2,657</b>	<b>-5.6%</b>
<b>EBIT</b>				
Regionals	25,865	24,208	1,657	6.8%
ABC	-4,112	21,223	-25,335	n.r.
Supplements & Magazines	-518	14	-532	n.r.
<b>Total EBIT</b>	<b>21,235</b>	<b>45,445</b>	<b>-24,210</b>	<b>-53.3%</b>
<b>Comparable EBIT<sup>1, 2</sup></b>				
Regionals	30,523	29,855	668	2.2%
ABC	651	2,716	-2,065	-76.0%
Supplements & Magazines	-204	14	-218	n.r.
<b>Total comparable EBIT</b>	<b>30,970</b>	<b>32,585</b>	<b>-1,615</b>	<b>-5.0%</b>

Note: The main eliminations are a result of: a) sales of the supplements 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 2016 -6,787 thousand euros and 2017 -8,746 thousand euros.

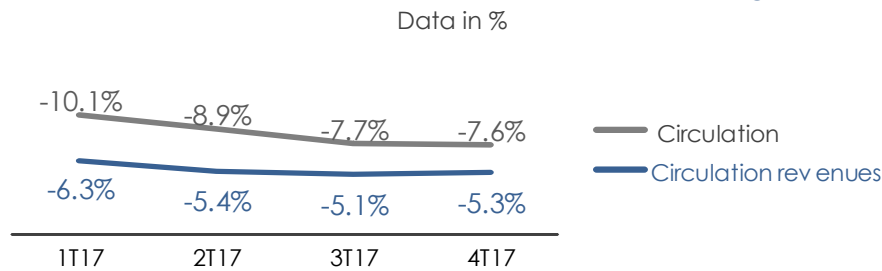
<sup>2</sup> Excluding Result from divestment of fixed assets 2016 19,647 thousand euros and 2017 -989 thousand euros.

**Operating revenues:** 365,235 thousand euros, -5.6% down on 2016.

- i. **Circulation revenues:** 170,973 thousand euros, a decline of -6.4%. The circulation revenues of the Regional Press fell by -5.5% in 2017, with circulation dropping -8.6%.

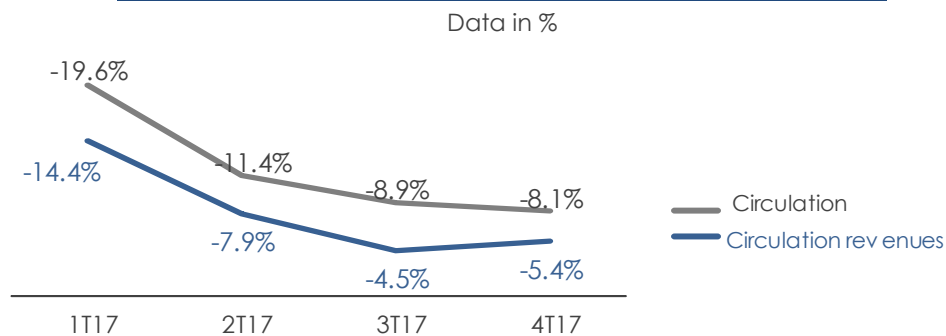
Over the course of the year, there has been a slowdown in the rate of decrease. Meanwhile, at el Diario Vasco and Diario Montañés cover prices were increased from €1.40 to €1.50 in December 2017.

## YoY variation in circulation and circulation revenues at Regional Press



At [ABC](#), circulation revenues fell by -8.2%. As the following chart shows, the slowdown in the decline is even more noticeable than in the Regional Press, following the ending of the comparative effect caused by the termination of some unprofitable circulation in early 2016.

## YoY variation in circulation and circulation revenues at ABC



Finally, revenues from circulation at the [Supplements and Magazines](#) fell by -8.0%.

- ii. **Advertising revenues:** 142,453 thousand euros, a flat performance compared with 2016. Supported by initiatives linked to the 15h anniversary of VOCENTO, advertising at the regional brands and ABC increased slightly (+0.1%), with a difference between online advertising, which increased by +7.8%, and offline advertising, which dropped -2.2%.

At [Regional](#), advertising revenues increased by +3.5% to 99,290 thousand euros.

At [ABC](#), advertising revenues dropped by -8.9%, with a fall in advertising at abc.es of -2.1% and offline of -12.4%, a reflection of the weakness of the national advertising market, which also impacted the online performance.

- iii. **Other revenues:** 51,809 thousand euros, a fall of -15.0% but with a minimal impact on EBITDA.

**Comparable EBITDA<sup>9</sup>:** 44,378 thousand euros compared with 47,035 thousand euros in the prior-year. The area maintained its profitability in 2017, with a comparable EBITDA margin of 12.2%, with cost reductions (2017 -5.5%<sup>9</sup>) partly offsetting the fall in revenues.

<sup>9</sup> Excluding personnel adjustment measures and one-offs 2016 -6,787 thousand euros and 2017 -8,746 thousand euros.

## Development of comparable costs, Newspapers

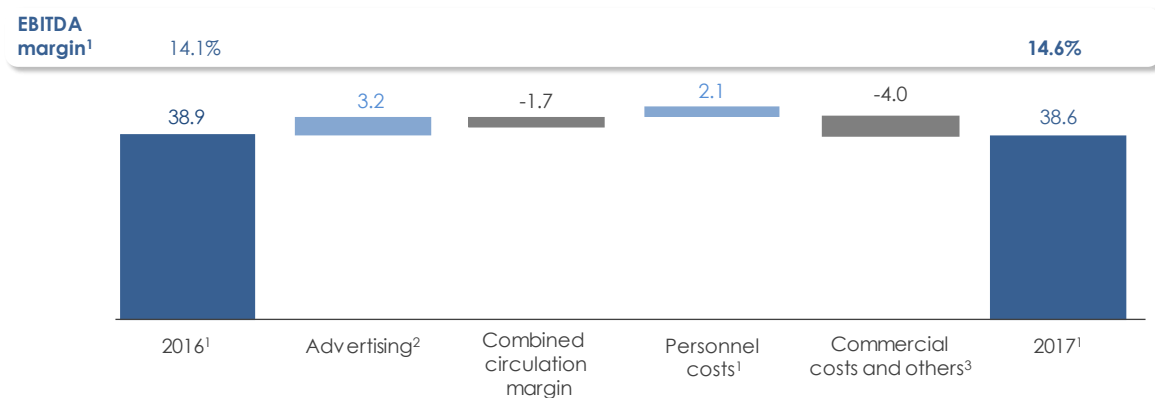
Data in €m

Like for like opex (thousand euros)	2017	2016	Var Abs	Var %
Regionals	-225,467	-237,448	11,981	5.0%
ABC	-88,743	-91,030	2,286	2.5%
Supplements & Magazines	-26,441	-28,451	2,009	7.1%
Adjustments	19,794	17,234	2,560	14.9%
<b>Total</b>	<b>-320,858</b>	<b>-339,693</b>	<b>18,836</b>	<b>5.5%</b>

- i. **Regional:** the fall in the margin on circulation, the performance of print plants and the launch of Local Digital Kit offset the positive impact of advertising growth in comparable EBITDA 2017, which totaled 38,590 thousand euros (down -318 thousand euros from 2016). The reduction in costs enable a slight improvement in the comparable EBITDA margin to 14.6%.

### Regional: performance of comparable EBITDA

Variation 2017 vs. 2016 except comparable EBITDA €m and comparable EBITDA margin %



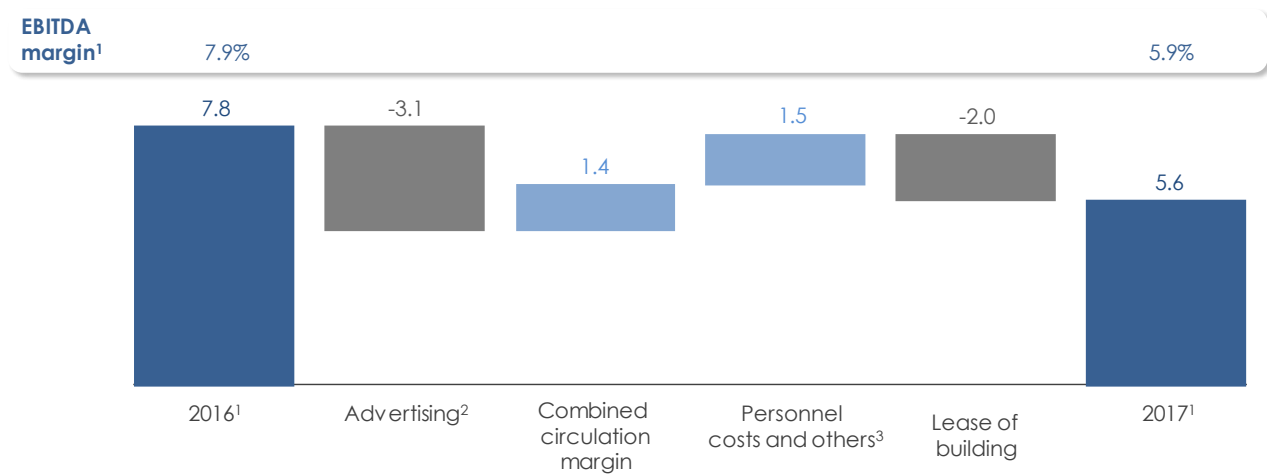
Note 1: excluding adjustment measures and one-offs 2016 €-4.2m and 2017 €-4.8m. Note 2: print and digital. Note 3: including commercial costs, LDK launch costs, print plant margins and other fixed costs.

- ii. **ABC:** comparable EBITDA decreased in 2017 by -2,190 thousand euros mainly as a result of the new lease following the sale of the ABC building in 2016. Highlights in the year include the increase in the margin on circulation and the contribution of improvements in various cost items, as well as the reduction in spending on promotional circulation, thanks to an increased focus on intelligent marketing and on understanding our readers, based on the ABC Oro (ABC Gold) card.



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

Variation 2017 vs. 2016 except comparable EBITDA (€m).



Note 1: excluding adjustment measures and one-offs 2016 €-2.6m and 2017 €-3.7m. Note 2: print and digital. Note 3: other includes personnel costs, print plant margins, commercial expenses and other fixed costs.

- iii. Supplements and Magazines: comparable EBITDA of 221 thousand euros compared with 370 thousand euros in 2016.

## Audiovisual

VOCENTO has a presence in the audiovisual market with a nationwide DTT license enabling the broadcast of two channels, a network of radio licences, the management of a catalogue of film rights, and a position in the content production sector.

### Television

Net TV broadcasts two channels, Disney Channel and Paramount Channel, which provide Vocento with a presence in the niche television market with international, world-leading suppliers.

### Radio

The alliance with Cadena COPE contributes stable profitability and delivers synergies and support to ABC in terms of editorial content.

### Audiovisual Production and Distribution-Veralia

It should be noted that Veralia Contenidos (in which VOCENTO had an indirect stake of 69.99% via Veralia Corporación) has combined with Zebra Producciones, S.A and Proima-Zebrastur, S.L., owned by Iniciativas Digitales, S.L., to form the new company IZEN Producciones Audiovisuales S.L. VOCENTO holds a 45% stake in IZEN.

In the film distribution area, the business risk of Veralia Distribución de Cine is very limited. The aim is to continue maximising revenues from the current catalogue of more than 200 titles, as new OTT (over the top) players join the existing customer base in the television market.

Thousand Euro	IFRS			
	2017	2016	Var Abs	Var %
<b>Total Revenues</b>				
DTT	27,310	29,400	-2,090	-7.1%
Radio	4,093	4,130	-37	-0.9%
Content	13,339	15,381	-2,041	-13.3%
Adjustments intersegment	-229	-267	38	14.2%
<b>Total Revenues</b>	<b>44,513</b>	<b>48,643</b>	<b>-4,131</b>	<b>-8.5%</b>
<b>EBITDA</b>				
DTT	5,851	5,825	26	0.4%
Radio	2,547	2,604	-57	-2.2%
Content	4,863	4,312	551	12.8%
<b>Total EBITDA</b>	<b>13,260</b>	<b>12,740</b>	<b>519</b>	<b>4.1%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
DTT	6,021	5,825	196	3.4%
Radio	2,547	2,574	-27	-1.1%
Content	4,930	4,312	619	14.4%
<b>Total comparable EBITDA</b>	<b>13,498</b>	<b>12,710</b>	<b>787</b>	<b>6.2%</b>
<b>EBIT</b>				
DTT	5,582	6,757	-1,175	-17.4%
Radio	2,517	2,615	-98	-3.8%
Content	-1,364	1,201	-2,565	n.r.
<b>Total EBIT</b>	<b>6,735</b>	<b>10,574</b>	<b>-3,838</b>	<b>-36.3%</b>
<b>Comparable EBIT<sup>1, 2</sup></b>				
DTT	5,771	5,557	214	3.9%
Radio	2,528	2,554	-26	-1.0%
Content	2,558	1,201	1,357	n.r.
<b>Total comparable EBIT</b>	<b>10,857</b>	<b>9,313</b>	<b>1,545</b>	<b>16.6%</b>

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 1,657 thousand euros in 2016 and in 2017 of 1,576 thousand euros.

<sup>1</sup> Excluding personnel adjustment measures 2016 of 30 thousand euros and in 2017 of -238 thousand euros.

<sup>2</sup> Excluding Result from divestment of fixed assets 2016 of 1,231 thousand euros and 2017 -3,884 thousand euros.

**Operating Revenues:** 44,513 thousand euros, down -8.5%, reflecting the deconsolidation of Veralia Contenidos and lower activity at regional DTT.

**Comparable EBITDA<sup>10</sup>:** improved by +6.2%, or 787 thousand euro, to 13,498 thousand euros. The comparable EBITDA margin rose to 30.3% in 2017, compared with 26.1% in 2016.

<sup>10</sup> Excluding personnel adjustment measures in 2016 of 30 thousand euros and in 2017 of -238 thousand euros.

- i. DTT: comparable EBITDA of 6,021 thousand euros in 2017, an increase of 196 thousand euros from 2016.
- ii. Radio: comparable EBITDA of 2,547 thousand euros, almost the same level as in 2016 (2,574 thousand euros). This stability reflects the agreement with COPE.
- iii. Content: comparable EBITDA of 4,930 thousand euros, up 619 thousand euros from 2016, thanks mainly to film distribution.

**Comparable operating result:** *(given the level of amortization, commentary is provided on the operating result)*. An increase to 10,857 thousand euros from 9,313 thousand euros in 2016, due to an improvement in comparable EBITDA and lower amortization in the Content area, with a decrease of -738 thousand euros in 2017. All divisions were profitable at the EBIT level.

## Classifieds

In 2017, the Classifieds business consolidated its position with growth in the real estate market at pisos.com, increased profitability at Autocasión.com in the automotive sector, and stability in the jobs market at Infoempleo.com.

In 2017 the Infoempleo.com and autocasion.com portals were redesigned.

IFRS thousand euros	2017	2016	Var Abs	Var %
<b>Total Revenues</b>				
Classifieds	18,503	17,815	687	3.9%
<b>Total Revenues</b>	<b>18,503</b>	<b>17,815</b>	<b>687</b>	<b>3.9%</b>
<b>EBITDA</b>				
Classifieds	2,293	2,015	278	13.8%
<b>Total EBITDA</b>	<b>2,293</b>	<b>2,015</b>	<b>278</b>	<b>13.8%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Classifieds	2,315	2,076	240	11.5%
<b>Total comparable EBITDA</b>	<b>2,315</b>	<b>2,076</b>	<b>240</b>	<b>11.5%</b>
<b>EBIT</b>				
Classifieds	1,877	1,556	321	20.7%
<b>Total EBIT</b>	<b>1,877</b>	<b>1,556</b>	<b>321</b>	<b>20.7%</b>
<b>Comparable EBIT<sup>1 2</sup></b>				
Classifieds	1,900	1,613	287	17.8%
<b>Total comparable EBIT</b>	<b>1,900</b>	<b>1,613</b>	<b>287</b>	<b>17.8%</b>

<sup>1</sup> Excluding personnel adjustment measures in 2017 of -22 thousand euros and in 2016 of -61 thousand euros.

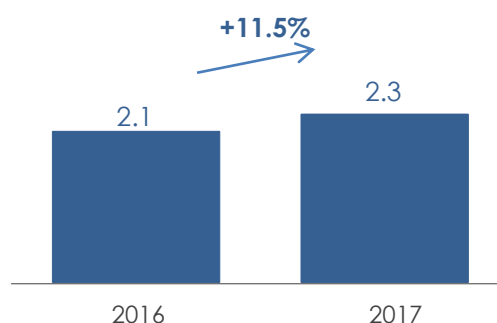
<sup>2</sup> Excluding Result from divestment of fixed assets in 2016 4 thousand euros and 2017 -1 thousand euros.

**Operating revenues:** 18,503 thousand euros, up +3.9%, thanks to the +3.3% increase in advertising revenues in the area.

**Comparable EBITDA:** 2,315 thousand euros, an increase of +11.5% from 2016, thanks to growth at the real estate portal pisos.com and increased profitability at the automotive portal Autocasión.com.

### Performance of comparable EBITDA at Classifieds<sup>1</sup>

Data in €m



Note 1: excluding adjustment measures 2016 €-0.1m.

## Operating data

### Newspapers

Average Circulation Data	2017	2016	Var Abs	%
<b>National Press - ABC</b>	79,918	91,159	-11,241	-12.3%
<b>Regional Press</b>				
El Correo	61,733	66,623	-4,890	-7.3%
El Diario Vasco	47,046	50,831	-3,785	-7.4%
El Diario Montañés	20,955	23,222	-2,267	-9.8%
Ideal	16,626	18,152	-1,526	-8.4%
La Verdad	13,609	15,821	-2,212	-14.0%
Hoy	9,623	10,303	-680	-6.6%
Sur	14,691	15,992	-1,301	-8.1%
La Rioja	8,462	9,368	-906	-9.7%
El Norte de Castilla	16,465	18,089	-1,624	-9.0%
El Comercio	14,796	16,357	-1,561	-9.5%
Las Provincias	14,961	16,679	-1,718	-10.3%
<b>TOTAL Regional Press</b>	<b>238,967</b>	<b>261,437</b>	<b>-22,470</b>	<b>-8.6%</b>

Sources:OJD. 2017 non audited data.

Audience	3 <sup>rd</sup> Survey 17	3 <sup>rd</sup> Survey 16	Var Abs	%
<b>National Press - ABC</b>	<b>418,000</b>	<b>453,000</b>	<b>-35,000</b>	<b>-7.7%</b>
<b>Regional Press</b>	<b>1,780,000</b>	<b>1,859,000</b>	<b>-79,000</b>	<b>-4.2%</b>
El Correo	375,000	386,000	-11,000	-2.8%
El Diario Vasco	197,000	198,000	-1,000	-0.5%
El Diario Montañés	142,000	141,000	1,000	0.7%
Ideal	149,000	139,000	10,000	7.2%
La Verdad	156,000	191,000	-35,000	-18.3%
Hoy	112,000	134,000	-22,000	-16.4%
Sur	136,000	124,000	12,000	9.7%
La Rioja	81,000	85,000	-4,000	-4.7%
El Norte de Castilla	163,000	191,000	-28,000	-14.7%
El Comercio	151,000	152,000	-1,000	-0.7%
Las Provincias	118,000	118,000	0	0.0%
<b>Supplements</b>				
XL Semanal	1,838,000	1,760,000	78,000	4.4%
Mujer Hoy	1,032,000	1,156,000	-124,000	-10.7%
Mujer Hoy Corazón	215,000	186,000	29,000	15.6%
Inversión y Finanzas	30,000	23,000	7,000	30.4%
<b>Monthly Unique uses (Th)</b>	<b>dic-17</b>	<b>dic-16</b>	<b>Var Abs</b>	<b>%</b>
Vocento	21,137	19,180	1,957	10.2%

Source: comScore.

### Audiovisual

National TV Market	dic-17	dic-16	Var Abs
Audience share Net TV	3.5%	3.2%	0.3 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. Various exceptional non-recurring payments have been included, as shown in the second table.

**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. The details of these impacts can be seen in the second table.

## Reconciliation between accounting data and Alternative Performance Measures

Thousand Euros	<b>2,017</b>	<b>2,016</b>
Net result of the year	1,801	-57,756
Financial income	-300	-243
Financial expenses	5,043	6,701
Other results from financial instruments	45	294
Tax on profits of continued operations	13,073	92,570
Amortization and depreciation	16,916	18,650
Impairment of goodwill	1,000	2,500
Impairment and result from sale of fixed and non-fixed assets	4,874	-20,881
Result from equity-accounted subsidiaries	90	110
Net result of sale of non-current financial assets	-2,932	177
<b>EBITDA</b>	<b>39,609</b>	<b>42,123</b>
Compensations payments	9,967	10,115
Other one-off costs	100	0
<b>Comparable EBITDA</b>	<b>49,677</b>	<b>52,238</b>
EBITDA	39,609	42,123
Amortization and depreciation	-16,916	-18,650
Impairment and result from sale of fixed and non-fixed assets	-4,874	20,881
<b>EBIT</b>	<b>17,820</b>	<b>44,354</b>
Compensations payments	9,967	10,115
Others one-off costs	100	0
Impairment and result from sale of fixed and non-fixed assets	4,874	-20,881
<b>Comparable EBIT</b>	<b>32,761</b>	<b>33,588</b>

Thousand Euros	<b>2,017</b>	<b>2,016</b>
Long term financial debt with credit institutions	52,313	64,903
Other liabilities with long term financial cost	1,361	1,493
Short term financial debt with credit institutions	11,606	17,942
Other liabilities with short term financial cost	14,297	1,783
Cash and cash equivalents	-25,558	-21,709
Other non-current payables with financial cost	-664	-270
Arrangement fee for syndicated loan	2,799	2,270
<b>Net financial debt (NFD)</b>	<b>56,153</b>	<b>66,412</b>
Net financial debt (NFD)	56,153	66,412
Compensation payments in the period	-9,735	-10,278
Taxes and expenses from sale of buildings	4,998	35,770
Inspection report refund	1,666	0
Payment for renegotiation of put options and others	-3,725	-3,074
Acquisitions of financial assets, subsidiaries and associates	-6,631	-1,463
Exclusions from the scope of consolidation	2,076	0
<b>Comparable net financial debt</b>	<b>44,801</b>	<b>87,367</b>
NFD at start period	66,412	108,787
NFD at end of period	-56,153	-66,412
Compensation payments in the period	9,735	10,278
Taxes and expenses from sale of buildings	-4,998	-35,770
Tax penalty refund	-1,666	0
Payment for renegotiation of put options and others	3,725	3,074
Business purchase	6,631	1,463
Exclusions from the scope of consolidation	-2,076	0
<b>Ordinary cash generation</b>	<b>21,611</b>	<b>21,420</b>



## 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.

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