



**INTERMEDIATE CONSOLIDATED
MANAGEMENT REPORT 2017**

FIRST HALF OF 2017

26 July 2017

INTRODUCTION: VOCENTO AND THE ECONOMIC ENVIRONMENT

The Spanish economy extended its growth phase in the first half of 2017. According to estimates from the Bank of Spain, GDP increased by 0.9% in the second quarter of 2017, 0.1 p.p. more than in the first quarter.

The growth of GDP is based on the impact of increased employment and consumer confidence on household consumption, and on a positive contribution from external demand, with exports rising. Despite this macro scenario, the advertising market contracted by -1.0% (Press -9.0%, Internet display +3.1%).

The outlook for 2017 is of GDP growth of 3.1%, similar to the level of 2016, according to the Funcas panel. Advertising spend is expected to increase by less in 2017 than in 2016, with i2p forecasting growth of +0.7%, with print advertising set to fall by -8.6%.

PERFORMANCE OF 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 1H17

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 plants 	<ul style="list-style-type: none"> ▪ XL Semanal ▪ MujerHoy ▪ 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
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 Veralia Contenidos transaction).

Highlights of the financial performance of the business in 1H17

Growth in local advertising (1H17 online+offline +0.5%), national advertising contracts (1H17 online+offline -5.8%)

Margin on circulation revenues increases by €+0.5m, despite -7.9% fall in circulation revenues

Continued cost efficiency: comparable costs 1H17 -4.2%

Net financial debt €59.4m (an improvement of €7.0m), NFD/comparable LTM EBITDA 1.2x

- **Advertising revenues -2.5% in a weak advertising market**
 - i. Growth in local advertising (1H17 online+offline +0.5%), but decreases in national advertising (1H17 online+offline -5.8%).
 - ii. Stable local offline advertising, -1.4% in 1H17, with local online growth of +14.2%, driven by Local Digital Kit.
 - iii. In a context of a contraction in the advertising market (1H17 -1.0%¹), VOCENTO has improved its share of the offline market: advertising at VOCENTO offline brands -5.2% vs market -9.0%¹. Higher growth at online: +5.7% vs market +3.1%¹.

- **Comparable EBITDA 1H17 20,645² thousand euros (-2,320 thousand euros vs 1H16)**
 - i. Impact of fall in advertising (-2,035 thousand euros) and new lease at ABC (-975 thousand euros).
 - ii. Despite -7.9% fall in circulation revenues, the margin on circulation improves by 502 thousand euros from 1H16.
 - iii. Execution of Efficiency Plan: comparable costs cut in 1H17 by -4.2%².

- **Net Financial Debt of -59,420 thousand euros, a decrease of -6,993 thousand euros since the end of 2016**
 - i. Net financial debt/comparable EBITDA 1H17 1.2x vs 1.3x at end 2016.
 - ii. Generation of positive ordinary cash flows of 13,957 thousand euros in 1H17.
 - iii. Cash entry from the deconsolidation of Veralia of 3,527 thousand euros in 1H17 (estimated 5,797 thousand euros in FY 2017).

- **Strategic measures implemented in 2017**
 - i. Strategic alliance in content production with the creation of IZEN Producciones Audiovisuales, S.L.
 - ii. Diversification into the gastronomy area with the acquisition of 100% of Foro de Debate, S.L. (madridfusión) for 6,500 thousand euros. This transaction forms part of the strategy of diversifying away from the press business and into high-growth projects linked to the activities of VOCENTO brands, where the proceeds of non-productive assets (real estate) can be re-invested.

¹ Source i2p. Online advertising includes only display and not social networks advertising.

² Excluding personnel adjustment measures and one-offs 1H16 -9,909 thousand euros and 1H17 -11,077 thousand euros.

Main financial data

Consolidated Profit and Loss Account

Thousand Euro	IFRS			
	1H17	1H16	Var Abs	Var %
Circulation revenues	84,655	91,933	-7,278	-7.9%
Advertising revenues	79,961	81,996	-2,035	-2.5%
Other revenues	48,726	50,192	-1,466	-2.9%
Total revenue	213,342	224,121	-10,779	-4.8%
Staff costs	-84,951	-83,826	-1,125	-1.3%
Procurements	-29,949	-34,323	4,374	12.7%
External Services	-87,891	-92,216	4,325	4.7%
Provisions	-984	-701	-283	-40.4%
Operating expenses (without D&A)	-203,775	-211,065	7,291	3.5%
EBITDA	9,567	13,055	-3,488	-26.7%
Depreciation and amortization	-8,423	-9,503	1,080	11.4%
Impairment/gains on disposal of tan. & intan. asse	-3,712	157	-3,869	n.r.
EBIT	-2,567	3,709	-6,277	n.r.
Impairments/reversal of other intangible assets	-500	-900	400	44.4%
Profit of companies acc. equity method	95	-7	102	n.r.
Net financial income	-2,567	-3,313	746	22.5%
Net income from disposal of non-current assets	2,953	-177	3,130	n.r.
Profit before taxes	-2,586	-688	-1,899	n.r.
Corporation tax	3,569	-1,013	4,582	n.r.
Net profit for the year	983	-1,700	2,683	n.r.
Minority interests	-3,419	-2,339	-1,080	-46.2%
Net profit attributable to the parent	-2,436	-4,039	1,603	39.7%
Staff costs ex non recurring costs	-73,974	-73,917	-57	-0.1%
Operating Expenses ex non recurring costs	-192,697	-201,156	8,459	4.2%
Comparable EBITDA¹	20,645	22,964	-2,320	-10.1%
Comparable EBIT ^{1 2}	12,222	13,461	-1,240	-9.2%

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 1H16 -9,909 thousand euros and 1H17 -11,077 thousand euros.

² Excluding Result from sale of fixed assets 1H16 157 thousand euros and 1H17 -3,712 thousand euros.

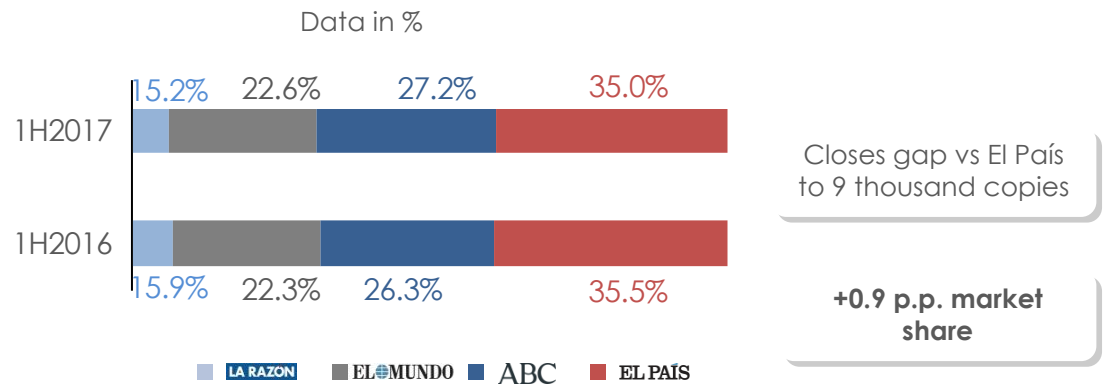
Operating Revenues

Revenues in 1H17 totalled 213,342 thousand euros, down -4.8% from 1H16. Highlights included:

- i. Circulation sales fell by -7.9%. At Regional Press they dropped by -5.9% and at ABC by -11.3%. The comparison is distorted by the closure of some editions in 1H16 and other measures aimed at profitable circulation. At ABC, the cover price on weekdays was increased in 1Q17, from €1.5 to €1.6.

At ABC, a highlight has been the performance of ordinary circulation in the Comunidad de Madrid. ABC increased its market share by 0.9 points to 27.2%, consolidating its position as the #2 and cutting the gap to the market leader over the course of the year.

Performance of ordinary circulation share¹ in Comunidad de Madrid



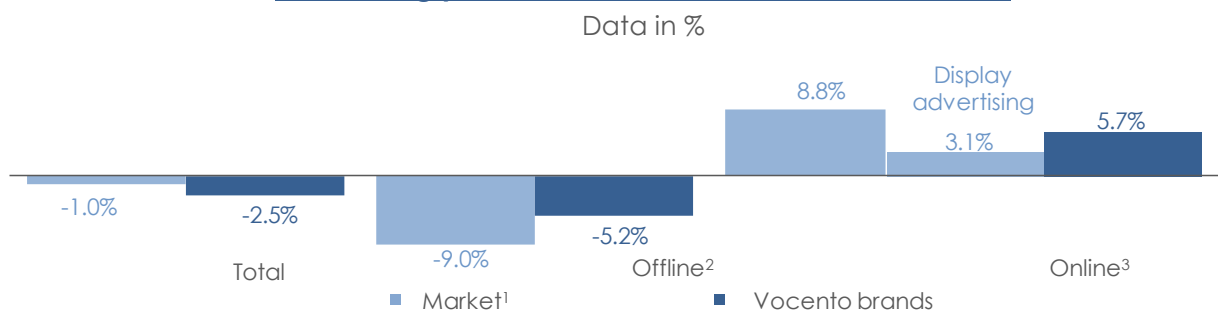
Note 1: source OJD. Kiosk sales and individual subscriptions. 1H17 data not certified.

Two points should be noted: 1) ABC is increasing market share even with a higher cover price (ABC PVP Monday to Friday €1.6 vs €1.5 for competitors), and 2) the importance of Madrid, which represents 36% of the market for national dailies and which is a key market for national advertisers.

- ii. Revenues from advertising sales fell by -2.5% in 1H17, in a year which has not lived up to forecasts. At the end of 2016, i2p estimated advertising market growth of +2.2% in 2017, but has cut the forecast to +0.7%.

VOCENTO slightly outperformed the offline market, with a decrease of -5.2% vs -9.0% for the market. Online growth underperformed: +5.7% for VOCENTO brands vs +3.1% for the online display market.

Advertising performance, VOCENTO vs market 1H17

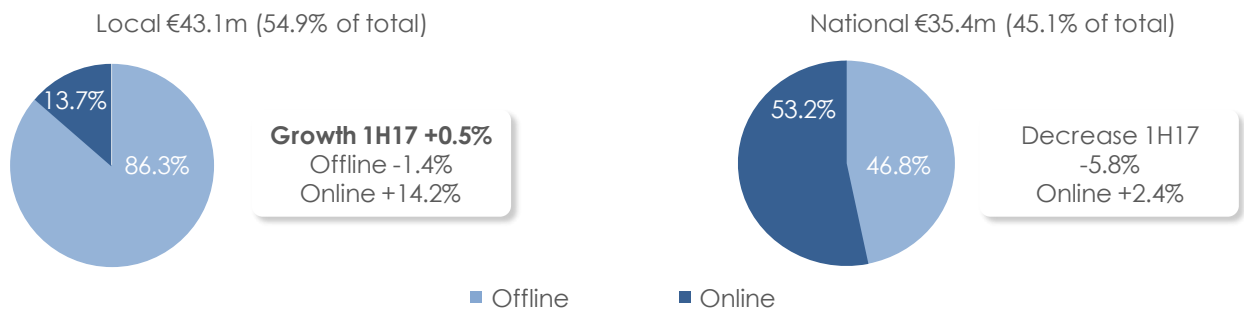


Note 1: market source i2p (online includes display advertising, not social networks). Regional Press and ABC. Note 2: market source i2p. Local portals, ABC.es and Classifieds.

In terms of the relative performance of local and national advertising, local advertising, representing 54.9% of total advertising at VOCENTO, increased by +0.5% in 1H17, with a rise of +14.2% in digital advertising thanks to the success of Local Digital Kit, while national advertising fell by -5.8%, with an increase in digital of +2.4%.

National and local advertising at Vocento 1H17

Data in €m and %



Note 1: excluding Audiovisual, sales companies and eliminations.

Including not only the digital advertising revenues of VOCENTO but also revenues from new digital businesses based on e-commerce, there was an increase in the digital weight of 2.3 p.p. in 1H17 from 1H16, reaching 33.3% of total advertising and e-commerce revenues.

Migration of advertising revenue profile towards digital and new businesses

Data in %



- iii. Other revenues fell by -2.9% from 1H16 because of lower revenues in the Newspapers area as the result of a more selective add-ons policy at ABC and lower activity at local printing plants.

In June, VOCENTO and Iniciativas Digitales, S.L.U. reached an agreement to integrate their businesses in the content production area (for more detail, see the Audiovisual section), leading to the deconsolidation of Veralia Contenidos, S.L.U. at the end of 1H17. The most significant impact on the balance sheet has been a reduction in net debt by 3,527 thousand euros in 1H17 and c. 6,000 thousand euros in 2017.

In the context of the diversification of the revenues of the press area, in high growth projects that have connections to the activities of VOCENTO brands, while re-investing resources from the sale of non-productive assets such as real estate, in July the acquisition was completed of 100% of Foro de Debate, S.L. for 6,500 thousand euros. Foro de Debate, S.L. is a major player in the gastronomical area and since 2003 has organised the food and drink fair madridfusión – for more information see the Newspapers section.

Operating expenses

Comparable costs in 1H17 fell by -4.2%, excluding personnel adjustment measures and one-offs of -11,077 thousand euros in 1H17 and -9,909 thousand euros in 1H16.

By cost item, costs of supply fell by -12.7% and costs of external services fell by -4.7%.

By business area, highlights include the -6.3% cut in comparable costs at Newspapers, reflecting the impact of the Efficiency Plan on personnel expenses and measures aimed at profitable circulation. The increase in operating expenses at Audiovisual and Classifieds is the result of increased activity in content production and investments in a growth area, respectively.

Detail of comparable operating costs by business area

Like for like opex (thousand euros)	1H17	1H16	Var Abs	Var %
Newspapers	-161,159	-172,083	10,924	6.3%
Audiovisual	-18,858	-17,284	-1,574	-9.1%
Classified	-8,324	-7,983	-341	-4.3%
Corporate and adjustments	-4,356	-3,806	-549	-14.4%
Total	-192,697	-201,156	8,459	4.2%

Comparable EBITDA

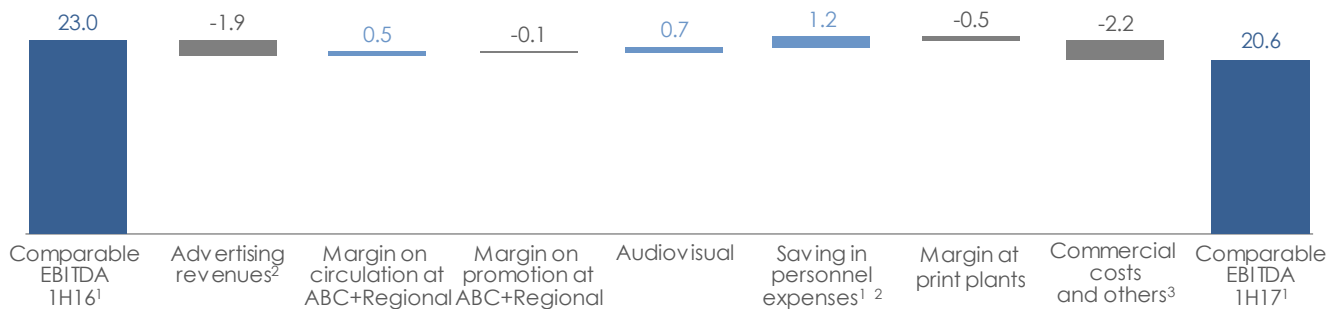
Comparable EBITDA in 1H17 was 20,645 thousand euros, compared to 22,964 thousand euros in 1H16.

The main impacts on the variation in comparable EBITDA include:

- i. Advertising, excluding the Audiovisual area, had a negative impact of -1,948 thousand euros.
- ii. The margin on circulation revenues improved by 502 thousand euros.
- iii. Personnel costs measures derived from the Efficiency Plan led to a saving of 1,213 thousand euros in 1H17. This variation of 1.9% excludes the Audiovisual area, impacted by increased activity at Content, and the print plants, which were affected by industrial restructuring.
- iv. The decrease in activity in the printing business had an impact of -532 thousand euros, partly following the closure of some plants and the outsourcing of production.
- v. Other items: -2,152 thousand euros, mainly commercial costs, higher expenses from digital developments, and the new ABC lease.

Detail of movement in comparable EBITDA¹ 1H17-1H16

Data in variation 1H17 vs 1H16 except for comparable EBITDA. All figures in €m



Note 1: excluding personnel adjustment measures and one-offs 1H16 €-9.9m and 1H17 €-11.1m. Note 2: variation in personnel costs ex. Audiovisual and printing plants. Note 3: commercial costs and others, including new lease for ABC building

By business area, highlights include:

- Newspapers³**: a decrease of -2,947 thousand euros in comparable EBITDA, impacted by the fall in advertising, the new lease at ABC, and costs associated with digital initiatives.
- Audiovisual⁴**: comparable EBITDA 1H17 increased by 696 thousand euros from 1H16, due to higher activity at Content.
- Classifieds⁵**: comparable EBITDA in 1H17 of 869 thousand euros, stable compared with 1H16, with increased revenues reinvested via costs.

Performance of comparable EBITDA¹ by business area 1H17

Data in variation 1H17 vs 1H16 except for comparable EBITDA. All figures in €m

IFRS thousand euros	1H17	1H16	Var Abs
Newspapers	19,008	21,954	-2,947
Audiovisual	6,675	5,979	696
Classified	869	819	50
Corporate	-5,907	-5,788	-119
Total	20,645	22,964	-2,320

Note 1: excluding personnel adjustment measures and one-offs 1H16 €-9.9m and 1H17 €-11.1m.

Operating result (EBIT)

The operating result in 1H17 was -2,567 thousand euros, vs 3,709 thousand euros in 1H16, reflecting the operating performance and capital losses from the sale of the Veralia Contenidos building, booked as an impairments in the divestment of fixed assets.

In terms of comparable EBIT, excluding personnel adjustment measures, one-offs, and impairments following asset sales, EBIT was 12,222 thousand euros. All areas reported positive comparable EBIT.

³ Newspapers: excluding personnel adjustment measures and one-offs 1H16 -6,658 thousand euros and 1H17-9,466 thousand euros.

⁴ Audiovisual: excluding adjustment measures 1H16 30 thousand euros and 1H17 -161 thousand euros.

⁵ Classifieds: excluding adjustment measures 1H16 -54 thousand euros and 1H17-35 thousand euros.

Writedown of goodwill

500 thousand euros, as a result of the deterioration of goodwill in the Content division because of the gradual reduction in the residual life of the film rights catalogue.

Financial result

The improvement in the financial result of +22.5%, from -3,313 thousand euros in 1H16 to -2,567 thousand euros in 1H17, reflects the reduction in financial debt and the corresponding lower financial expense.

Net result from divestment of non-current assets

Capital gains in 1H17 of 2,953 thousand euros are the result of the business combination in the content production area. This offset the capital loss recorded from the sale of the Veralia Contenidos building.

Corporation tax

Tax income of 3,569 thousand euros in 1H17 is partly the result of the reversal of deferred tax liabilities in the second quarter.

Minority interest

The increase in minority interest, -3,419 thousand euros in 1H17 vs -2,339 thousand euros in 1H16, is partly the result of the impact from the reversal of deferred taxes.

Net result attributable to parent company

The consolidated net result in 1H17 was -2,436 thousand euros, an improvement of 1,603 thousand euros compared with 1H16.

Consolidated Balance Sheet

Thousand Euros	IFRS			
	1H17	2016	Var abs	% Var
Non current assets	352,326	363,777	-11,451	-3.1%
Intangible assets	108,387	119,912	-11,525	-9.6%
Property, plant and equipment	125,499	137,023	-11,523	-8.4%
Investments accounted using equity method	20,534	5,539	14,995	n.r.
Other non current assets	97,906	101,303	-3,397	-3.4%
Current assets	126,464	134,889	-8,425	-6.2%
Other current assets	101,646	113,181	-11,535	-10.2%
Cash and cash equivalents	24,819	21,709	3,110	14.3%
Assets held for sale	193	193	0	n.a.
TOTAL ASSETS	478,984	498,860	-19,876	-4.0%
Equity	253,183	255,067	-1,883	-0.7%
Bank borrowings and other fin. liabilities	82,866	86,120	-3,255	-3.8%
Other non current liabilities	47,126	53,610	-6,483	-12.1%
Other current liabilities	95,809	104,063	-8,254	-7.9%
TOTAL EQUITY AND LIABILITIES	478,984	498,860	-19,876	-4.0%

Intangible assets

The decrease in goodwill and other intangible assets in the audiovisual production area is the main factor in the reduction by -11,525 thousand euros.

Property, plant and equipment

The decrease of -11,523 thousand euros is partly the result of the sale of a building belonging to Veralia Contenidos for 4,100 thousand euros.

Equity-accounted stakes

The entry of the 45% stake in IZEN Producciones Audiovisuales S.L. is the reason for the increase in this item by 14,995 thousand euros.

Other current assets

The reduction in this item by -11,535 thousand euros reflects the impact on customer balances of the deconsolidation at Content in the audiovisual production area, as well as the performance of the business.

Net financial position

The net financial position in the period was -59,420 thousand euros, a reduction of 6,993 thousand euros from 2016, as a result of ordinary cash flows and various extraordinary effects.

The NFD/comparable EBITDA ratio decreased from 1.3x in 2016 to 1.2x in 1H17, using the comparable EBITDA of the last 12 months, strengthening the company's financial position.

Breakdown of net financial debt

Thousand Euro	IFRS			
	1H17	2016	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	19,318	19,724	-406	-2.1%
Bank borrowings and other financial liabilities (l.t.)	63,547	66,396	-2,848	-4.3%
Gross Debt	82,866	86,120	-3,255	-3.8%
+ Cash and cash equivalents	24,819	21,709	3,110	14.3%
+ Other non current financial asstes	414	804	-390	-48.5%
Deferred expenses	1,787	2,805	-1,018	-36.3%
Net cash position/ (net debt)	-59,420	-66,412	6,993	10.5%

Short-term borrowings include debt with credit institutions of 18,797 thousand euros, including the reclassification of expenses for the syndicated loan as short term, and other liabilities with a current financial cost of 1,608 thousand euros, related to compensation payments.

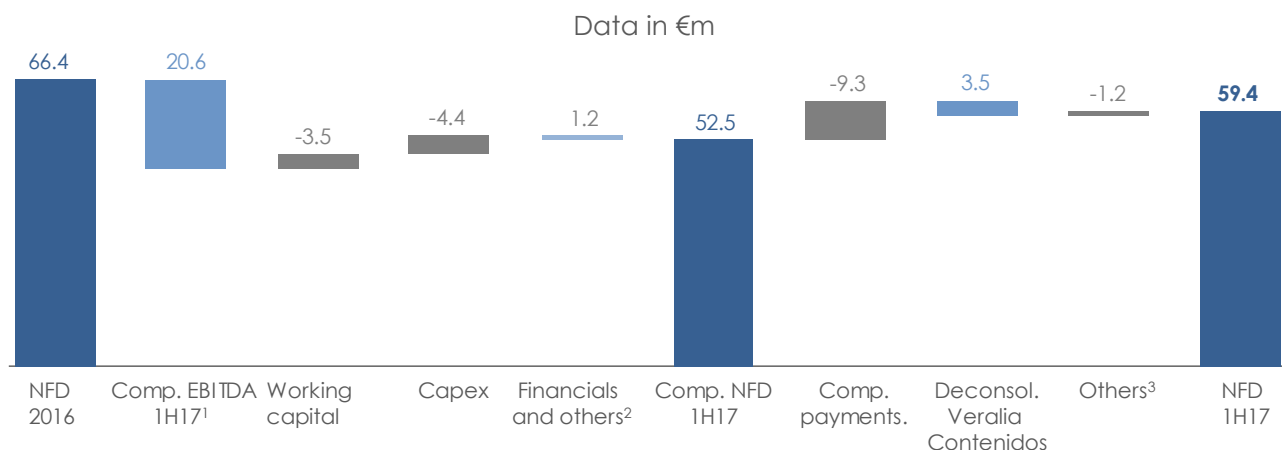
Long-term borrowings include debt with credit institutions of 63,575 thousand euros, including the reclassification of expenses related to the syndicated loan, and the mark-to-market valuation of the interest rate hedge on the loan, and other liabilities with a non-current financial cost of 673 thousand euros, including pending compensation payments, associated with the downsizing plan at ABC in 2009.

The increase in cash and equivalents in the first half of the year is mainly the result of cash from the sale of the Veralia building.

On 20 June, VOCENTO renewed the syndicated financing agreement of February 2014, extending the maturity and improving conditions, for a total of 101,122 thousand euros.

In 1H17 positive ordinary cash flows of 13,957 thousand euros were generated. The most significant variations included: i) variation in working capital of -3,481 thousand euros, due to the performance of the business, and ii) investments in fixed and non-fixed assets of -4,398 thousand euros, mainly related with digital activities.

Analysis of movement in net financial debt 1H17-2016



Note 1: excluding personnel adjustment measures and one-offs €-11.1m. Note 2: including net financial expenses, dividends to minority interest and taxes. Note 3: including Las Provincias payment and taxes on sale of ABC building.

Other non-current liabilities

The decrease by -6,483 thousand euros is mainly the result of the deconsolidation in the Content area.

Other current liabilities

The decrease of -8,254 thousand euros is mainly the result of lower balances with suppliers following the deconsolidation in the Content area.

Cash flow statement

Thousand Euro	IFRS			
	1H17	1H16	Var Abs	% Var
Net profit attributable to the parent	-2,436	-4,040	1,604	39.7%
Adjustments to net profit	12,894	18,062	-5,168	-28.6%
Cash flows from ordinary operating activities before changes in working capital	10,458	14,022	-3,564	-25.4%
Changes in working capital & others	-3,481	-7,293	3,812	52.3%
Other payables without financial cost	7,993	607	7,386	n.r.
Other payables with financial cost	-996	-2,269	1,273	56.1%
Income tax paid	-569	-287	-282	-98.3%
Interests deduction for tax purposes	437	1,863	-1,426	-76.5%
Net cash flow from operating activities (I)	13,842	6,643	7,199	n.r.
Acquisitions of intangible and property, plan and equipment	-4,398	-3,659	-739	-20.2%
Net proceed on disposal of financial assets	1,951	197	1,754	n.r.
Interests and dividends received	140	134	6	4.5%
Net cash flow from investing activities (II)	-2,307	-3,328	1,021	30.7%
Interests and dividends paid	-4,753	-5,823	1,070	18.4%
Cash inflows/ (outflows) relating to bank borrowings	-2,159	7,939	-10,098	n.r.
Other receivables and payables (financing)	-64	-7	-57	n.r.
Equity related instruments without financial cost	-1,752	-2,572	820	31.9%
Net cash flows from financing activities (III)	-8,728	-463	-8,265	n.r.
Net increase in cash and cash equivalents (I + II + III)	2,807	2,852	-45	-1.6%
Cash and cash equivalents of discounted operations	304	0	304	n.a.
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	24,819	22,199	2,620	11.8%

Net cash flow from operating activities was 13,842 thousand euros, including among others: (i) payables without a financial cost (subscriptions, pending compensation payments...), of +7,993 thousand euros and (ii) a variation in working capital of -3,481 thousand euros.

Net cash flow from investing activities was -2,307 thousand euros, mainly because of investment in fixed assets (see Capex section) and the entry of cash following the sale of the Veralia headquarters, which was divested as part of the deconsolidation of the Content area.

Net cash flow from financing activity was -8,728 thousand euros, and included among others interest payments and dividend payments by subsidiaries of VOCENTO to minority shareholders of -4,753 thousand euros, a payment for the put option at Las Provincias and the repayment of debt in the period.

Capex

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

The decrease in capex in the first half 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, 1,654 thousand euros, reflects pending payments for investments carried out in 2016 and 2017, and the investments made in 2017 but not yet paid out.

Detail of Capex by business area

	IFRS (thousand euros)								
	1H17			1H16			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	1,507	776	2,283	1,308	889	2,196	199	-113	86
Audiovisual	17	163	180	160	124	284	-144	39	-105
Classified	113	69	182	139	72	211	-26	-3	-29
Corporate	59	40	99	108	48	156	-49	-8	-57
TOTAL	1,696	1,048	2,744	1,715	1,132	2,848	-20	-84	-104

Information by business area

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

Thousand Euro	IFRS			
	1H17	2016	Var Abs	Var %
Total Revenues				
Newspapers	180,167	194,037	-13,870	-7.1%
Audiovisual	25,533	23,263	2,270	9.8%
Classified	9,193	8,802	391	4.4%
Corporate and adjustments	-1,551	-1,981	430	21.7%
Total Revenues	213,342	224,121	-10,779	-4.8%
EBITDA				
Newspapers	9,542	15,296	-5,754	-37.6%
Audiovisual	6,514	6,009	505	8.4%
Classified	834	765	68	8.9%
Corporate and adjustments	-7,322	-9,015	1,693	18.8%
Total EBITDA	9,567	13,055	-3,488	-26.7%
Comparable EBITDA¹				
Newspapers	19,008	21,954	-2,947	-13.4%
Audiovisual	6,675	5,979	696	11.6%
Classified	869	819	50	6.1%
Corporate and adjustments	-5,907	-5,788	-119	-2.1%
Total comparable EBITDA	20,645	22,964	-2,320	-10.1%
EBIT				
Newspapers	3,072	8,089	-5,016	-62.0%
Audiovisual	1,236	4,263	-3,027	-71.0%
Classified	648	541	107	19.8%
Corporate and adjustments	-7,523	-9,183	1,660	18.1%
Total EBIT	-2,567	3,709	-6,277	n.r.
Comparable EBIT^{1, 2}				
Newspapers	12,397	14,623	-2,226	-15.2%
Audiovisual	5,249	4,203	1,046	24.9%
Classified	683	590	93	15.8%
Corporate and adjustments	-6,108	-5,956	-152	-2.6%
Total comparable EBIT	12,222	13,461	-1,240	-9.2%

¹ Excluding personnel adjustment measures and one-offs 1H16 -9,909 thousand euros and 1H17 -11,077 thousand euros.

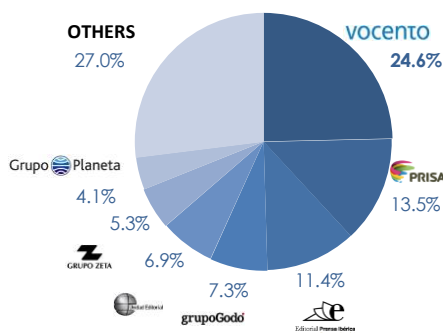
² Excluding Result from sale of fixed assets 1H16 157 thousand euros and 1H17 -3,712 thousand euros.

Newspapers (including offline and online)

VOCENTO is the undisputed leader of the general press sector in Spain, with market share of 24.6%, 11 p.p. more than its nearest competitor. It is also the leader of readership, according to the 2nd accumulated survey of the EGM, with over 2.2 million readers, about a million more than the next group, and with a strong Internet positioning of more than 21 million unique monthly users, according to comScore for the first half of 2017.

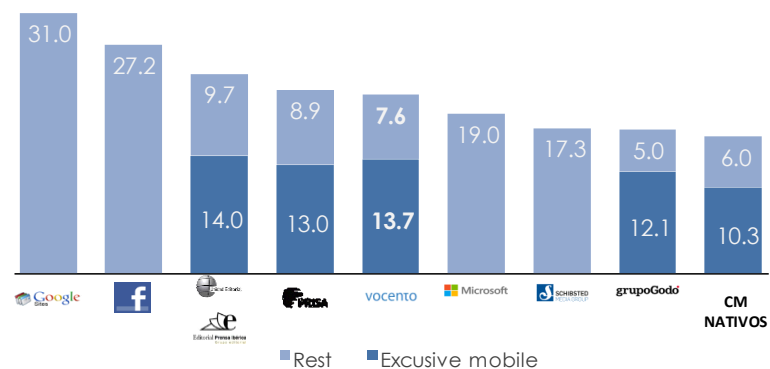
Share of ordinary circulation¹

Data in %



Internet audience²

Data in million unique monthly users



Note 1: source OJD Jan-Jun2017. Data not certified. Note 2: source comScore Jan-Jun 2017. Henneo corresponds to Grupo Heraldo.

VOCENTO is working in the following areas to accelerate its digital transformation.

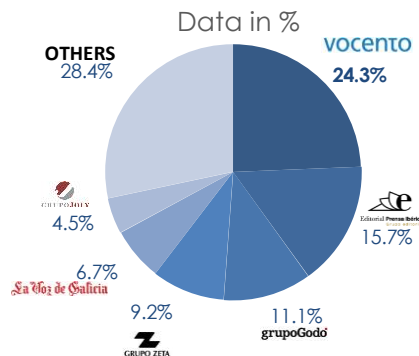
- i. Development of new digital products: Local Digital Kit, a digital solution for SMEs, was implemented in VOCENTO newspapers in 1H17 and now has 600 clients in most cities where VOCENTO is present. Oferplan, a discount coupon service, generates around 2 million euros per year and was used for more than 35,000 monthly purchases in 1H17. After the launch of the ON+ payment model at ElCorreo.com and DiarioVasco.com in 2015 and 2016, in 1Q17 VOCENTO launched Diariomontañés.com.
- ii. Innovation: the focus is on optimizing the loading speed of our portals on mobile devices and on search engines, as well as developing new functionalities which improve the user experience, such as push notifications and personalised content recommendations. Furthermore, developing means to increasing the consumption of video content, using UX (user experience) technologies, to improve the experience of loyal users on IOS and Android, and strengthening the presence of our brands on social networks.
- iii. User understanding and user behaviour: the develop an ambitious Big Data Project which aims to improve our understanding of clients and readers (online and offline), so as to be able to offer a better product and service that enables us to assess the impact of our advertisers.
- iv. Diversification into new revenue sources: with the acquisition of madridfusión, VOCENTO has acquired a business that since 2003 has organised one of the leading gastronomic fairs in Europe, along with San Sebastián Gastronomika, which is already owned by VOCENTO. The presence of VOCENTO in this area, with around 30 food and drink events and 20 specialised editorial content offerings, has been strengthened with this strategic acquisition.

Synergies include the ability of VOCENTO to strengthen the current event in Madrid, as well as to improve the monetization of the activities of madridfusión, the potential for international operations and replicas and the development of related activities.

Regional Newspapers

The regional newspapers of VOCENTO maintained their clear leadership of circulation in the first half of 2017, with regional market share of 24.3%, well ahead of the second group on 15.7%.

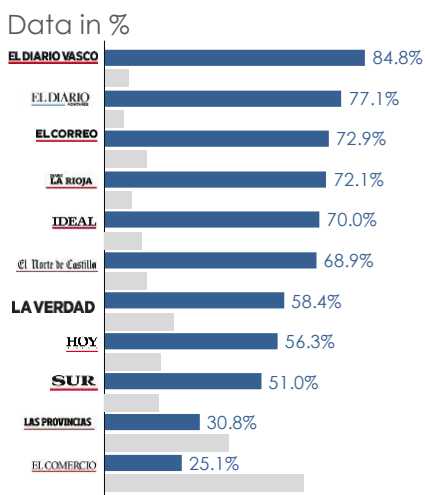
Share of regional press circulation 1H17¹



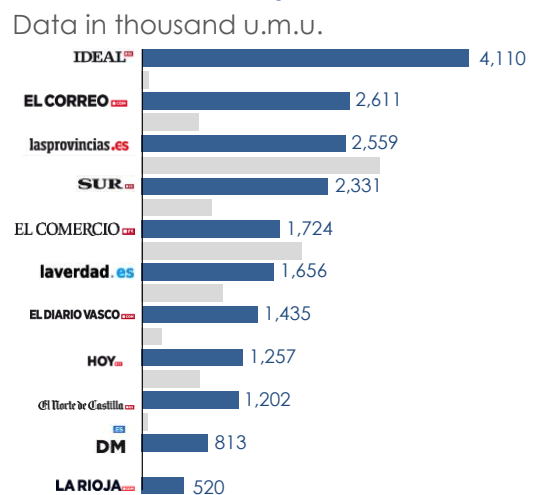
Note 1: source OJD. Data not certified.

The regional newspapers are also leaders offline, with more than 1.8⁶ million readers, 0.6m readers more than the second placed player, and online, with a readership of more than 20⁷ million unique monthly users.

Circulation market share in region of influence¹



Audience of local portals²



Note 1: source OJD. Jan-Jun2017. Data not certified. Note 2: source comScore 1H17.

The main lines of action being undertaken aim to maintain the leadership of the newspapers regardless of the vehicle and protect their profitability:

⁶ Source EGM 2nd survey 2017.

⁷ Source comScore Jan-Jun 2017 unique monthly users.

- i. Strengthening the digital business: developing existing digital businesses such as Oferplan, and consolidating the ON+ premium subscription model.

In 2017, the geographic presence of successful products such as Local Digital Kit is being expanded. The extensive portfolio of VOCENTO means that pilot projects that are a success can be scaled up to the other brands.

Websites have also been redesigned to be responsive, and products have been updated.

- ii. Protecting profitability: increasing cover prices of some titles, continuing to optimize processes and resources, while still investing in the quality of the editorial product and maintaining the commitment to profitable circulation. Diversification of revenue sources is continuing, with new initiatives and events.

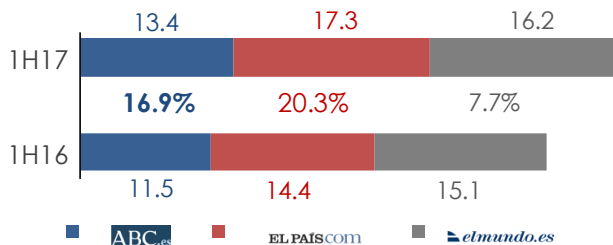
National Newspaper- ABC

ABC is continuing to increase its share in the Madrid region, widening the gap to El Mundo, as the chart on page five shows, and getting closer to El País.

Meanwhile, abc.es is continuing to increase its share of readers thanks to its potential in mobile. According to comScore, in 1H17 the website attracted 13 million unique users, up +16.9% on the year. In total, 69.3% of readers come exclusively from mobile, +32% compared with 1H16, and faster growth than at competitors.

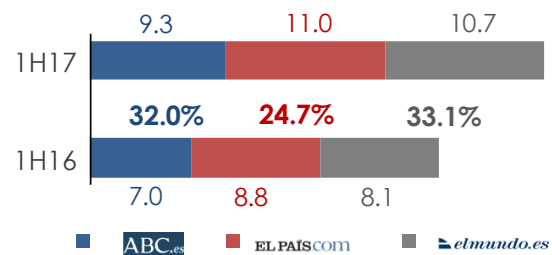
Total online audience¹

Data in million unique users



Online mobile exclusive users¹

Data in million unique users



Note 1: source comScore.

At ABC, the focus is on:

- i. Strengthening digital: renewing the digital offering of abc.es with the launch of a new luxury vertical and plans for launches of verticals for film and TV.

Consolidating also existing services such as Oferplan and ABC Foto and launching new digital products, including a digital discount platform.

Thanks to an increased understanding of users, ABC is implementing effective marketing actions, making readers more loyal and improving the margin on promotions.

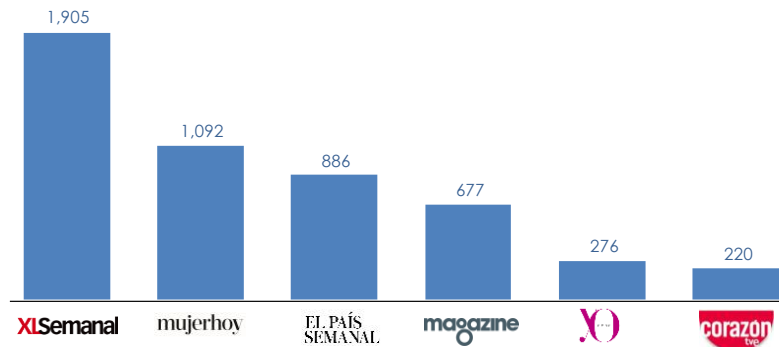
- ii. Preserving the profitability of ABC by cover price increases – on Monday to Friday from €1.5 to €1.6 - and the optimisation of costs.

Supplements and Magazines

The Supplements and Magazines of VOCENTO had a total readership in 1H17 of 3.2 million readers, with XL Semanal a clear leader (with around two million readers; one million more than the nearest competitor according to the 2nd EGM survey of 2017) and Mujer Hoy (with more than one million readers).

Readership of main supplements in Spain¹

Data in thousand readers



Note 1: EGM.

In the digital area, Mujerhoy.com, with 1.4 million users according to ComScore for 1H 2017, is one of the leaders in its category.

In the first half of 2017, the following measures have been implemented:

- i. Consolidation of the leadership position in readership, coverage and advertising of VOCENTO supplements. Following the alliance with Grupo Zeta for the joint distribution of XL Semanal and Mujer Hoy with El Periódico in Catalonia, they are the only supplements with nationwide reach.
- ii. Strengthening digital content, XL Semanal has partnered with Zendalibros.com, the literary portal of Arturo Pérez Reverte.
- i. Strengthening events and special actions, as well as new digital initiatives.

The following section provides more detail about the revenues, EBITDA and EBIT of the Newspapers area.

IFRS				
Thousand Euro	1H17	1H16	Var Abs	Var %
Total Revenues				
Regionals	130,225	138,470	-8,244	-6.0%
ABC	46,808	49,861	-3,052	-6.1%
Supplements & Magazines	12,804	14,105	-1,302	-9.2%
Adjustments intersegment	-9,670	-8,398	-1,272	-15.1%
Total Revenues	180,167	194,037	-13,870	-7.1%
EBITDA				
Regionals	12,793	14,890	-2,098	-14.1%
ABC	-2,465	163	-2,628	n.r.
Supplements & Magazines	-785	243	-1,028	n.r.
Total EBITDA	9,542	15,296	-5,754	-37.6%
Comparable EBITDA¹				
Regionals	17,917	18,950	-1,033	-5.5%
ABC	1,501	2,761	-1,260	-45.6%
Supplements & Magazines	-410	243	-653	n.r.
Total comparable EBITDA	19,008	21,954	-2,947	-13.4%
EBIT				
Regionals	8,953	10,389	-1,436	-13.8%
ABC	-4,894	-2,377	-2,517	n.r.
Supplements & Magazines	-987	77	-1,064	n.r.
Total EBIT	3,072	8,089	-5,016	-62.0%
Comparable EBIT^{1, 2}				
Regionals	13,923	14,325	-402	-2.8%
ABC	-904	221	-1,125	n.r.
Supplements & Magazines	-622	77	-699	n.r.
Total comparable EBIT	12,397	14,623	-2,226	-15.2%

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.

¹ Excluding personnel adjustment measures and one-offs 1H16 -6,658 thousand euros and 1H17 -9,466 thousand euros.

² Excluding Result from sale of fixed assets 1H16 123 thousand euros and 1H17 141 thousand euros.

Operating revenues: 180,167 thousand euros, -7.1% lower than in 1H16.

Circulation revenues: 84,655 thousand euros, a decrease of -7.9%.

Circulation revenues from the [Regional Press](#) fell by -5.9% in 1H17. At [ABC](#), revenues from circulation dropped by -11.3%, impacted by the closure of some editions in 1H16. Cover prices on weekdays at ABC were increased from €1.5 to €1.6.

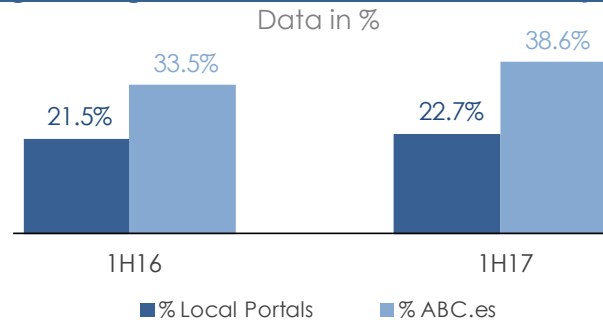
Finally, circulation sales at [Supplements and Magazines](#) fell by -7.9%.

Advertising revenues: fell by -3.2% to 69,942 thousand euros.

At [Regional](#), advertising sales rose to 48,422 thousand euros, an increase of +1.0% from 1H16.

At [ABC](#), advertising revenues fell by -11.6%, reflecting growth at ABC.es of 2.9% and an offline decrease of -18.6%, given the weaker national offline advertising market.

Weight of digital business at VOCENTO newspapers



Note 1: Weight of digital business= digital advertising revenues + e-commerce as % of total advertising and e-commerce revenues.

Other revenues: 25,570 thousand euros, down -14.4%, reflecting a more selective promotions policy at ABC and lower activity at the printing plants.

Comparable EBITDA⁸: 19,008 thousand euros, a fall of -2,947 thousand euros from 1H16.

Performance of comparable EBITDA at Newspapers

IFRS Thousand Euro	1H17	1H16	Var Abs
Regionals	17,917	18,950	-1,033
ABC	1,501	2,761	-1,260
Supplements & Magazines	-410	243	-653
Total	19,008	21,954	-2,947

In 1H17, comparable costs fell by -6.3%⁷:

Performance of comparable costs⁷ at Newspapers

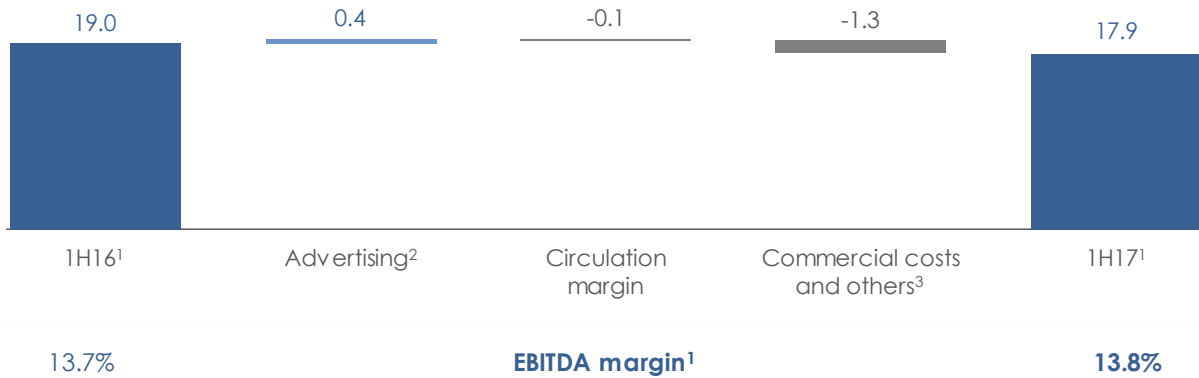
Like for like opex (thousand euros)	1H17	1H16	Var Abs	Var %
Regionals	-112,308	-119,519	7,211	6.0%
ABC	-45,307	-47,100	1,792	3.8%
Supplements & Magazines	-13,214	-13,862	648	4.7%
Adjustments	9,670	8,398	1,272	15.1%
Total	-161,159	-172,083	10,924	6.3%

- i. **Regional:** comparable EBITDA of 17,917 thousand euros, down -1,033 thousand euros from 1H16 because of digital launch costs. The comparable EBITDA margin increased from the prior-year period (1H17 margin 13.8% vs 11.7% in 1H16).

⁸ Excluding personnel adjustment measures and one-offs 1H16 -6,658 thousand euros and 1H17 -9,466 thousand euros.

Regional: performance of comparable EBITDA

Variation 1H16 vs 1H17 except comparable EBITDA €m

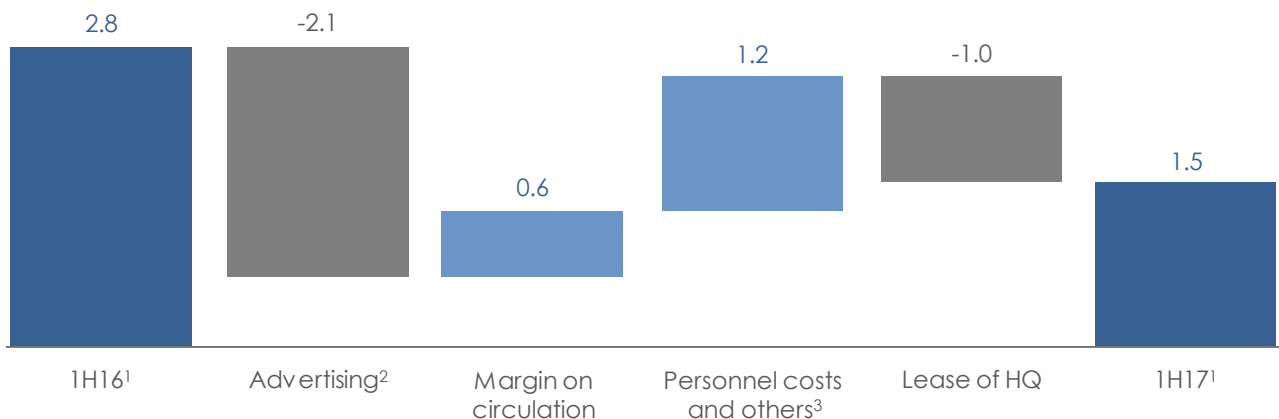


Note 1: excluding adjustment measures and one-offs 1H16 €-4.1m and 1H17 €-5.1m. Note 2: print and digital. Note 3: others include costs of digital launches, personnel expenses, printing plant margins and other fixed costs.

- ii. ABC: comparable EBITDA in 1H17 of 1,501 thousand euros, down -1,260 thousand euros, impacted by the decline in advertising and the cost of the new lease for the ABC headquarters.

ABC: performance of comparable EBITDA¹

Variation 1H16 vs 1H17 except comparable EBITDA €m



Note 1: excluding adjustment measures and other one-offs 1H16 €-2.6m and 1H17 €-4.0m. Note 2: print and digital. Note 3: others include personnel costs, printing plant margins, commercial costs and other fixed costs.

- iii. Supplements and Magazines: comparable EBITDA of -410 thousand euros compared with 243 thousand euros in 1H16.

Audiovisual

Television

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

Radio

The alliance with Cadena COPE, as well as contributing stable profits, strengthens the ABC brand by giving the newspaper's content and journalists a platform on COPE. COPE has been able to complete its broadcast network, which with the signing of Carlos Herrera has helped make the station the second most listened to network in Spain. Stations such as Cadena 100 and Rock FM have also overtaken their competitors and reached historic numbers of listeners.

Audiovisual Production and Distribution-Veralia

A new business combination has taken place in the production area with Veralia Contenidos (69.99% indirectly owned by VOCENTO via Veralia Corporacion) and Zebra Producciones, S.A. and Proima-Zebrastur, S.L., owned by Iniciativas Digitales, S.L., setting up a new company, IZEN Producciones Audiovisuales S.L. VOCENTO has a 45% stake in this company.

Zebra-Proima is a major independent production company in Spain, with productions including "Centro Médico" and a diversified portfolio. It also has a significant international presence with various productions in the UK via its subsidiary Chalkboard including "The Visiting hour". The diversification of clients, formats and geographies reinforces the business potential of the new company IZEN, as well as leading to potential for synergies.

The project is led by recognised media professional José Velasco, who was a founding partner of Globomedia and Zeppelin, with Carlo Boserman as Director General after a long career at Veralia.

In the area of film distribution, the business risk of Veralia Distribución de Cine is very limited. The aim is to continue to maximise revenues from the existing catalogue before the entry of new OTT operators in the television sector.

The following section provides more detail about the revenues, EBITDA and EBIT of the Audiovisual area.

Thousand Euro	IFRS			
	1H17	1H16	Var Abs	Var %
Total Revenues				
DTT	13,245	14,266	-1,021	-7.2%
Radio	2,051	2,116	-66	-3.1%
Content	10,360	7,014	3,347	47.7%
Adjustments intersegment	-123	-134	10	7.8%
Total Revenues	25,533	23,263	2,270	9.8%
EBITDA				
DTT	2,665	2,766	-101	-3.7%
Radio	1,288	1,340	-52	-3.9%
Content	2,561	1,903	658	34.6%
Total EBITDA	6,514	6,009	505	8.4%
Comparable EBITDA¹				
DTT	2,826	2,766	60	2.2%
Radio	1,288	1,310	-22	-1.7%
Content	2,561	1,903	658	34.6%
Total comparable EBITDA	6,675	5,979	696	11.6%
EBIT				
DTT	2,527	2,633	-106	-4.0%
Radio	1,278	1,360	-82	-6.0%
Content	-2,569	270	-2,839	n.r.
Total EBIT	1,236	4,263	-3,027	-71.0%
Comparable EBIT^{1, 2}				
DTT	2,698	2,633	66	2.5%
Radio	1,278	1,300	-22	-1.7%
Content	1,272	270	1,002	n.r.
Total comparable EBIT	5,249	4,203	1,046	24.9%

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 829 thousand euros in 1H16 and in 1H17 of 788 thousand euros.

¹ Excluding personnel adjustment measures in 1H16 of 30 thousand euros and in 1H17 of -161 thousand euros.

² Excluding Result from sale of fixed assets in 1H16 30 thousand euros and in 1H17 -3,852 thousand euros.

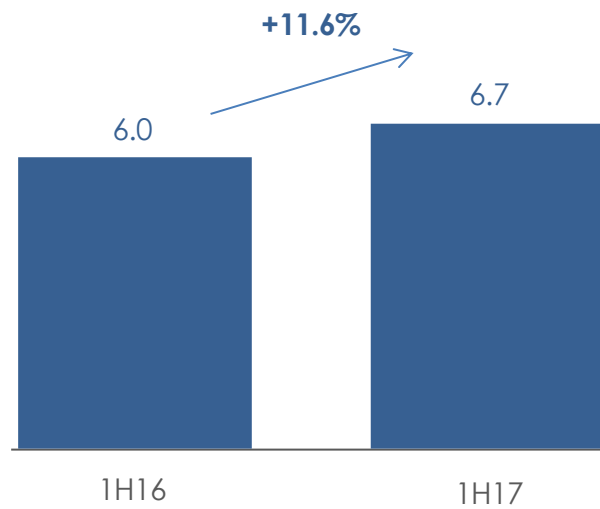
Operating revenues: 25,533 thousand euros, up +9.8% mainly thanks to increased activity at the content production companies.

Comparable EBITDA⁹: up +11.6% to 6,675 thousand euros, an improvement of 696 thousand euros.

⁹ Excluding personnel adjustment measures 1H17 -161 thousand euros and 1H16 30 thousand euros.

Comparable EBITDA of the Audiovisual area

Data in €m



- i. DIT: comparable EBITDA of 2,826 thousand euros in 1H17, flat compared with 1H16.
- ii. Radio: comparable EBITDA of 1,288 thousand euros, almost the same as in 1H16. The stable performance reflects the agreement with COPE.
- iii. Content: comparable EBITDA of 2,561 thousand euros, an improvement of 658 thousand euros from 1H16.

Comparable operating profit: (given the level of amortization, commentary is provided on the operating profit). 5,249 thousand euros compared with 4,203 thousand euros in 1H16. All divisions reported positive comparable EBIT.

Classifieds

The nationwide Classifieds network of VOCENTO is unique in the Spanish media sector, thanks to the support of the 11 local portals and abc.es. VOCENTO is present with national brands in the three main markets for Internet classified advertising: in real estate with pisos.com (top#3 in its category, employment with Infoempleo.com (top#4) and automotive with autocasos.com (top#7).

In 2017, a continuous commitment to develop products and services with added value that enable to improve our understanding of clients and users. On the revenue side, thanks to brand marketing initiatives, the aim is to increase advertising revenues for both classifieds and display advertising. Steps will be taken to increase the loyalty and average revenue per client. On the cost side, all measures will be implemented while maintaining the existing operating structure.

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

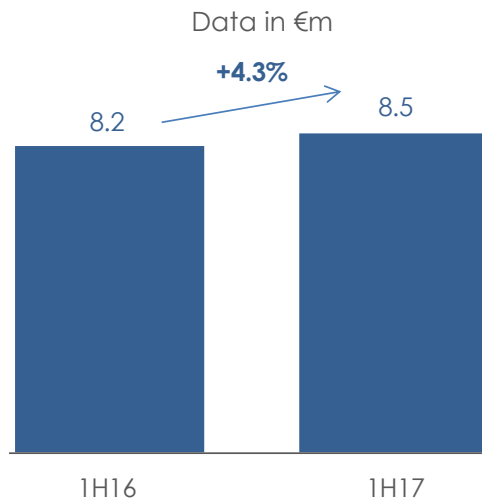
Thousand Euro	IFRS			
	1H17	1H16	Var Abs	Var %
Total Revenues				
Classified	9,193	8,802	391	4.4%
Total Revenues	9,193	8,802	391	4.4%
EBITDA				
Classified	834	765	68	8.9%
Total EBITDA	834	765	68	8.9%
Comparable EBITDA¹				
Classified	869	819	50	6.1%
Total comparable EBITDA	869	819	50	6.1%
EBIT				
Classified	648	541	107	19.8%
Total EBIT	648	541	107	19.8%
Comparable EBIT^{1 2}				
Classified	683	590	93	15.8%
Total comparable EBIT	683	590	93	15.8%

¹ Excluding personnel adjustment measures in 1H16 of -54 thousand euros and in 1H17 of -35 thousand euros.

² Excluding Result from sale of fixed assets in 1H16 4 thousand euros and in 1H17 -1 thousand euros.

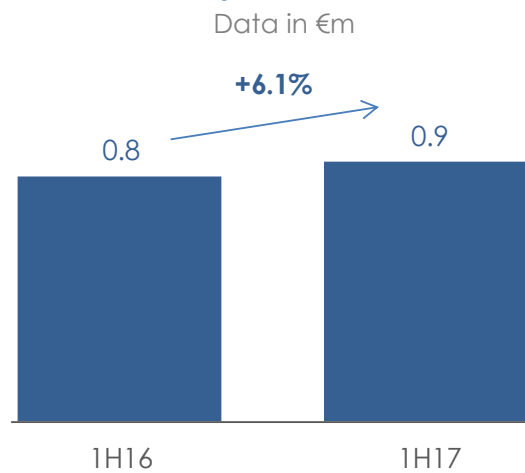
Operating revenues: up 4.4% to 9,193 thousand euros, thanks mainly to a 4.3% increase in advertising revenues in the area.

Performance of operating revenues at Classifieds



Comparable EBITDA: increased to 869 thousand euros in 1H17 from 819 thousand euros in 1H16, thanks to an increase in revenues which enabled the area to progress in its target of profitability.

Performance of comparable EBITDA at Classifieds¹



Note 1: excluding adjustment measures 2016 1H16 €-0.1m.

Operating data

Newspapers

Average Circulation Data	1H17	1H16	Var Abs	%
National Press - ABC	81,213	96,390	-15,177	-15.7%
Regional Press				
El Correo	62,192	68,013	-5,821	-8.6%
El Diario Vasco	47,658	51,424	-3,766	-7.3%
El Diario Montañés	20,967	23,767	-2,800	-11.8%
Ideal	16,890	18,646	-1,755	-9.4%
La Verdad	13,684	15,932	-2,248	-14.1%
Hoy	9,818	10,538	-720	-6.8%
Sur	15,155	16,518	-1,363	-8.3%
La Rioja	8,501	9,690	-1,189	-12.3%
El Norte de Castilla	16,733	18,909	-2,176	-11.5%
El Comercio	14,853	16,690	-1,837	-11.0%
Las Provincias	15,286	17,065	-1,779	-10.4%
TOTAL Regional Press	241,736	267,190	-25,453	-9.5%

Sources:OJD. 1H17 non audited data.

Audience	2 ^{na} Survey 17	2 ^{na} Survey 16	Var Abs	%
National Press - ABC	409,000	485,000	-76,000	-15.7%
Regional Press	1,802,000	1,932,000	-130,000	-6.7%
El Correo	366,000	403,000	-37,000	-9.2%
El Diario Vasco	202,000	209,000	-7,000	-3.3%
El Diario Montañés	137,000	158,000	-21,000	-13.3%
Ideal	139,000	155,000	-16,000	-10.3%
La Verdad	171,000	193,000	-22,000	-11.4%
Hoy	122,000	136,000	-14,000	-10.3%
Sur	136,000	130,000	6,000	4.6%
La Rioja	77,000	91,000	-14,000	-15.4%
El Norte de Castilla	174,000	190,000	-16,000	-8.4%
El Comercio	157,000	155,000	2,000	1.3%
Las Provincias	121,000	112,000	9,000	8.0%
Supplements				
XL Semanal	1,905,000	1,832,000	73,000	4.0%
Mujer Hoy	1,092,000	1,233,000	-141,000	-11.4%
Mujer Hoy Corazón	220,000	168,000	52,000	31.0%
Inversión y Finanzas	28,000	24,000	4,000	16.7%
Monthly Unique uses (Th)	jun-17	jun-16	Var Abs	%
Vocento	20,933	18,338	2,595	14.2%

Source: comScore.

Audiovisual

National TV Market	jun-17	jun-16	Var Abs
Audíence share Net TV	3.3%	2.7%	0.6 p.p

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 write-down 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	1H17	1H16
Net result of the year	983	-1,700
Financial income	-186	-134
Financial expenses	2,752	3,447
Other results from financial instruments	0	0
Tax on profits of continued operations	-3,569	1,013
Amortization and depreciation	8,423	9,503
Impairment of goodwill	500	900
Impairment and result from sale of fixed and non-fixed assets	3,712	-157
Result from equity-accounted subsidiaries	-95	7
Net result of sale of non-current financial assets	-2,953	177
EBITDA	9,567	13,055
Compensations payments	10,977	9,909
Other one-off costs	100	
Comparable EBITDA	20,645	22,964
EBITDA	9,567	13,055
Amortization and depreciation	-8,423	-9,503
Impairment and result from sale of fixed and non-fixed assets	-3,712	157
EBIT	-2,567	3,709
Compensations payments	10,977	9,909
Others one-off costs	100	0
Impairment and result from sale of fixed and non-fixed assets	3,712	-157
Comparable EBIT	12,222	13,461

Thousand Euros	1H17	1H16
Long term financial debt with credit institutions	62,875	115,198
Other liabilities with long term financial cost	673	1,404
Short term financial debt with credit institutions	17,711	13,467
Other liabilities with short term financial cost	1,608	1,188
Cash and cash equivalents	-24,819	-22,199
Other non-current payables with financial cost	-414	-270
Arrangement fee for syndicated loan	1,787	2,805
Net financial debt (NFD)	59,420	111,594
Net financial debt (NFD)	59,420	111,594
Compensation payments in the period	-9,251	-9,698
Taxes and expenses from sale of buildings	2,380	0
Tax penalty refund	1,666	0
Payment for renegotiation of put options and others	-2,063	-2,572
Exclusions from the scope of consolidation	304	0
Comparable net financial debt	52,456	99,323
NFD at start period	66,412	108,787
NFD at end of period	-59,420	-111,594
Compensation payments in the period	9,251	9,698
Taxes and expenses from sale of buildings	-2,380	0
Tax penalty refund	-1,666	0
Payment for renegotiation of put options and others	2,063	2,572
Exclusions from the scope of consolidation	-304	0
Ordinary cash generation	13,956	9,464

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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