



**RESULTS JANUARY-SEPTEMBER 2017**

7 November 2017

## 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.

### Breakdown of the business areas of VOCENTO 9M17

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
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>
<div style="border: 1px dashed black; padding: 5px; display: inline-block;">Accounted for by the equity method since 3Q17 onwards</div>			

### 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.

## Main highlights of the financial performance of the business in 9M17

**Advertising market remains stagnant (9M17 +0.0%)**

**Advertising revenues 9M17 -1.5% (3Q17 +1.0%), market share increases  
Slowdown in decrease of circulation revenues (3Q -5.5% vs 1Q -8.9%), margins  
stable and in line with target**

**Comparable EBITDA 9M17 decreases by €-2.1m, cost of new ABC lease €1.5m  
Net financial position improves by €+4.5m, with €17.5m of positive ordinary cash  
flow**

- **Advertising revenues -1.5% in 9M17, vs total advertising market +0.0%<sup>1</sup>.**
  - i. Increase of advertising revenues at Regional Press, +2.0% in 9M17.
  - ii. Vocento's brands increased their market share, both offline (-4.2%<sup>2</sup> vs -8.5%<sup>1</sup>) and online (+7.0%<sup>3</sup> vs +5.6%<sup>1</sup>).
- **Revenues from circulation -7.1% in 9M17, margin on circulation stable**
  - i. In the Madrid region, ABC increased its ordinary market share in 9M17 by +0.9 p.p. to 27.2 %<sup>4</sup>.
  - ii. Savings in circulation costs enabled an increase in the margin on circulation in 9M17 (+464 thousand euros from 9M16).
- **Comparable EBITDA 9M17 26,773<sup>5</sup> thousand euros fell by -7.1% vs 9M16**
  - i. In 3Q17, comparable EBITDA improved by +269 thousand euros thanks to an improved performance in advertising revenues, which increased by +1.0%.
  - ii. Execution of the Efficiency Plan: comparable costs 9M17 fell by -5.2%.
  - iii. The decrease in EBITDA was partly the result of the new lease expense following the sale of the ABC building. However, the sale had a positive impact on depreciation and financial expenses. Net losses in 9M17 were reduced by -2,951 thousand euros.
  - iv. ABC maintained stable comparable EBITDA<sup>5</sup> compared with 9M16, excluding lease expenses in 9M17 of 2,660 thousand euros.
- **Generation of 17,539 thousand euros of ordinary operating cash flow**
  - i. Net financial debt/comparable LTM EBITDA 1.2x. NFD fell to 61,880 thousand euros vs 66,412 thousand euros in 2016.
  - ii. Cash outflow of -9,618 thousand euros for compensation payments and -3,387 thousand euros for other non-ordinary items, including the acquisition of Madridfusión.
- **Measures to diversify revenues**
  - i. The diversification strategy has been intensified: Madridfusión, Shows on Demand and Factor Moka. Reinvestment of resources from unproductive assets (real estate) into growth businesses.

<sup>1</sup> Source i2p. Online excludes social media.

<sup>2</sup> Including Regional Press and ABC.

<sup>3</sup> Including Local Portals, ABC.es and Classifieds.

<sup>4</sup> Source OJD. Ordinary paid circulation (kiosk sales and individual subscriptions).

<sup>5</sup> Excluding personnel adjustment measures and one-offs VOC 9M16 -10,016 thousand euros and 9M17 -10,419 thousand euros and ABC 9M16 -2,600 thousand euros and 9M17 -3,910 thousand euros.

## Main financial data

### Consolidated Profit and Loss Account

<b>IFRS thousand euros</b>	<b>9M17</b>	<b>9M16</b>	<b>Var Abs</b>	<b>Var %</b>
Circulation revenues	128,071	137,865	-9,794	-7.1%
Advertising revenues	114,064	115,768	-1,705	-1.5%
Other revenues	67,094	73,010	-5,916	-8.1%
<b>Total revenue</b>	<b>309,228</b>	<b>326,642</b>	<b>-17,414</b>	<b>-5.3%</b>
Staff costs	-119,563	-120,763	1,200	1.0%
Procurements	-44,812	-50,959	6,147	12.1%
External Services	-127,036	-134,898	7,862	5.8%
Provisions	-1,463	-1,215	-248	-20.4%
Operating expenses (without D&A)	-292,874	-307,835	14,961	4.9%
<b>EBITDA</b>	<b>16,354</b>	<b>18,808</b>	<b>-2,453</b>	<b>-13.0%</b>
Depreciation and amortization	-12,651	-14,196	1,545	10.9%
Impairment/gains on disposal of tan. & intan. assets	-4,836	-1,433	-3,404	n.r.
<b>EBIT</b>	<b>-1,133</b>	<b>3,179</b>	<b>-4,312</b>	<b>n.r.</b>
Impairments/reversal of other intangible assets	-750	-1,350	600	44.4%
Profit of companies acc. equity method	-26	-158	132	83.3%
Net financial income	-3,649	-4,817	1,168	24.3%
Net income from disposal of non-current assets	2,946	-177	3,123	n.r.
<b>Profit before taxes</b>	<b>-2,612</b>	<b>-3,323</b>	<b>711</b>	<b>21.4%</b>
Corporation tax	2,149	-1,252	3,401	n.r.
<b>Net profit for the year</b>	<b>-463</b>	<b>-4,575</b>	<b>4,112</b>	<b>89.9%</b>
Minority interests	-4,341	-3,180	-1,161	-36.5%
<b>Net profit attributable to the parent</b>	<b>-4,804</b>	<b>-7,755</b>	<b>2,951</b>	<b>38.1%</b>
Staff costs ex non recurring costs	-109,244	-110,746	1,502	1.4%
Operating Expenses ex non recurring costs	-282,455	-297,818	15,363	5.2%
<b>Comparable EBITDA<sup>1</sup></b>	<b>26,773</b>	<b>28,824</b>	<b>-2,051</b>	<b>-7.1%</b>
Comparable EBIT <sup>1 2</sup>	14,122	14,628	-506	-3.5%

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 9M16 -10,016 thousand euros and 9M17 -10,319 thousand euros.

<sup>2</sup> Excluding personnel adjustment measures and one-offs 9M16 -10,016 thousand euros and 9M17 -10,419 thousand euros.

<sup>3</sup> Excluding result from divestment of fixed assets 9M16 -1,433 thousand euros and 9M17 -4,836 thousand euros.

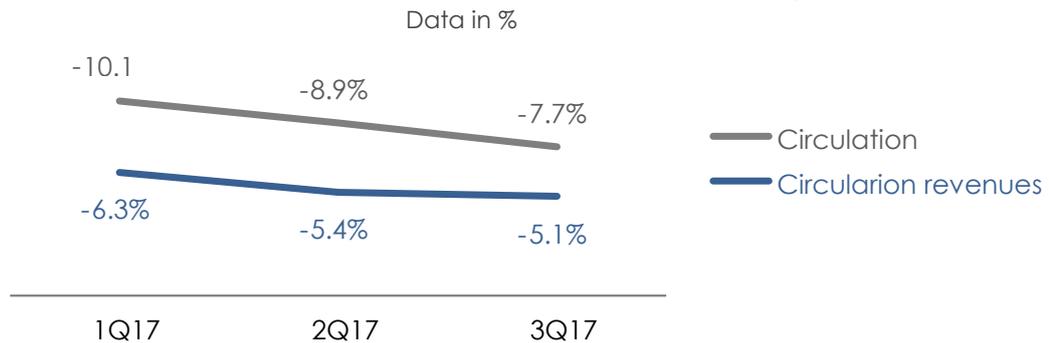
### Operating revenues

In 9M17 operating revenues fell by -5.3% from 9M16 to 309,228 thousand euros, as a result of the following factors:

- i. Circulation revenues fell by -7.1%, consisting of a decrease at the Regional Press of -5.6% and at ABC of -9.1%.

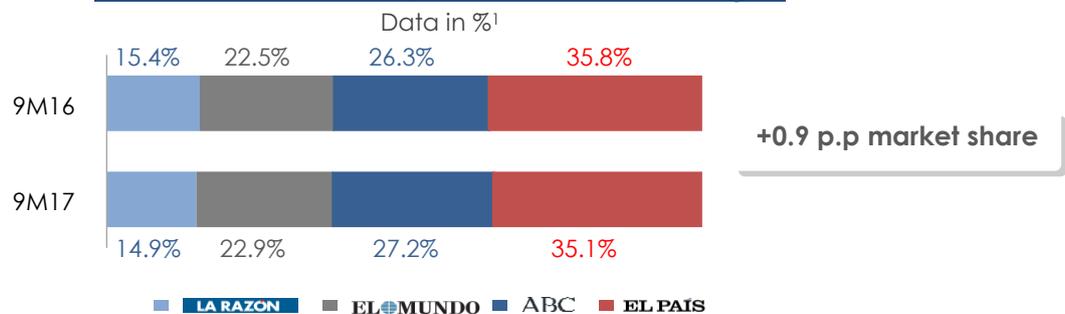
The Regional Press continues to lead the market, with market share of 24.5%. The performance of circulation and circulation revenues has improved over the course of the year.

## YoY performance of circulation and circulation revenues at Regional Press



Meanwhile, at ABC a highlight has been the performance of ordinary circulation in the Madrid region, where the newspaper has consolidated its number two position in the market with share of 27.2%, despite an increase in weekday cover prices from €1.5 to €1.6.

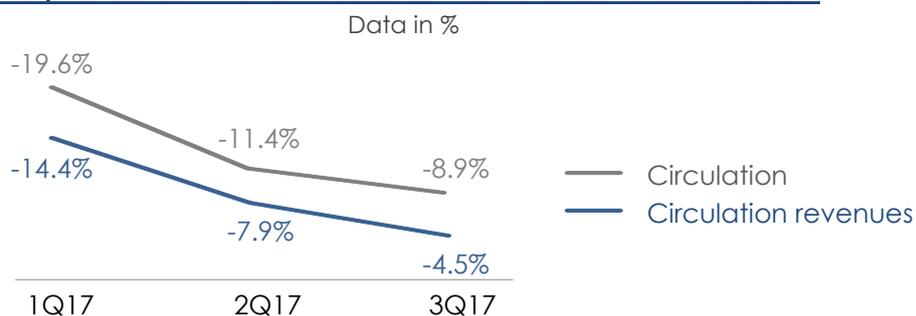
## Market share for ordinary circulation in Madrid region



Note 1: source OJD.

The slowdown in the decrease of circulation is more noticeable at ABC than at the Regional Press, because of the unwinding of the comparative effect produced by the withdrawal of unprofitable sales in 2016:

## YoY performance of circulation and circulation revenues at ABC

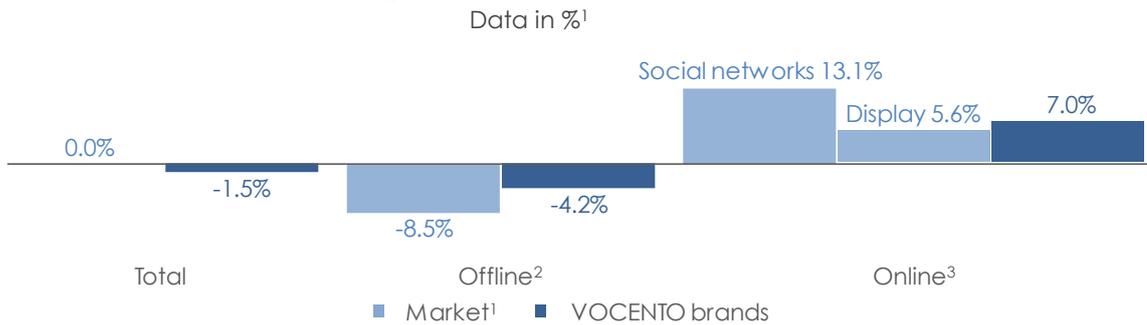


It should be noted that despite the fall in circulation, the aggregated margin on circulation at the Regional Press and ABC increased from 9M16.

- ii. Revenues from advertising sales fell by -1.5% in 9M17, but rose by +1.0% in 3Q17.

VOCENTO outperformed the market both offline and online, with an offline decrease of -4.2% vs -8.5% for the market, and online growth of +7.0% for VOCENTO brands compared with +5.6% for the display advertising market.

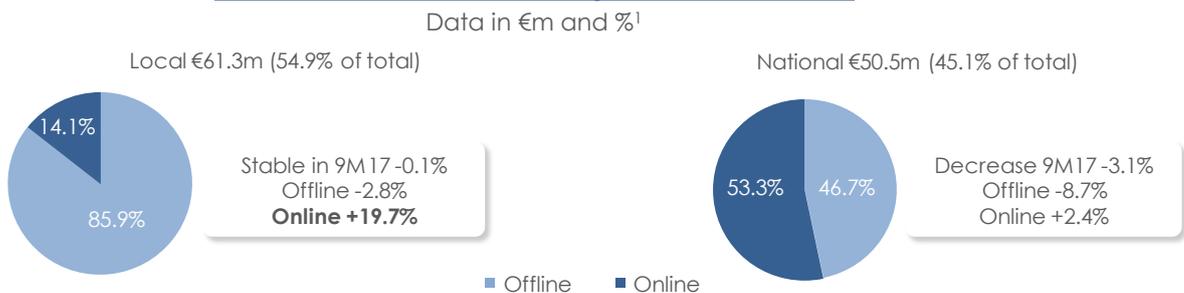
## YoY advertising performance, VOCENTO vs market



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

In terms of the local and national performance, local advertising, which represents 54.9% of total advertising at VOCENTO, was stable in 9M17, with an online increase of +19.7% thanks to the contribution of Local Digital Kit, while at national there was a decrease of -3.1%.

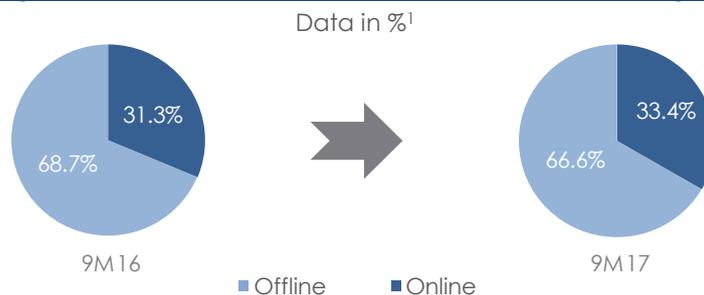
## Local and national advertising at VOCENTO 9M17



Note 1: excluding Audiovisual, sales companies and eliminations

The weight of digital revenues at VOCENTO, including not only digital advertising but also revenues from new digital businesses based on e-commerce, which are booked as other revenues, increased by +2.0 p.p. from 9M16.

## Migration of revenue+new business profile towards digital



Note 1: advertising revenues plus e-commerce.

Among the new digital initiatives, highlights include Local Digital Kit which currently has a portfolio of around 700 companies.

- iii. Other revenues fell by -8.1% from 9M16, reflecting a drop in revenues at Newspapers as a result of lower revenues from add ons promotions, with a positive impact on EBITDA, as well as lower levels of activity at the local printing plants.

## Operating expenses

Comparable costs fell by -5.2% in 9M17, excluding personnel adjustment measures and one-offs of -10,149 thousand euros in 9M17 and -10,016 thousand euros in 9M16, as part of the Efficiency Plan. By cost items, highlights include the -12.1% decrease in the costs of supply.

By business area, at Newspapers comparable costs fell by -6.0% because of the impact of measures aimed at profitable circulation as well as savings from the Efficiency Plan.

### Detail of comparable operating costs by business area

<b>IFRS thousand euros</b>	<b>9M17</b>	<b>9M16</b>	<b>Var Abs</b>	<b>Var %</b>
Newspapers	-239,595	-254,801	15,206	6.0%
Audiovisual	-24,959	-25,625	666	2.6%
Classifieds	-12,154	-11,762	-392	-3.3%
Corporate and adjustments	-5,747	-5,630	-117	-2.1%
<b>Total</b>	<b>-282,455</b>	<b>-297,818</b>	<b>15,363</b>	<b>5.2%</b>

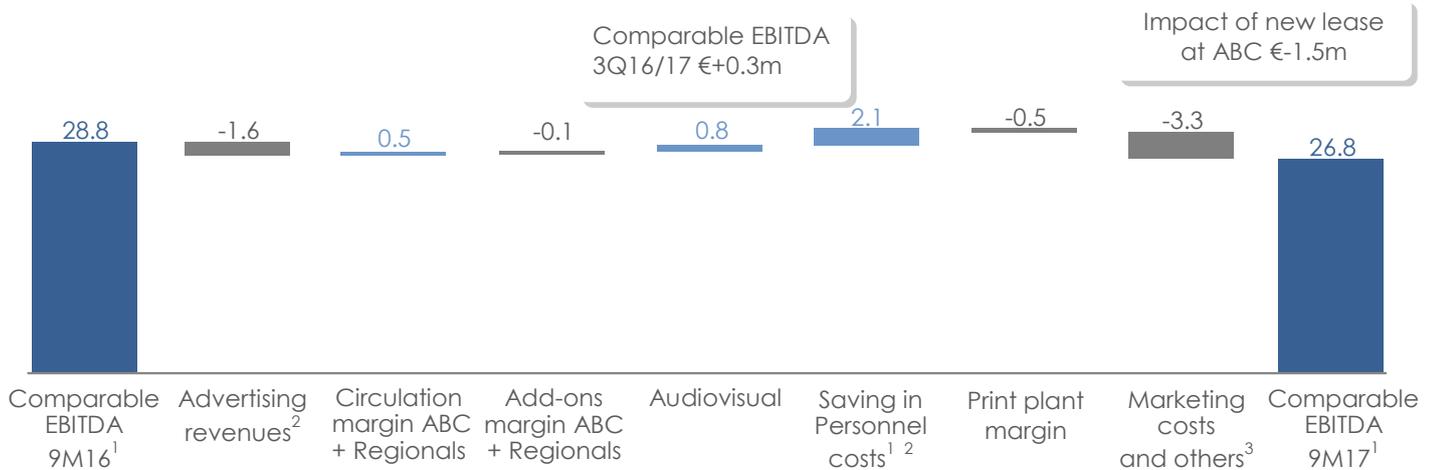
## Comparable EBITDA

Comparable EBITDA in 9M17 fell to 26,773 thousand euros from 28,824 thousand euros in 9M16. The main factors in this variation included:

- i. A decrease in advertising revenues, excluding those in the Audiovisual area, of -1,619 thousand euros.
- ii. Increase in the margin on circulation of +464 thousand euros.
- iii. Personnel cost measures, part of the Efficiency Plan, led to savings of 2,148 thousand euros, excluding the Audiovisual and printing plant businesses.
- iv. The decrease in activity in the printing plant business had an impact of -543 thousand euros, partly reflecting the closure of plants and outsourcing.
- v. Marketing costs and others: impact of -3,253 thousand euros, mainly the new lease on the ABC building, which increased costs by c.1,500 thousand euros, plus higher costs from digital developments.

## Detail of variation in comparable EBITDA<sup>1</sup> 9M16-9M17

Data in variation 9M16 vs 9M17 except for comparable EBITDA. All figures in €m



Note 1: excluding personnel adjustment measures and one-offs 9M16 €-10.0m and 9M17 €-10.4m. Note 2: variation ex. Audiovisual and print plants. Note 3: various costs.

Highlights by business area include:

- Newspapers<sup>6</sup>**: comparable EBITDA in 9M17 of 24,280 thousand euros, a decrease of -2,790 thousand euros from 9M16 (+156 thousand euros in 3Q17).
- Audiovisual<sup>7</sup>**: an increase in comparable EBITDA of +832 thousand euros from 9M16, to 9,513 thousand euros in 9M17.
- Classifieds<sup>8</sup>**: comparable EBITDA of 1,486 thousand euros in 9M17, an increase of 138 thousand euros from 9M16.

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

IFRS thousand euros	9M17	9M16	Var Abs
Newspapers	24,280	27,070	-2,790
Audiovisual	9,513	8,681	832
Classifieds	1,486	1,347	138
Corporate	-8,505	-8,275	-231
<b>Total</b>	<b>26,773</b>	<b>28,824</b>	<b>-2,051</b>

<sup>1</sup>Excluding personnel adjustment measures and one-offs 9M16 -10,016 thousand euros and 9M17 -10,419 thousand euros.

## Operating result (EBIT)

The operating result in 9M17 was -1,133 thousand euros, compared with 3,179 thousand euros in 9M16, reflecting the business performance and capital losses including those on the sale of the Veralia Contenidos building, which was recorded as an impairment in the divestment of fixed assets.

<sup>6</sup> Newspapers: excluding personnel adjustment measures and one-offs 9M16 -6,762 thousand euros and 9M17 -9,119 thousand euros.

<sup>7</sup> Audiovisual: excluding adjustment measures 9M16 30 thousand euros and 9M17 -213 thousand euros.

<sup>8</sup> Classifieds: excluding adjustment measures 9M16 - 57 thousand euros and 9M17 -6 thousand euros.

In terms of comparable EBIT, excluding personnel adjustment measures, one-offs, and impairments or capital gains following asset sales, the result was 14,122 thousand euros, down -3.5% from 9M16. All areas reported positive comparable EBIT.

## **Writedown of goodwill**

Goodwill was written down by -750 thousand euros in 9M17, reflecting writedowns in the Content area because of the gradual reduction in the residual life of the film rights catalogue.

## **Financial result and others**

The improvement in the financial result of 24.3%, from -4,817 thousand euros in 9M16 to -3,649 thousand euros in 9M17, reflects the reduction in financial debt and the re-negotiation of the syndicated loan.

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

Capital gains in 9M17 of 2,946 thousand euros are the result of the business combination in the content production area and the creation of Izen Producciones Audiovisuales, S.A.. This offset the capital loss recorded from the sale of the Veralia Contenidos building, which was no longer required.

## **Corporation tax**

Tax income of 2,149 thousand euros in 9M17 is partly the result of the reversal of deferred tax liabilities in the second quarter following the transaction with Veralia Contenidos.

## **Minority interest**

The increase in minority interest, -4,341 thousand euros in 9M17 vs -3,180 thousand euros in 9M16, is partly the result of the impacts of the Veralia Contenidos transaction and the real estate sale.

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

The consolidated net result in 9M17 was -4,804 thousand euros, compared with -7,755 thousand euros in 9M16, an improvement of -38.1% despite the decline in EBITDA.

## Consolidated Balance Sheet

IFRS thousand euros	9M17	2016	Var abs	% Var
<b>Non current assets</b>	<b>348,454</b>	<b>363,777</b>	<b>-15,323</b>	<b>-4.2%</b>
Intangible assets	113,490	119,912	-6,422	-5.4%
Property, plant and equipment	122,959	137,023	-14,064	-10.3%
Investments accounted using equity method	20,412	5,539	14,874	n.r.
Other non current assets	91,593	101,303	-9,710	-9.6%
<b>Current assets</b>	<b>117,500</b>	<b>134,889</b>	<b>-17,389</b>	<b>-12.9%</b>
Other current assets	95,496	113,181	-17,684	-15.6%
Cash and cash equivalents	22,004	21,709	296	1.4%
<b>Assets held for sale</b>	<b>193</b>	<b>193</b>	<b>0</b>	<b>n.a.</b>
<b>TOTAL ASSETS</b>	<b>466,148</b>	<b>498,860</b>	<b>-32,711</b>	<b>-6.6%</b>
Equity	249,807	255,067	-5,260	-2.1%
Bank borrowings and other fin. liabilities	81,642	86,120	-4,478	-5.2%
Other non current liabilities	38,926	53,610	-14,684	-27.4%
Other current liabilities	95,773	104,063	-8,290	-8.0%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>466,148</b>	<b>498,860</b>	<b>-32,711</b>	<b>-6.6%</b>

With the aim of diversifying revenues, since July 2016 the Company has carried out a series of transactions, both with cash (as with Madridfusión (100%)) and media-for-equity (as with Gelt (19.9%) and Shows on Demand (50%)), reinvesting resources from non-productive assets (real estate) in order to increase revenues, reduce the exposure to conventional advertising and reduce earnings volatility. The deconsolidation of Veralia and its integration in Izen (45%) has enabled the sale of the building formerly part of Veralia.

### Other current assets

The reduction in other current assets by -17,684 thousand euros reflects a lower balance with trade creditors, which is a result of the seasonality of sales and the entry of pending receivables.

### Net financial position

The net financial position in the period was -61,880 thousand euros, including cash and cash equivalents of 22,004 thousand euros.

The NFD/comparable EBITDA ratio decreased from 1.3x in 2016 to 1.2x in 9M17, using the comparable EBITDA of the last 12 months, reflecting the increased strength of the company's financial position.

## Breakdown of net financial debt

IFRS thousand euros	9M17	2016	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	12,811	19,724	-6,914	-35.1%
Bank borrowings and other financial liabilities (l.t.)	68,831	66,396	2,435	3.7%
<b>Gross Debt</b>	<b>81,642</b>	<b>86,120</b>	<b>-4,478</b>	<b>-5.2%</b>
+ Cash and cash equivalents	22,004	21,709	296	1.4%
+ Other non current financial asstes	664	270	394	n.r.
Deferred expenses	2,906	2,271	635	28.0%
<b>Net cash position/ (net debt)</b>	<b>-61,880</b>	<b>-66,412</b>	<b>4,533</b>	<b>6.8%</b>

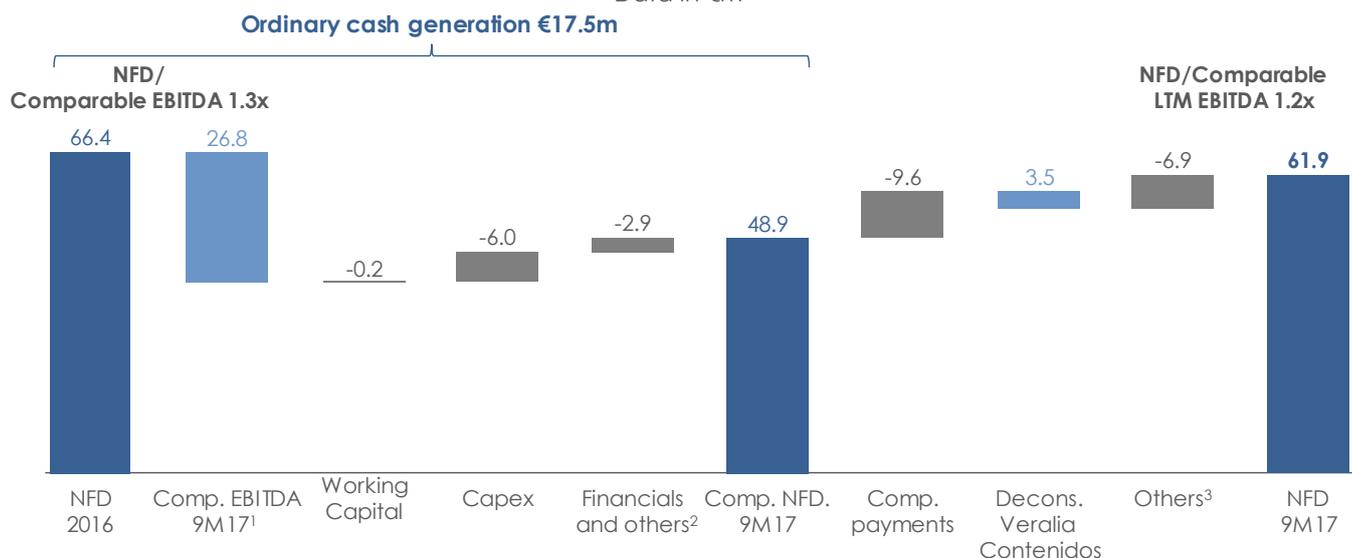
Short-term borrowings include debt with credit institutions of 12,473 thousand euros, including the reclassification of expenses for the syndicated loan as short term, and other liabilities with a current financial cost of 1,103 thousand euros, mainly related to pension plans.

Long-term borrowings include debt with credit institutions of 69,657 thousand euros, including the reclassification of expenses related to the syndicated loan, the mark-to-market valuation of the interest rate hedge on the loan, and other liabilities with a non-current financial cost of 1,315 thousand euros, including pending pension and compensation payments, associated with the downsizing plan at ABC in 2009.

In 9M17 positive ordinary cash flow of 17,539 thousand euro was generated. The most significant ordinary variations included: i) variation in working capital: an impact on debt of -179 thousand euros, reflecting the performance of the business, and ii) capex: a total of -6,015 thousand euros. Non-ordinary movements included: iii) compensation payments of -9,618 thousand euros, and iv) other non-ordinary cash outflow of -3,387 thousand euros, associated with payments for the put options at Las Provincias and the acquisition of Madridfusión.

## Analysis of movement in net financial debt 2016-9M17

Data in €m



Note 1: excluding personnel adjustment measures and one-offs 9M17 €-10.4m. Note 2: including anticipated income, financial expenses, dividends for minority interest and taxes. Note 3: including payment related to Las Provincias, taxes on the sale of the ABC building and Madridfusión.

## Other non-current liabilities

The decrease of -14,684 thousand euros is mainly due to the decreased balance with suppliers, a result largely of the deconsolidation of the Content area.

## Other current liabilities

The decrease by -8,290 thousand euros is mainly a result of the reason mentioned above.

## Cash flow statement

IFRS thousand euros	9M17	9M16	Var Abs	% Var
<b>Net profit attributable to the parent</b>	<b>-4,803</b>	<b>-7,755</b>	<b>2,952</b>	<b>38.1%</b>
Adjustments to net profit	22,552	28,090	-5,538	-19.7%
<b>Cash flows from ordinary operating activities before changes in working capital</b>	<b>17,749</b>	<b>20,335</b>	<b>-2,586</b>	<b>-12.7%</b>
Changes in working capital & others	-179	-4,994	4,815	96.4%
Other payables without financial cost	6,786	1,508	5,278	n.r.
Other payables with financial cost	-958	-2,326	1,368	58.8%
Income tax paid	-1,893	-943	-950	n.r.
Interests deduction for tax purposes	437	1,863	-1,426	-76.5%
<b>Net cash flow from operating activities (I)</b>	<b>21,942</b>	<b>15,443</b>	<b>6,499</b>	<b>42.1%</b>
Acquisitions of intangible and property, plan and equipment	-6,015	-5,401	-614	-11.4%
Acquisitions of financial assets, subsidiaries and associates	-1,805	1,545	-3,350	n.r.
Interests and dividends received	309	212	97	45.8%
<b>Net cash flow from investing activities (II)</b>	<b>-7,511</b>	<b>-3,644</b>	<b>-3,867</b>	<b>n.r.</b>
Interests and dividends paid	-8,363	-9,033	670	7.4%
Cash inflows/ (outflows) relating to bank borrowings	-2,322	5,278	-7,600	n.r.
Other receivables and payables (financing)	-126	-8	-118	n.r.
Equity related instruments without financial cost	-3,725	-4,324	599	13.9%
<b>Net cash flows from financing activities (III)</b>	<b>-14,536</b>	<b>-8,087</b>	<b>-6,449</b>	<b>-79.7%</b>
<b>Net increase in cash and cash equivalents (I + II + III)</b>	<b>-105</b>	<b>3,712</b>	<b>-3,817</b>	<b>n.r.</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>22,004</b>	<b>23,059</b>	<b>-1,055</b>	<b>-4.6%</b>

Net cash flow from operating activities was 21,942 thousand euros, including among others: i) other payables without a financial cost (subscriptions, pending compensation payments) of +6,786 thousand euros and ii) a variation in working capital of -179 thousand euros.

Net cash flow from investing activities was -7,511 thousand euros, mainly because of investment in fixed assets (see Capex section) and the cash outflow to pay for the acquisition of Madridfusión.

Net cash flow from financing activity was -14,536 thousand euros, and included among others debt interest payments and dividend payments by subsidiaries of VOCENTO to minority shareholders of -4,559 thousand euros, a payment for the renegotiated 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 firm commitment to Internet development, is to control investments and protect cash.

The difference between the cash outflow from investments and the capex recorded in accounts, -639 thousand euros, reflects pending payments for investments made in 2016 and 2017.

### Capex by business area

	IFRS thousand euro								
	9M17			9M16			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	2,911	1,646	4,557	2,212	1,751	3,962	700	-105	595
Audiovisual	30	258	287	174	124	298	-144	133	-11
Classifieds	217	72	288	199	133	332	18	-62	-44
Corporate	180	62	243	283	65	348	-103	-3	-106
<b>TOTAL</b>	<b>3,338</b>	<b>2,038</b>	<b>5,376</b>	<b>2,867</b>	<b>2,074</b>	<b>4,941</b>	<b>470</b>	<b>-36</b>	<b>435</b>

## Information by business area

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

IFRS thousand euros	9M17	9M16	Var Abs	Var %
<b>Total Revenues</b>				
Newspapers	263,875	281,871	-17,996	-6.4%
Audiovisual	34,473	34,307	166	0.5%
Classifieds	13,640	13,110	530	4.0%
Corporate and adjustments	-2,759	-2,645	-114	-4.3%
<b>Total Revenues</b>	<b>309,228</b>	<b>326,642</b>	<b>-17,414</b>	<b>-5.3%</b>
<b>EBITDA</b>				
Newspapers	15,160	20,308	-5,148	-25.3%
Audiovisual	9,300	8,711	589	6.8%
Classifieds	1,480	1,291	189	14.6%
Corporate and adjustments	-9,586	-11,503	1,917	16.7%
<b>Total EBITDA</b>	<b>16,354</b>	<b>18,808</b>	<b>-2,453</b>	<b>-13.0%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Newspapers	24,280	27,070	-2,790	-10.3%
Audiovisual	9,513	8,681	832	9.6%
Classifieds	1,486	1,347	138	10.3%
Corporate and adjustments	-8,505	-8,275	-231	-2.8%
<b>Total comparable EBITDA</b>	<b>26,773</b>	<b>28,824</b>	<b>-2,051</b>	<b>-7.1%</b>
<b>EBIT</b>				
Newspapers	4,170	7,853	-3,683	-46.9%
Audiovisual	3,414	6,136	-2,722	-44.4%
Classifieds	1,184	948	236	24.9%
Corporate and adjustments	-9,901	-11,758	1,857	15.8%
<b>Total EBIT</b>	<b>-1,133</b>	<b>3,179</b>	<b>-4,312</b>	<b>n.r.</b>
<b>Comparable EBIT<sup>1, 2</sup></b>				
Newspapers	14,274	16,081	-1,807	-11.2%
Audiovisual	7,479	6,076	1,403	23.1%
Classifieds	1,190	1,000	190	19.0%
Corporate and adjustments	-8,820	-8,529	-291	-3.4%
<b>Total comparable EBIT</b>	<b>14,122</b>	<b>14,628</b>	<b>-506</b>	<b>-3.5%</b>

<sup>1</sup> Excluding personnel adjustment measures and one-offs 9M16 -10,016 thousand euros and 9M17 -10,419 thousand euros.

<sup>2</sup> Excluding Result from divestment of fixed assets 9M16 -1,433 thousand euros and 9M17 -4,836 thousand euros.

## Newspapers (offline and online)

IFRS thousand euros	9M17	9M16	Var Abs	Var %
<b>Total Revenues</b>				
Regionals	191,219	202,057	-10,838	-5.4%
ABC	68,870	71,969	-3,099	-4.3%
Supplements & Magazines	18,669	20,556	-1,887	-9.2%
Adjustments intersegment	-14,883	-12,711	-2,172	-17.1%
<b>Total Revenues</b>	<b>263,875</b>	<b>281,871</b>	<b>-17,996</b>	<b>-6.4%</b>
<b>EBITDA</b>				
Regionals	19,083	20,563	-1,480	-7.2%
ABC	-2,713	-46	-2,667	n.r.
Supplements & Magazines	-1,211	-209	-1,001	n.r.
<b>Total EBITDA</b>	<b>15,160</b>	<b>20,308</b>	<b>-5,148</b>	<b>-25.3%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Regionals	23,970	24,725	-756	-3.1%
ABC	1,197	2,554	-1,357	-53.1%
Supplements & Magazines	-887	-209	-678	n.r.
<b>Total comparable EBITDA</b>	<b>24,280</b>	<b>27,070</b>	<b>-2,790</b>	<b>-10.3%</b>
<b>EBIT</b>				
Regionals	13,199	12,786	413	3.2%
ABC	-7,510	-4,464	-3,046	-68.2%
Supplements & Magazines	-1,518	-468	-1,050	n.r.
<b>Total EBIT</b>	<b>4,170</b>	<b>7,853</b>	<b>-3,683</b>	<b>-46.9%</b>
<b>Comparable EBIT<sup>1, 2</sup></b>				
Regionals	17,955	17,800	155	0.9%
ABC	-2,477	-1,250	-1,226	-98.1%
Supplements & Magazines	-1,204	-468	-737	n.r.
<b>Total comparable EBIT</b>	<b>14,274</b>	<b>16,081</b>	<b>-1,807</b>	<b>-11.2%</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 9M16 -6,762 thousand euros and 9M17 -9,119 thousand euros.

<sup>2</sup> Excluding Result from sale of fixed assets 9M16 -1,466 thousand euros and 9M17 -984 thousand euros.

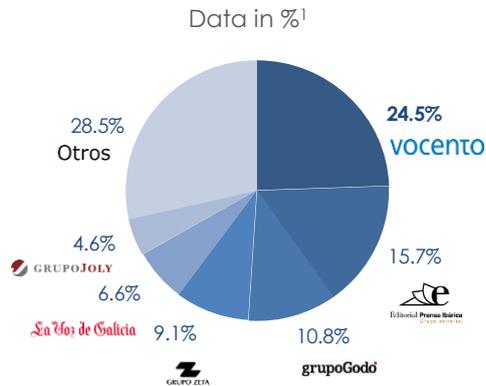
**Operating revenues:** 263,875 thousand euros, -6.4% down on 9M16.

**Circulation revenues:** 128,071 thousand euros, down -7.1%.

- i. Revenues from circulation at the Regional Press fell by -5.6% in 9M17, with a drop in circulation of -8.9%, with the trend improving over the course of the year (see chart on page 5).

The regional newspapers of VOCENTO maintain their clear leadership, as shown by their market share of the regional press:

## Regional press market share 9M17



Note 1: source OJD

The on+ subscription business models at El Correo, Diario Vasco and Diario Montañés now have more than 13,000 subscribers.

- ii. ABC reported a fall in circulation of -13.6% with revenues from circulation down -9.1%, with the rate of decline slowing over the course of the year (see chart on page 5). The cover price on weekdays was increased from €1.5 to €1.6.

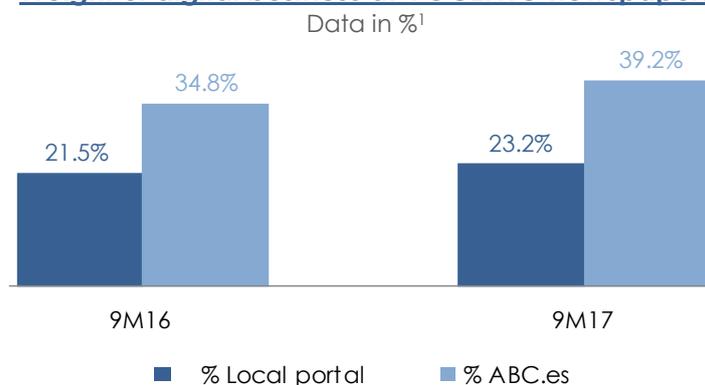
ABC is continuing to improve its market share positioning, as shown by the figures for ordinary circulation in the Madrid region, the most important national press market, where ABC is closing the gap to El País (see chart on page 5).

- iii. Finally, there was a year-on-year fall in circulation revenues at Supplements and Magazines of -8.2% in 9M17.

**Advertising revenues:** 99,191 thousand euros, down -2.0%.

- i. Regional: reported advertising revenues of 69,201 thousand euros, +2.0% from 9M16.
- ii. ABC: advertising revenues fell by -10.1%, with an increase of +2.0% at ABC.es and an offline drop of -16.1%, reflecting the weak market conditions for the national print press.

## 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:** 36,613 thousand euros, down -14.5%, because of a more selective promotions policy at ABC and reduced activity at the local printing plants.

**Comparable EBITDA<sup>9</sup>:** 24,280 thousand euros, a decrease of -2,790 thousand euros from 9M16, with a comparable EBITDA margin of 9.2% in 9M17.

### Performance of comparable EBITDA at Newspapers

IFRS thousand euros	9M17	9M16	Var Abs
Regionals	23,970	24,725	-756
ABC	1,197	2,554	-1,357
Supplements & Magazines	-887	-209	-678
<b>Total</b>	<b>24,280</b>	<b>27,070</b>	<b>-2,790</b>

In 9M17, comparable costs were reduced by -6.0%<sup>9</sup>:

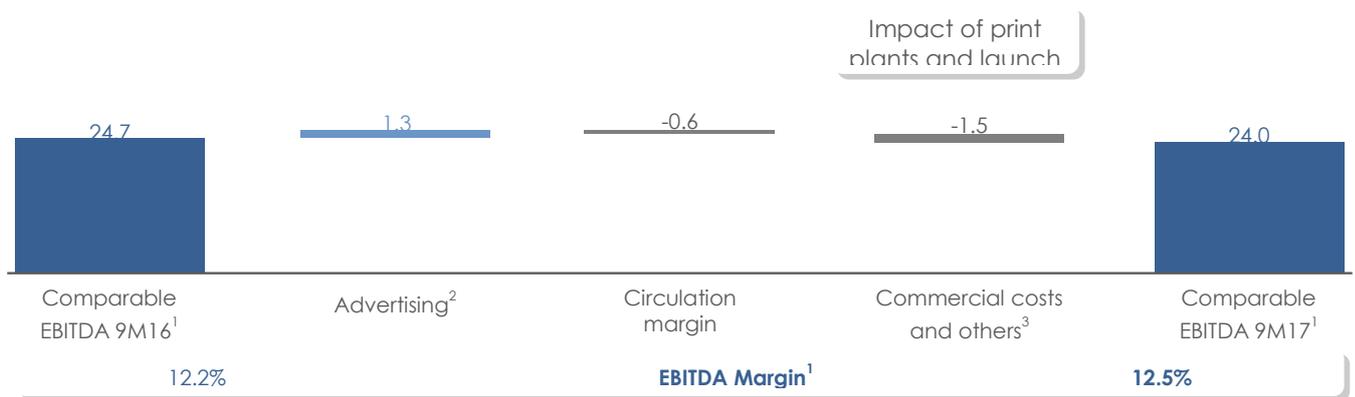
### Performance of comparable costs at Newspapers

IFRS thousand euros	9M17	9M16	Var Abs	Var %
Regionals	-167,249	-177,332	10,083	5.7%
ABC	-67,673	-69,415	1,742	2.5%
Supplements & Magazines	-19,556	-20,765	1,209	5.8%
Adjustments	14,883	12,711	2,172	17.1%
<b>Total</b>	<b>-239,595</b>	<b>-254,801</b>	<b>15,206</b>	<b>6.0%</b>

- i. **Regionals:** comparable EBITDA of 23,970 thousand euros, a decrease of -756 thousand euros from 9M16 because of increased digital start-up costs. The comparable EBITDA margin was 12.5% in 9M17, compared with 12.2% in 9M16.

### Regionals: performance of comparable EBITDA

Variation 9M16 vs 9M17 except comparable EBITDA €m



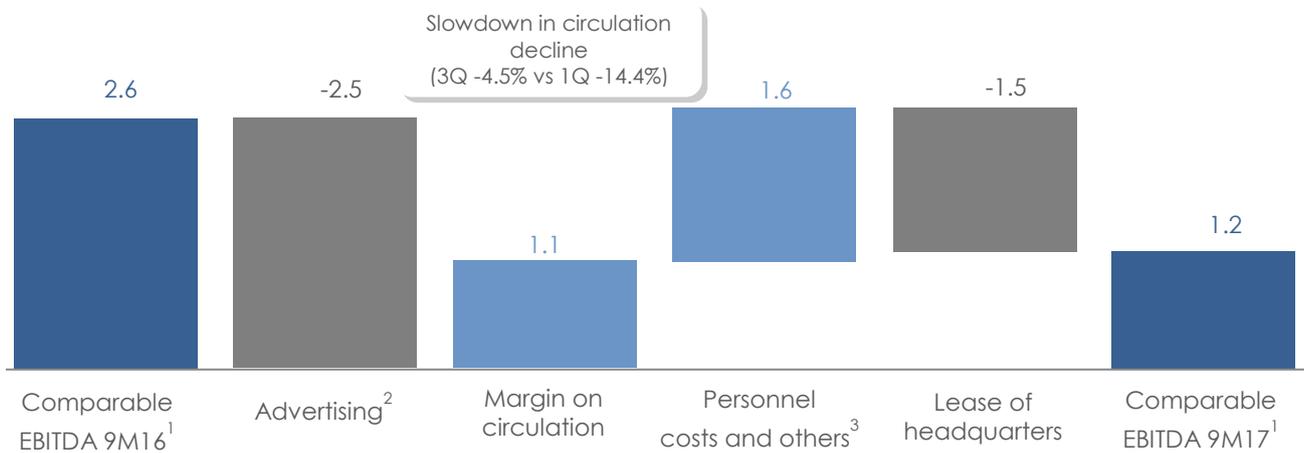
Note 1: excluding adjustment measures and one-offs 9M16 €-4.2m and 9M17 €-4.9m. Note 2: print and digital. Note 3: others include personnel costs, print plant margins, commercial expenses and other fixed costs.

<sup>9</sup> Excluding personnel adjustment measures and one-offs 9M17 -9,119 thousand euros and 9M16 -6,762 thousand euros.

- ii. **ABC:** comparable EBITDA in 9M17 of 1,197 thousand euros, a decrease of -1,357 thousand euros from 9M16. Excluding the lease expense, ABC would have maintained its EBITDA (at 2,660 thousand euros in 9M17).

### ABC: performance of comparable EBITDA

Variation 9M16 vs 9M17 except comparable EBITDA €m and comparable EBITDA margin %<sup>1</sup>



Note 1: excluding adjustment measures and one-offs 9M16 €-2.6m and 9M17 €-3.9m. Note 2: print and digital. Note 3: others include personnel costs, print plant margins, commercial expenses and other fixed costs.

- iii. **Supplements and Magazines:** comparable EBITDA of -887 thousand euros compared with -209 thousand euros in 9M16.

## Audiovisual

IFRS thousand euros	9M17	9M16	Var Abs	Var %
<b>Total Revenues</b>				
DTT	19,892	20,968	-1,076	-5.1%
Radio	3,045	3,092	-46	-1.5%
Content	11,711	10,447	1,264	12.1%
Adjustments intersegment	-176	-200	24	12.1%
<b>Total Revenues</b>	<b>34,473</b>	<b>34,307</b>	<b>166</b>	<b>0.5%</b>
<b>EBITDA</b>				
DTT	3,914	4,052	-138	-3.4%
Radio	1,906	1,958	-52	-2.7%
Content	3,481	2,701	780	28.9%
<b>Total EBITDA</b>	<b>9,300</b>	<b>8,711</b>	<b>589</b>	<b>6.8%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
DTT	4,075	4,052	23	0.6%
Radio	1,906	1,928	-22	-1.2%
Content	3,532	2,701	831	30.8%
<b>Total comparable EBITDA</b>	<b>9,513</b>	<b>8,681</b>	<b>832</b>	<b>9.6%</b>
<b>EBIT</b>				
DTT	3,715	3,851	-136	-3.5%
Radio	1,892	1,974	-83	-4.2%
Content	-2,193	311	-2,504	n.r.
<b>Total EBIT</b>	<b>3,414</b>	<b>6,136</b>	<b>-2,722</b>	<b>-44.4%</b>
<b>Comparable EBIT<sup>1, 2</sup></b>				
DTT	3,887	3,851	35	0.9%
Radio	1,892	1,914	-22	-1.1%
Content	1,700	311	1,389	n.r.
<b>Total comparable EBIT</b>	<b>7,479</b>	<b>6,076</b>	<b>1,403</b>	<b>23.1%</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 1,243 thousand euros in 19M16 and in 9M17 of 1,182 thousand euros.

<sup>1</sup> Excluding personnel adjustment measures 9M17 of -213 thousand euros and in 9M16 of 30 thousand euros.

<sup>2</sup> Excluding Result from sale of fixed assets in 9M17 -3,852 thousand euros and in 9M16 31 thousand euros.

**Operating Revenues:** stable at 34,473 thousand euros, a variation of +0.5%.

**Comparable EBITDA<sup>10</sup>:** 9,513 thousand euros, an improvement of +832 thousand euros from 9M16:

- i. **DTT:** comparable EBITDA of 4,075 thousand euros, almost the same as in 9M16 (4,052 thousand euros).

<sup>10</sup> Excluding personnel adjustment measures in 9M17 of -213 thousand euros and in 9M16 of 30 thousand euros.

- ii. Radio: comparable EBITDA of 1,906 thousand euros, almost unchanged from (-22 thousand euros).
- iii. Content: comparable EBITDA of 3,532 thousand euros, an increase of 831 thousand euros from 9M16.

**Comparable operating result**: *(given the level of amortization, commentary is provided on the operating result)*. 7,479 thousand euros compared to 6,076 thousand euros in 9M16. All divisions were profitable at the comparable EBIT level.

## Classifieds

IFRS thousand euros	9M17	9M16	Var Abs	Var %
<b>Total Revenues</b>				
Classifieds	13,640	13,110	530	4.0%
<b>Total Revenues</b>	<b>13,640</b>	<b>13,110</b>	<b>530</b>	<b>4.0%</b>
<b>EBITDA</b>				
Classifieds	1,480	1,291	189	14.6%
<b>Total EBITDA</b>	<b>1,480</b>	<b>1,291</b>	<b>189</b>	<b>14.6%</b>
<b>Comparable EBITDA<sup>1</sup></b>				
Classifieds	1,486	1,347	138	10.3%
<b>Total comparable EBITDA</b>	<b>1,486</b>	<b>1,347</b>	<b>138</b>	<b>10.3%</b>
<b>EBIT</b>				
Classifieds	1,184	948	236	24.9%
<b>Total EBIT</b>	<b>1,184</b>	<b>948</b>	<b>236</b>	<b>24.9%</b>
<b>Comparable EBIT<sup>1 2</sup></b>				
Classifieds	1,190	1,000	190	19.0%
<b>Total comparable EBIT</b>	<b>1,190</b>	<b>1,000</b>	<b>190</b>	<b>19.0%</b>

<sup>1</sup> Excluding personnel adjustment measures in 9M17 -6 thousand euros and in 9M16 de -57 thousand euros.

<sup>2</sup> Excluding result from sale of fixed assets 9M16 4 thousand euros and in 9M17 -1 mil thousand euros.

**Operating Revenues:** up 4.0% to 13,640 thousand euros, reflecting the 3.6% increase in advertising revenues in the area.

**Comparable EBITDA:** up +10.3% to 1,486 thousand euros in 9M17, compared to 1,347 thousand euros in 9M16.

## Operating Data

### Newspapers

Average Circulation Data	9M17	9M16	Var Abs	%
<b>National Press - ABC</b>	80,602	93,290	-12,688	-13.6%
<b>Regional Press</b>				
El Correo	62,001	67,213	-5,212	-7.8%
El Diario Vasco	47,485	51,246	-3,761	-7.3%
El Diario Montañés	21,130	23,657	-2,527	-10.7%
Ideal	16,894	18,529	-1,635	-8.8%
La Verdad	13,836	16,063	-2,227	-13.9%
Hoy	9,710	10,395	-685	-6.6%
Sur	14,866	16,144	-1,278	-7.9%
La Rioja	8,496	9,533	-1,037	-10.9%
El Norte de Castilla	16,495	18,282	-1,787	-9.8%
El Comercio	14,896	16,623	-1,727	-10.4%
Las Provincias	15,195	16,932	-1,737	-10.3%
<b>TOTAL Regional Press</b>	<b>241,004</b>	<b>264,617</b>	<b>-23,613</b>	<b>-8.9%</b>

Sources:OJD. 9M17 non audited data.

Audience	2 <sup>nd</sup> Survey 17	2 <sup>nd</sup> Survey 16	Var Abs	%
<b>National Press - ABC</b>	<b>409,000</b>	<b>485,000</b>	<b>-76,000</b>	<b>-15.7%</b>
<b>Regional Press</b>	<b>1,802,000</b>	<b>1,932,000</b>	<b>-130,000</b>	<b>-6.7%</b>
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%
<b>Supplements</b>				
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%
<b>Monthly Unique uses (Th)</b>	<b>42979</b>	<b>42614</b>	<b>Var Abs</b>	<b>%</b>
Vocento	21,822	18,815	3,007	16.0%

Source: comScore.

### Audiovisual

National TV Market	42979	42614	Var Abs
Audience share Net TV	3.1%	3.0%	0.1 p.p

Source: Kantar Media last month.

## Appendix I: Alternative Performance Measures

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

The APMs used in this report include the following:

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

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

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

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

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

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

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

### CALCULATION OF APMS: RECONCILIATION BETWEEN ACCOUNTING DATA AND ALTERNATIVE PERFORMANCE MEASURES

Thousand Euros	<b>9M17</b>	<b>9M16</b>
Net result of the year	-463	-4.575
Financial income	-258	-212
Financial expenses	3.861	4.999
Other results from financial instruments	46	31
Tax on profits of continued operations	-2.149	1.252
Amortization and depreciation	12.651	14.196
Impairment of goodwill	750	1.350
Impairment and result from sale of fixed and non-fixed assets	4.836	1.433
Result from equity-accounted subsidiaries	26	158
Net result of sale of non-current financial assets	-2.946	177
<b>EBITDA</b>	<b>16.354</b>	<b>18.808</b>
Compensations payments	10.319	10.016
Other one-off costs	100	
<b>Comparable EBITDA</b>	<b>26.773</b>	<b>28.824</b>
EBITDA	16.354	18.808
Amortization and depreciation	-12.651	-14.196
Impairment and result from sale of fixed and non-fixed assets	-4.836	-1.433
<b>EBIT</b>	<b>-1.133</b>	<b>3.179</b>
Compensations payments	10.319	10.016
Others one-off costs	100	0
Impairment and result from sale of fixed and non-fixed assets	4.836	1.433
<b>Comparable EBIT</b>	<b>14.122</b>	<b>14.628</b>

Thousand Euros	<b>9M17</b>	<b>9M16</b>
Long term financial debt with credit institutions	67,516	112,573
Other liabilities with long term financial cost	1,315	1,447
Short term financial debt with credit institutions	11,708	13,389
Other liabilities with short term financial cost	1,103	1,089
Cash and cash equivalents	-22,004	-23,059
Other non-current payables with financial cost	-664	-270
Arrangement fee for syndicated loan	2,906	2,538
<b>Net financial debt (NFD)</b>	<b>61,880</b>	<b>107,708</b>
Net financial debt (NFD)	61,880	107,708
Compensation payments in the period	-9,618	-10,100
Taxes and expenses from sale of buildings	3,080	0
Inspection report refund	1,666	0
Payment for renegotiation of put options and others	-3,725	-3,124
Acquisitions of financial assets, subsidiaries and associates	-4,713	
Exclusions from the scope of consolidation	304	0
<b>Comparable net financial debt</b>	<b>48,874</b>	<b>94,484</b>
NFD at start period	66,412	108,787
NFD at end of period	-61,880	-107,708
Compensation payments in the period	9,618	10,100
Taxes and expenses from sale of buildings	-3,080	0
Tax penalty refund	-1,666	0
Payment for renegotiation of put options and others	3,725	3,124
Business purchase	4,713	
Exclusions from the scope of consolidation	-304	0
<b>Ordinary cash generation</b>	<b>17,539</b>	<b>14,303</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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Certain numerical figures included in this document have been rounded. Therefore, discrepancies in tables and graphs between totals and the sums of the amounts listed may occur due to such rounding.

## **Contact**

### **Investor and Shareholder Relations**

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