

A blue-tinted background featuring a pen resting on a lined notebook page, with several books scattered around. The scene is captured from a high angle, creating a sense of depth and focus on the study materials.

RESULTS FOR JANUARY-MARCH 2018

10 May 2018

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, the following business lines have been defined: Newspapers, Audiovisual, Classifieds, Gastronomy and Others. 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. However, the Others segment, which is not material, is combined with the Gastronomy segment when disclosing information to the market.

| 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 ▪ Mujer Hoy ▪ Corazón CZN TVE ▪ Inversión y Finanzas ▪ Mujerhoy.com ▪ Finanzas.com | |
| AUDIOVISUAL | | | CLASSIFIEDS | GASTRONOMY & OTHERS |
| 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 distribution ▪ Izen | <ul style="list-style-type: none"> ▪ Pisos.com ▪ Infoempleo ▪ Autocasión | <ul style="list-style-type: none"> ▪ Madrid Fusión ▪ Gastronomika ▪ Factor Moka |
| Accounted for by the equity method | | | | |

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 the following groups: 1) adjustments to the workforce and one-offs, 2) changes to the consolidation scope and strategic business decisions (e.g. perimeter effect of Madrid Fusión in 2018 or deconsolidation of Veralia Contenidos in 2017), and 3) changes in the accounting of revenues and expenses as a result of IFRS 15.

Highlights of the financial performance of the businesses in 1Q18

Advertising revenues -2.6% in 1Q18, in line with market despite different business mix

Slowdown in decrease of circulation revenues, margin on circulation maintained

Comparable EBITDA 1Q18 €6.9m increases by +4.5% vs. 1Q17

Improvement in net financial position by +13.4%, with positive ordinary cash generation of €12.2m

Positive €0.9m contribution of Gastronomy to EBITDA

- **Advertising revenues -2.6% in 1Q18 vs. -2.5% for total advertising market**
 - i. Vocento brands increase their offline market share (-6.6% vs. -8.4%¹).
 - ii. VOCENTO local advertising increases +1.1%, with resistance in offline advertising (-1.2%) and growth in online advertising revenues (+15.6%).
 - iii. The proportion of advertising revenues of local origin continues to increase, rising to 57.5% of the total in 1Q18.
- **Circulation margin stable, with slower falls in revenues**
 - i. Margin on circulation revenues maintained in 1Q18 (YoY change -10 thousand euros), with a reduction in the fall in circulation revenues at the Regional Press (1Q18 -3.5% vs. 1Q17 -6.3%).
 - ii. In the Comunidad de Madrid in 1Q18, ABC increases share ordinary circulation by +0.5 p.p. to 27.6%².
- **Comparable EBITDA 1Q18 (6,899³ thousand euros) improves by 4.5% vs. 1Q17**
 - i. Annual Efficiency Plan implemented (compensation 1Q18 5,572 thousand euros).
 - ii. Continued cost efficiency: comparable costs 1Q18 down -2.9%.
 - iii. Improvement in comparable EBITDA (variation 1Q17/1Q18 +295 thousand euros).
- **Generation of ordinary operating cash flow of 12,171 thousand euros**
 - i. Net financial debt falls to 48,617 thousand euros vs. 56,153 thousand euros in 2017, with NFD/comparable EBITDA at 1.0x.
 - ii. Ordinary operating cash generation more than offsets payment of compensation and other extraordinary items.
- **Diversification and future growth**
 - i. After the success of the first Madrid Fusión event under VOCENTO management, Gastronomy contributes revenues of 2,635 thousand euros and comparable EBITDA of 870 thousand euros.
 - ii. The digital subscription service ON+ now has more than 15,000 subscribers following its launch at Ideal.

¹ Source i2p.

² Source OJD. Ordinary paid circulation (kiosk sales and individual subscriptions).

³ Excluding personnel adjustment measures and one-offs VOC 1Q18 -5,572 thousand euros and 1Q17 -10,714 thousand euros.

Main financial data

Consolidated Profit and Loss Account

| Thousand euros | IFRS | | | | |
|--|---------------|----------------|---------------|--------------|----------------|
| | 1Q18 | 1Q17 (IFRS15) | Var Abs | Var % | 1Q17 |
| Circulation revenues | 34,569 | 36,379 | -1,810 | -5.0% | 42,356 |
| Advertising revenues | 35,782 | 36,724 | -942 | -2.6% | 36,724 |
| Other revenues | 21,466 | 20,985 | 482 | 2.3% | 22,176 |
| Total revenue | 91,817 | 94,087 | -2,270 | -2.4% | 101,256 |
| Staff costs | -41,300 | -47,354 | 6,054 | 12.8% | -47,354 |
| Procurements | -7,161 | -7,733 | 572 | 7.4% | -14,901 |
| External Services | -41,616 | -42,708 | 1,093 | 2.6% | -42,708 |
| Provisions | -412 | -402 | -11 | -2.6% | -402 |
| Operating expenses (without D&A) | -90,490 | -98,197 | 7,707 | 7.8% | -105,365 |
| EBITDA | 1,327 | -4,110 | 5,437 | n.r. | -4,110 |
| Depreciation and amortization | -3,912 | -4,233 | 321 | 7.6% | -4,233 |
| Impairment/gains on disposal of tan. & intan. assets | -6 | -7 | 1 | 10.7% | -7 |
| EBIT | -2,590 | -8,349 | 5,759 | 69.0% | -8,349 |
| Impairments/reversal of other intangible assets | -250 | -250 | 0 | n.a. | -250 |
| Profit of companies acc. equity method | -329 | -57 | -272 | n.r. | -57 |
| Net financial income | -928 | -1,285 | 356 | 27.7% | -1,285 |
| Net income from disposal of non-current assets | 6 | 0 | 6 | n.a. | 0 |
| Profit before taxes | -4,091 | -9,940 | 5,850 | 58.8% | -9,940 |
| Corporation tax | -410 | 161 | -572 | n.r. | 161 |
| Net profit for the year | -4,501 | -9,779 | 5,278 | 54.0% | -9,779 |
| Minority interests | -882 | -612 | -271 | -44.3% | -612 |
| Net profit attributable to the parent | -5,383 | -10,391 | 5,007 | 48.2% | -10,391 |
| Staff costs ex non recurring costs | -35,728 | -36,740 | 1,011 | 2.8% | -36,740 |
| Operating Expenses ex non recurring costs | -84,918 | -87,483 | 2,565 | 2.9% | -94,651 |
| Comparable EBITDA¹ | 6,899 | 6,604 | 295 | 4.5% | 6,604 |
| Comparable EBIT ^{1 2} | 2,988 | 2,371 | 616 | 26.0% | 2,371 |

n.r.: the absolute differential is >1,000%.

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

¹Excluding personnel adjustment measures 1Q18 -5.572 and 1Q17 -10,614 thousand euros.

²Excluding personnel adjustment measures and one-offs 1Q18 -5.572 and 1Q17 -10,714 thousand euros.

³Excluding result from divestment of fixed assets 1Q18 -6 thousand euros and 1Q17 -7 thousand euros.

Note

As a consequence of the application of IFRS 15 from 1 January 2018 (as explained in Note 2 c2 of the 2017 Annual Accounts), revenues and operating expenses for 1Q17 have been recalculated to enable comparison with the current period. In particular, revenue from circulation and other revenues derived from the distribution of third-party products by Beralán are now recorded net of the cost of supplies for the purchase of newspapers and other products. As the amount of supplies has been reduced by the same amount, there is no impact on EBITDA.

Operating revenues

In 1Q18 revenues totalled 91,817 thousand euros, down -2.4% from 1Q17.

- i. Circulation sales fell by -5.0%, consisting of a -3.5% fall at Regional Press and -8.5% at ABC.

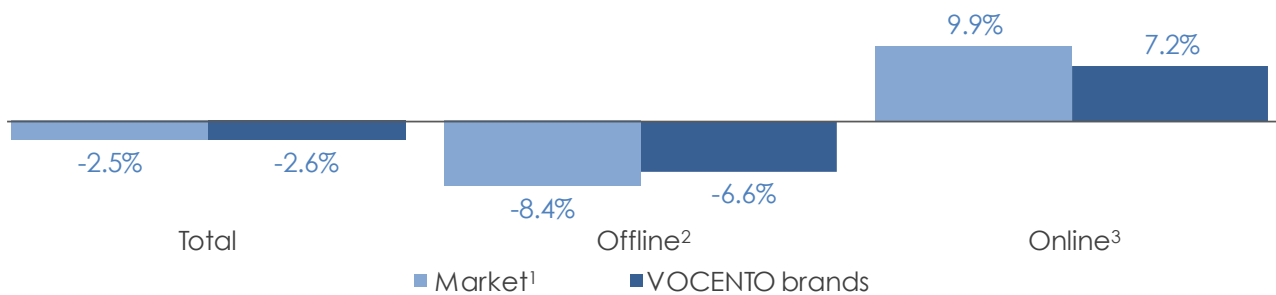
The combined margin on circulation was practically stable in 1Q18 (down -10 thousand euros) reflecting savings in costs and add-ons.

- ii. Advertising revenues fell by -2.6%, as a result of the difficult start to the year for the advertising market, as at the beginning of 2017.

The advertising performance of VOCENTO is in line with the advertising market (-2.6% vs. -2.5% respectively). VOCENTO's offline brands outperformed the market, falling -6.6% vs. -8.4% for the market. Online, VOCENTO's brands recorded an increase of +7.2% vs. +9.9% for the market.

Advertising performance, VOCENTO vs. market 1Q18

Data in %



Note 1: market source i2p ex social media. Note 2: VOCENTO regional brands and ABC. Note 3: Vocento local portal brands, ABC.es and Classifieds

Analysing advertising revenues according local and national markets, local advertising (57.5% of total VOCENTO advertising) increased by +1.1% in 1Q18 thanks to the resistance of offline formats (-1.2%) and online growth (+15.6%), while national advertising fell by -7.7%, with national digital advertising revenues up +3.8%.

Local and national advertising at VOCENTO 1Q18

Local €20.1m (57.5% of total)

National €14.8m (42.5% of total)

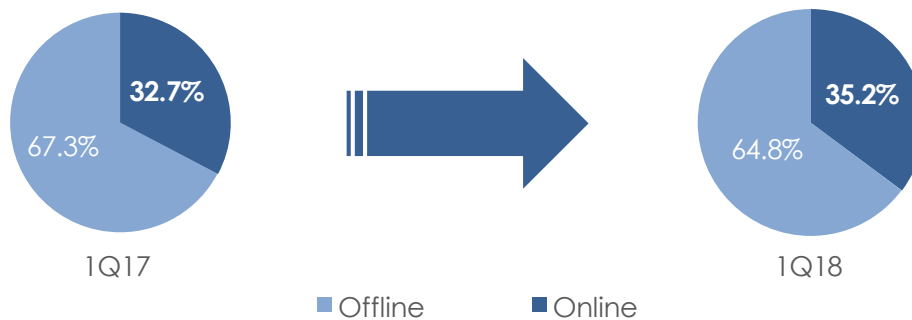


Note: net advertising. Not including Audiovisual, sales companies or eliminations.

Taking into account not only VOCENTO's digital advertising revenues but also revenues from new digital businesses based on e-commerce, and booked within other revenues, the contribution of advertising revenues and revenues from new businesses to VOCENTO's total advertising revenues reached 35.2%, up 2.5 p.p. in 1Q18 from 1Q17.

Contribution of advertising and new digital businesses to revenue profile

Weight in Vocento advertising revenues



Highlights of the new digital initiatives include Local Digital Kit, which is being rolled out steadily and now has more than 800 SME clients.

- iii. Other revenues increased by +2.3% from 1Q17. The impact of the deconsolidation of the content production companies was offset in the first quarter by new revenues from the Gastronomy area. The 2018 Madrid Fusión fair, the first to be organised by VOCENTO, exceeded all expectations and the records set by the previous event.

Operating expenses

In 1Q18 comparable operating expenses fell by -2.9%, excluding personnel adjustment measures and one-offs of -10,714 thousand euros in 1Q17 and 5,572 thousand euros in 1Q18.

By cost item, highlights include the decrease in the cost of supplies (-7.4%) and in personnel expenses (-2.8%).

By business area, comparable costs at Audiovisual fell by -28.3% following the deconsolidation of the production companies, while at Newspapers costs fell by -3.8%, reflecting the impact of measures focused on profitable circulation and savings in personnel expenses.

Detail of comparable operating expenses by area

| IFRS thousand euros | 1Q18 | 1Q17 (IFRS15) | Var Abs | Var % |
|---------------------------|----------------|----------------|--------------|-------------|
| Newspapers | -70,517 | -73,304 | 2,786 | 3.8% |
| Audiovisual | -5,653 | -7,882 | 2,229 | 28.3% |
| Classifieds | -4,265 | -4,181 | -84 | -2.0% |
| Gastronomy and Others | -1,885 | 0 | -1,885 | n.a |
| Corporate and adjustments | -2,598 | -2,116 | -482 | -22.8% |
| Total | -84,918 | -87,483 | 2,565 | 2.9% |

Comparable EBITDA

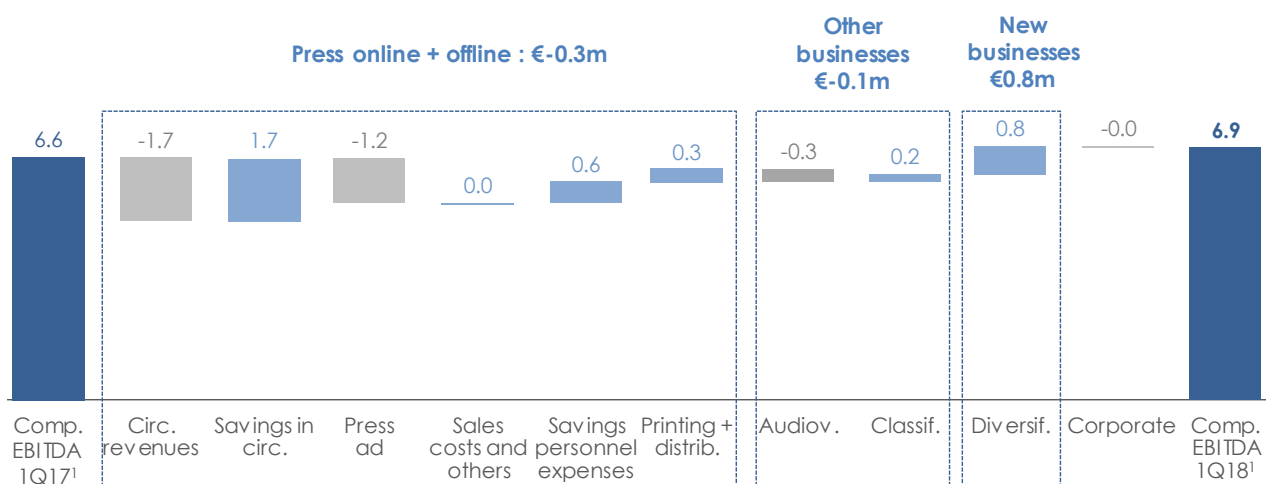
In 1Q18 comparable EBITDA rose to 6,899 thousand euros, an increase of +295 thousand euros from 1Q17. The comparable EBITDA margin rose by +0.5 p.p. to 7.5%.

The main impacts in the variation of comparable EBITDA included:

- EBITDA in the Newspapers area decreased slightly, with the fall in circulation and advertising revenues partly offset by savings in circulation costs and in personnel expenses respectively.
- The divergent performance of Audiovisual and Classifieds cancelled each other out, with a combined impact in 1Q18 from 1Q17 of -104 thousand euros.
- The new diversified businesses of Gastronomy and Others had a positive impact of 752 thousand euros. A highlight was the performance of Gastronomy, which contributed 870 thousand euros after joining the VOCENTO group.

Detail of movement in comparable EBITDA¹ 1Q17-1Q18

Variation 1Q17 vs 1Q18 except comparable EBITDA €m. All figures in €m



Note 1: excluding adjustment measures 1Q17 €-10.7m and 1Q18 €-5.6m.

Operating result (EBIT)

The operating result in 1Q18 was -2,590 thousand euros, compared with -8,349 thousand euros in 1Q17, due to lower costs for compensation, improvements in operations, and a trend for decreased depreciation.

Comparable EBIT, excluding compensation costs and impairments or capital gains from real estate, improved by 616 thousand euros to 2,988 thousand euros.

Writedown of goodwill

Totaled -250 thousand euros, due to the writedown of goodwill in the Content division because of the gradual reduction of the residual life of the catalogue of film rights.

Result from equity-accounted subsidiaries

The result in 1Q18 of -329 thousand euros (compared to -57 thousand euros in 1Q17) is a consequence of the equity-accounted consolidation since 2H17 of 45% of IZEN Producciones Audiovisuales S.L., which was impacted by the advertising market for free-to-air television, while diversifying towards OTT operators (Over The Top).

Financial result and others

The improvement in the financial result, from -1,285 thousand euros in 1Q17 to -928 thousand euros in 1Q18, reflects the reduction in the average cost of financial debt and the lower level of debt.

Corporation tax

In 1Q18 there was a tax expense of -410 thousand euros. Following the adjustment to tax credits in most territory of Spain in December 2017, as a result of law RDL 3/2016, no new tax credits are being activated in this territory.

Minority interest

The increase in minority interest, to -882 thousand euros in 1Q18 from -612 thousand euros in 1Q17, reflects the improved performance of the Regional Press and TESA.

Net result attributable to parent company

The net consolidated result for 1Q18 improved by +48.2% from 1Q17 to -5,383 thousand euros.

Consolidated balance sheet

| IFRS thousand euros | IFRS | | | |
|--|----------------|----------------|----------------|---------------|
| | 1Q18 | 2017 | Var abs | % Var |
| Non current assets | 329,718 | 330,876 | -1,157 | -0.3% |
| Intangible assets | 114,015 | 114,842 | -827 | -0.7% |
| Property, plant and equipment | 120,597 | 121,707 | -1,110 | -0.9% |
| Investments accounted using equity method | 19,040 | 19,369 | -329 | -1.7% |
| Other non current assets | 76,067 | 74,957 | 1,109 | 1.5% |
| Current assets | 118,089 | 136,333 | -18,244 | -13.4% |
| Other current assets | 90,322 | 110,775 | -20,453 | -18.5% |
| Cash and cash equivalents | 27,767 | 25,558 | 2,209 | 8.6% |
| Assets held for sale | 523 | 523 | 0 | n.a. |
| TOTAL ASSETS | 448,330 | 467,731 | -19,401 | -4.1% |
| Equity | 243,423 | 252,022 | -8,599 | -3.4% |
| Bank borrowings and other fin. liabilities | 75,939 | 79,576 | -3,637 | -4.6% |
| Other non current liabilities | 38,299 | 38,888 | -589 | -1.5% |
| Other current liabilities | 90,669 | 97,245 | -6,575 | -6.8% |
| TOTAL EQUITY AND LIABILITIES | 448,330 | 467,731 | -19,401 | -4.1% |

Other current assets

The reduction in current assets by 20,453 thousand euros reflects a lower balance with trade debtors, mainly because of the seasonality of revenues.

Net financial position

The net financial position in the period was -48,617 thousand euros, including cash and cash equivalents of 27,767 thousand euros.

The NFD/comparable EBITDA ratio improved to 1.0x in 1Q18 (based on the comparable EBITDA of the last 12 months) from 1.1x at the end of 2017.

Breakdown of net financial debt

| IFRS thousand euros | IFRS | | | |
|--|----------------|----------------|---------------|--------------|
| | 1Q18 | 2017 | Var Abs | Var % |
| Bank borrowings and other financial liabilities (s.t.) | 23,884 | 25,903 | -2,019 | -7.8% |
| Bank borrowings and other financial liabilities (l.t.) | 52,056 | 53,673 | -1,618 | -3.0% |
| Gross debt | 75,939 | 79,576 | -3,637 | -4.6% |
| + Cash and cash equivalents | 27,767 | 25,558 | 2,209 | 8.6% |
| + Other non current financial asstes | 2,195 | 664 | 1,531 | n.r. |
| Deferred expenses | 2,640 | 2,799 | -159 | -5.7% |
| Net cash position/ (net debt) | -48,617 | -56,153 | 7,536 | 13.4% |

Short-term borrowings include:

- i) debt with credit institutions of 12,708 thousand euros, including the reclassification of expenses for the syndicated loan as short-term, and
- ii) other liabilities with a current financial cost of 12,008 thousand euros, mainly related to the issuance of commercial paper, and to a lesser degree to pension plans.

Long-term borrowings include:

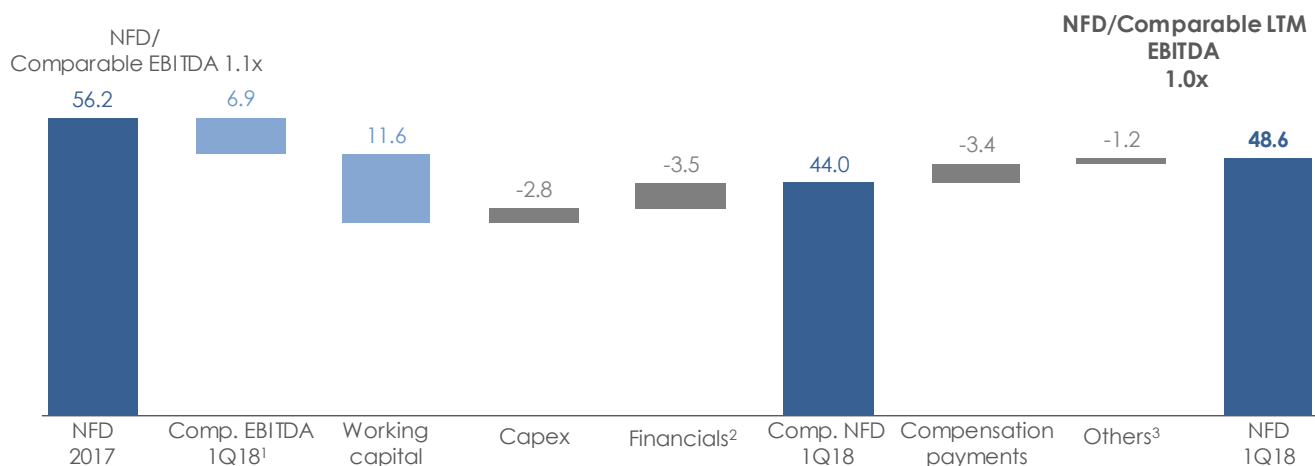
- i) debt with credit institutions of 53,107 thousand euros, including the reclassification of expenses for the syndicated loan and the valuation of the interest rate hedges for the loan, and
- ii) other liabilities with a non-current financial cost of 755 thousand euros, including mainly payments pending for Madrid Fusión and compensation.

During 1Q18, positive cash flow was generated from ordinary operations, totaling 12,171 thousand euros. The most significant variations included: i) the variation in working capital: +11,615 thousand euros, including one-off impacts mentioned in the 2017 results of around 3,400 thousand euros in payments from distributors which were delayed until 2008, and ii) capex: -2,813 thousand euros.

Extraordinary movements of cash included iii) compensation payments of -3,397 thousand euros, and iv) other extraordinary cash outflows of -1,239 thousand euros, mainly corresponding to payments for the acquisition of Madrid Fusión and the put options at Las Provincias, as well as receivables from real estate divestments and others.

Analysis of movement in net financial debt 2017-1Q18

Data in €m



Note 1: excluding personnel adjustment measures 1Q18 €-5.6m. Note 2: including anticipated income, net financial expenses, dividends to minority interest and taxes. Note 3: including payments related to Las Provincias and Madrid Fusión and receivables from building sales and others.

Other current liabilities

The variation is mainly a result of lower balances with trade creditors.

Cash flow statement

| IFRS thousand euros | IFRS | | | |
|--|----------------|----------------|---------------|--------------|
| | 1Q18 | 1Q17 | Var Abs | % Var |
| Net profit attributable to the parent | -5,384 | -10,390 | 5,006 | 48.2% |
| Adjustments to net profit | 7,105 | 6,576 | 529 | 8.0% |
| Cash flows from ordinary operating activities before changes in working capital | 1,721 | -3,814 | 5,535 | n.r. |
| Changes in working capital & others | 11,615 | 4,225 | 7,390 | n.r. |
| Other payables without financial cost | 5,233 | 7,708 | -2,475 | -32.1% |
| Other payables with financial cost | -853 | -1,038 | 185 | 17.8% |
| Income tax paid | 16 | 0 | 16 | n.a. |
| Interests deduction for tax purposes | -1,878 | 437 | -2,315 | n.r. |
| Net cash flow from operating activities (I) | 15,854 | 7,518 | 8,336 | n.r. |
| Acquisitions of intangible and property, plant and equipment | -2,813 | -2,284 | -529 | -23.2% |
| Acquisitions of financial assets, subsidiaries and associates | -630 | -1,386 | 756 | 54.5% |
| Interests and dividends received | 75 | 54 | 21 | 38.9% |
| Net cash flow from investing activities (II) | -3,368 | -3,616 | 248 | 6.9% |
| Interests and dividends paid | -4,977 | -3,488 | -1,489 | -42.7% |
| Cash inflows/ (outflows) relating to bank borrowings | -824 | 1,021 | -1,845 | n.r. |
| Other receivables and payables (financing) | -3,818 | -23 | -3,795 | n.r. |
| Equity related instruments without financial cost | -658 | -1,752 | 1,094 | 62.4% |
| Net cash flows from financing activities (III) | -10,277 | -4,242 | -6,035 | n.r. |
| Net increase in cash and cash equivalents (I + II + III) | 2,209 | -340 | 2,549 | n.r. |
| Cash and cash equivalents of discounted operations | 0 | 0 | 0 | n.a. |
| Cash and cash equivalents at beginning of the year | 25,558 | 21,709 | 3,849 | 17.7% |
| Cash and cash equivalents at end of year | 27,767 | 21,369 | 6,399 | 29.9% |

Net cash flow from operating activities was 15,854 thousand euros, including among others: i) payments related to personnel adjustment measures of -3,397 thousand euros and ii) a variation in working capital of +11,615 thousand euros.

Net cash flow from investing activities was -3,368 thousand euros, mainly because of investment in fixed assets (see capex section) and a deferred cash payment for the acquisition of Foro de Debate S.L. (Madrid Fusión).

Net cash flow from financing activity was -10,277 thousand euros and included among others debt interest payments and dividend payments by subsidiaries of VOCENTO to minority shareholders of -4,977 thousand euros, the repayment of debt in the period, and a payment related with the put options at Las Provincias.

Capex

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

The difference between the cash outflow because of investments in fixed assets, of 2,813 thousand euros, and the capex recorded in accounts, of 2,180 thousand euros, reflects the fact the amount of payments pending for investments in 2017 is greater than the investments made in 1Q18 but not yet paid for.

Detail of capex by business area

| | IFRS thousand euro | | | | | | | | |
|---------------------|--------------------|--------------|--------------|------------|------------|------------|------------|------------|--------------|
| | 1Q18 | | | 1Q17 | | | Var Abs | | |
| | Inmat. | Mat. | Total | Inmat. | Mat. | Total | Inmat. | Mat. | Total |
| Newspapers | 776 | 1,148 | 1,924 | 260 | 271 | 531 | 516 | 877 | 1,393 |
| Audiovisual | 14 | 43 | 57 | 11 | 20 | 31 | 3 | 23 | 26 |
| Classifieds | 53 | 15 | 68 | 27 | 22 | 49 | 26 | -6 | 20 |
| Gastronomy & Others | 5 | 0 | 5 | n.a. | n.a. | n.a. | 5 | 0 | 5 |
| Corporate | 113 | 13 | 126 | 10 | 16 | 26 | 103 | -3 | 100 |
| TOTAL | 961 | 1,219 | 2,180 | 309 | 328 | 637 | 652 | 891 | 1,543 |

Information by business area

| IFRS thousand euros | IFRS | | | | |
|---------------------------------------|---------------|---------------|---------------|--------------|----------------|
| | 1Q18 | 1Q17 (IFRS) | Var Abs | Var % | 1T18 |
| Total revenues | | | | | |
| Newspapers | 76,291 | 79,399 | -3,108 | -3.9% | 86,567 |
| Audiovisual | 8,622 | 11,175 | -2,552 | -22.8% | 11,175 |
| Classifieds | 4,744 | 4,441 | 303 | 6.8% | 4,441 |
| Gastronomy and Others | 2,636 | 0 | 2,636 | n.a. | 0 |
| Corporate and adjustments | -476 | -927 | 451 | 48.6% | -927 |
| Total revenues | 91,817 | 94,087 | -2,270 | -2.4% | 101,256 |
| EBITDA | | | | | |
| Newspapers | 633 | -3,318 | 3,951 | n.r. | -3,318 |
| Audiovisual | 2,943 | 3,131 | -188 | -6.0% | 3,131 |
| Classifieds | 474 | 227 | 247 | n.r. | 227 |
| Gastronomy and Others | 751 | 0 | 751 | n.a. | 0 |
| Corporate and adjustments | -3,474 | -4,150 | 675 | 16.3% | -4,150 |
| Total EBITDA | 1,327 | -4,110 | 5,437 | n.r. | -4,110 |
| Comparable EBITDA¹ | | | | | |
| Newspapers | 5,774 | 6,095 | -321 | -5.3% | 6,095 |
| Audiovisual | 2,969 | 3,292 | -323 | -9.8% | 3,292 |
| Classifieds | 479 | 260 | 219 | 84.2% | 260 |
| Gastronomy and Others | 752 | 0 | 752 | n.a. | 0 |
| Corporate and adjustments | -3,074 | -3,043 | -31 | -1.0% | -3,043 |
| Total comparable EBITDA | 6,899 | 6,604 | 295 | 4.5% | 6,604 |
| EBIT | | | | | |
| Newspapers | -2,799 | -6,638 | 3,839 | 57.8% | -6,638 |
| Audiovisual | 2,699 | 2,396 | 303 | 12.7% | 2,396 |
| Classifieds | 358 | 140 | 218 | n.r. | 140 |
| Gastronomy and Others | 751 | 0 | 751 | n.a. | 0 |
| Corporate and adjustments | -3,599 | -4,247 | 648 | 15.3% | -4,247 |
| Total EBIT | -2,590 | -8,349 | 5,759 | 69.0% | -8,349 |
| Comparable EBIT^{1, 2} | | | | | |
| Newspapers | 2,347 | 2,781 | -434 | -15.6% | 2,781 |
| Audiovisual | 2,725 | 2,557 | 168 | 6.6% | 2,557 |
| Classifieds | 363 | 173 | 190 | n.r. | 173 |
| Gastronomy and Others | 752 | 0 | 752 | n.a. | 0 |
| Corporate and adjustments | -3,199 | -3,141 | -58 | -1.9% | -3,141 |
| Total comparable EBIT | 2,988 | 2,371 | 616 | 26.0% | 2,371 |

¹ Excluding personnel adjustment measures and one-offs 1Q18 -5,572 and 1Q17 -10,714 thousand euros.

² Excluding result from divestment of fixed assets 1Q18 -6 thousand euros and 1Q17 -7 thousand euros.

Newspapers (offline and online)

| IFRS | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| IFRS Thousand Euro | 1Q18 | 1Q17 (IFRS15) | Var Abs | Var % | 1Q17 |
| Total Revenues | | | | | |
| Regionals | 54,254 | 55,819 | -1,565 | -2.8% | 63,221 |
| ABC | 20,701 | 22,449 | -1,748 | -7.8% | 22,449 |
| Supplements & Magazines | 5,481 | 5,800 | -319 | -5.5% | 5,800 |
| Adjustments intersegment | -4,145 | -4,669 | 525 | 11.2% | -4,903 |
| Total Revenues | 76,291 | 79,399 | -3,108 | -3.9% | 86,567 |
| EBITDA | | | | | |
| Regionals | 3,617 | 2,129 | 1,488 | 69.9% | 2,129 |
| ABC | -2,338 | -4,486 | 2,147 | 47.9% | -4,486 |
| Supplements & Magazines | -646 | -961 | 316 | 32.8% | -961 |
| Total EBITDA | 633 | -3,318 | 3,951 | n.r. | -3,318 |
| Comparable EBITDA¹ | | | | | |
| Regionals | 6,809 | 7,202 | -392 | -5.4% | 7,202 |
| ABC | -460 | -520 | 60 | 11.6% | -520 |
| Supplements & Magazines | -576 | -586 | 10 | 1.8% | -586 |
| Total comparable EBITDA | 5,774 | 6,095 | -321 | -5.3% | 6,095 |
| EBIT | | | | | |
| Regionals | 1,541 | -116 | 1,657 | n.r. | -116 |
| ABC | -3,585 | -5,460 | 1,875 | 34.3% | -5,460 |
| Supplements & Magazines | -756 | -1,062 | 306 | 28.9% | -1,062 |
| Total EBIT | -2,799 | -6,638 | 3,839 | 57.8% | -6,638 |
| Comparable EBIT^{1, 2} | | | | | |
| Regionals | 4,739 | 4,968 | -229 | -4.6% | 4,968 |
| ABC | -1,706 | -1,494 | -212 | -14.2% | -1,494 |
| Supplements & Magazines | -686 | -693 | 7 | 1.0% | -693 |
| Total comparable EBIT | 2,347 | 2,781 | -434 | -15.6% | 2,781 |

Note: the main eliminations are a result of: a) sales of the supplements (XL Semanal, Mujer Hoy and Corazón CZN TVE) from TESA to the Regional Press and ABC, b) from the distribution revenues of Beralán.

¹ Excluding personnel adjustment measures and one-offs 1Q17 -9,413 thousand euros and 1Q18 -5,141 thousand euros.

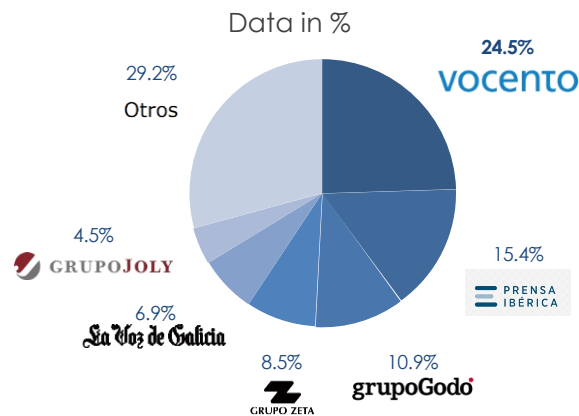
² Excluding result from divestment of fixed assets 1Q17 -6 thousand euros and 1Q18 -6 thousand euros.

Operating revenues: 76,291 thousand euros, down -3.9% from 1Q17. There were changes to circulation sales and other revenues as a result of the application of IFRS 15 at the start of the year (see note on page 4 of the report).

Circulation sales: down -5.0% to 34,569 thousand euros. At the Regional Press, circulation sales in 1Q18 fell by -3.5%, with circulation down -6.7%.

The [Regional newspapers](#) of VOCENTO remain clear leaders of circulation in their areas of influence, with 24.5% share of the regional circulation market.

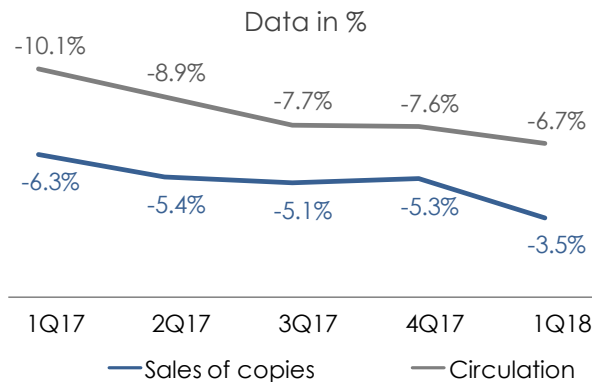
Share of regional circulation in 1Q18



Note 1: source OJD

The fall in circulation has been slowing down since 2017. It should be noted that the cover prices of Diario Vasco and Diario Montañés rose from €1.40 to €1.50 in December 2017.

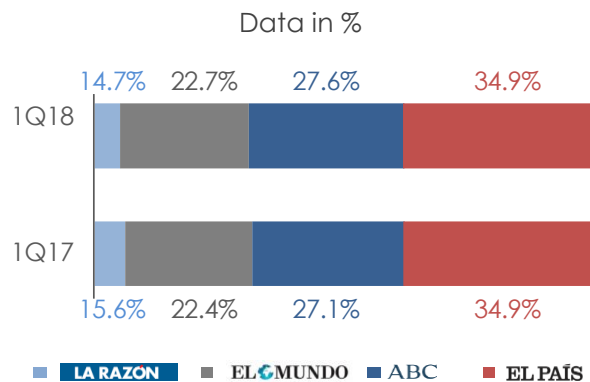
YoY performance of circulation and circulation sales at the Regional Press



In the area of paid digital subscriptions, following the launch of ON+ at Ideal there are now VOCENTO newspapers who have implemented this model, with a total of more than 15,000 subscribers.

For its part, ABC continues to increase its market share in the key market of the Comunidad de Madrid. In 1Q18 it increased its share of ordinary circulation here by +0.5 p.p..

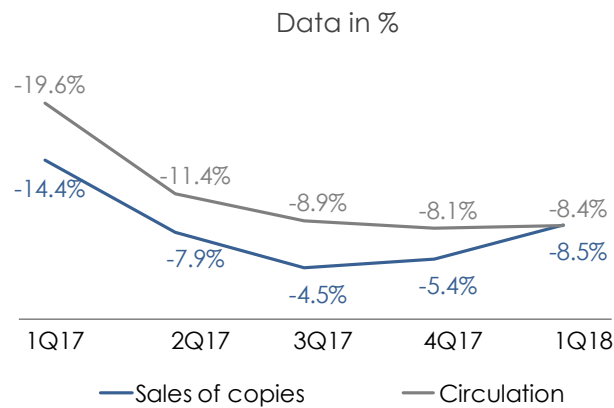
Share of ordinary circulation in Madrid 1Q17-1Q18



Note 1: source OJD

At ABC, circulation revenues fell by -8.5%. As the following chart shows, in 2018 there was no impact from price rises, so the fall in sales is similar to the fall in circulation.

YoY performance of circulation and sales at ABC



Finally, revenues from circulation at the [Supplements and Magazines](#) dropped by -4.6%.

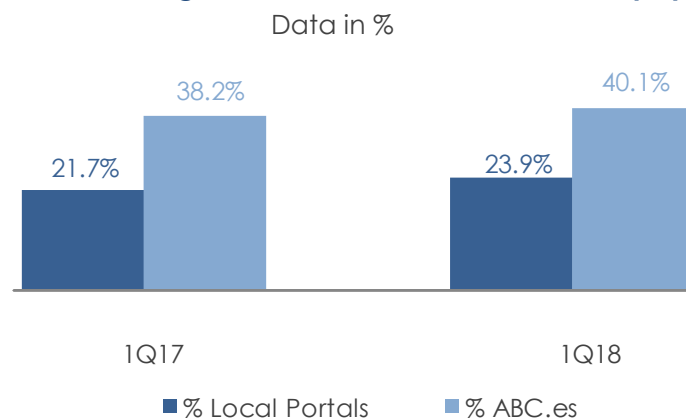
Advertising revenues: 30,589 thousand euros, a drop of -3.8% from 1Q17. There was a divergence between the online performance of advertising at Regional and ABC, which increased by +7.7%, and offline, which fell by -6.6%.

The [Regional](#) brands recorded advertising sales of 21,413 thousand euros, down -2.6% from 1Q17.

At [ABC](#), advertising revenues fell by -5.4%, composed of a decrease at abc.es of -0.7% and in print of -8.1%, reflecting the weaker condition of the national advertising market, which also impacted the online segment.

The steady incorporation of digital business models is reflected in the increased contribution of digital revenues, at both Regional (23.9% +2.3 p.p. from 1Q17), and at ABC (40.1% +1.9 p.p.).

Contribution of digital business to VOCENTO newspapers



Other revenues: 11,133 thousand euros, down -0.7%. There was an increase in revenues and an improvement in the margin on add-ons at ABC, partly because the ABC Oro card enabled a better understanding of customers at kiosks.

Comparable EBITDA⁴: 5,774 thousand euros compared with 6,095 thousand euros in 1Q17. The area maintained its profitability in 1Q18, with a comparable EBITDA margin of 7.6%, as cost measures (2017 -3.8%⁷) partly offset the fall in revenues.

Performance of comparable costs, Newspapers

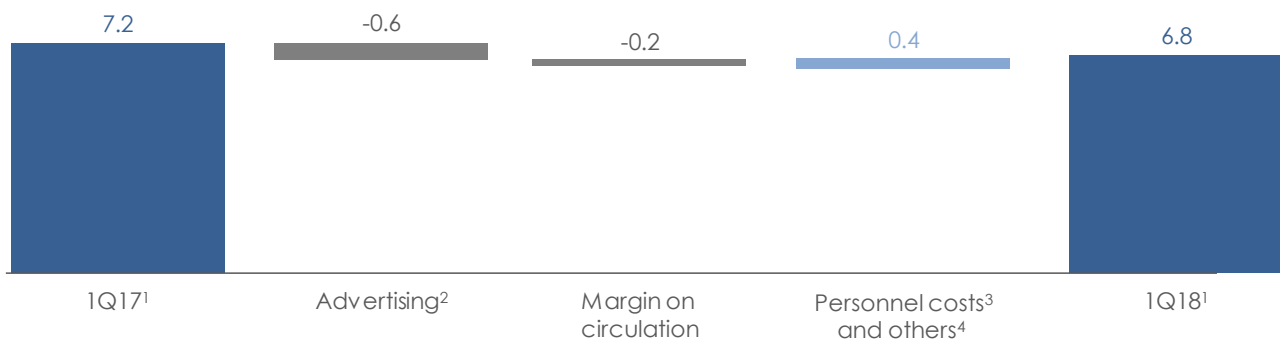
Data in €m

| Like for like opex (thousand euro): | 1Q18 | 1Q17 | Var Abs | Var % |
|-------------------------------------|----------------|----------------|--------------|-------------|
| Regionals | -47,444 | -48,618 | 1,173 | 2.4% |
| ABC | -21,161 | -22,969 | 1,808 | 7.9% |
| Supplements & Magazines | -6,057 | -6,387 | 330 | 5.2% |
| Adjustments | 4,145 | 4,669 | -525 | -11.2% |
| Total | -70,517 | -73,304 | 2,786 | 3.8% |

Regional reported comparable EBITDA of 6,809 thousand euros, down -392 thousand euros from 1Q17. The decrease in advertising and in the margin on circulation was partly offset by reductions in costs, notably in personnel expenses. In terms of the comparable EBITDA margin, profitability was maintained from last year (12.6% vs 12.9%).

Regional: performance of comparable EBITDA

Variation 1Q18 vs 1Q17 except comparable EBITDA €m



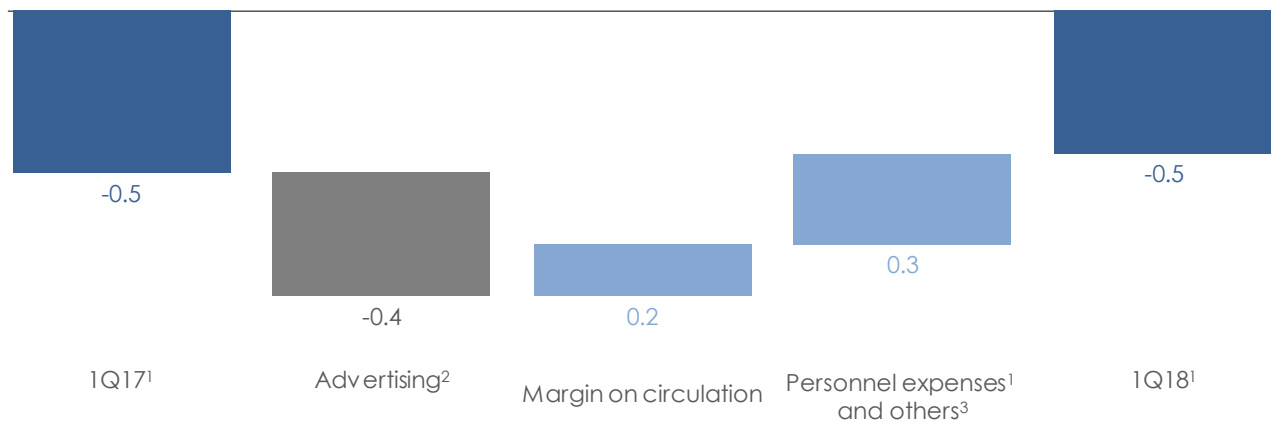
Note 1: excluding adjustment measures and one-offs 1Q17 €-5.1m and 1Q18 €-3.2m. Note 2: print and digital. Note 3: excluding adjustment measures 1Q17 €-5.0m and 1Q18 €-3.2m. Note 4: others includes margin on add-ons, printing plants margins, commercial expenses and other fixed costs.

At ABC, comparable EBITDA improved in 1Q18 to -460 thousand euros from -520 thousand euros. A highlight was the increase in the combined margin on circulation and sales promotions, supported by successful marketing actions enabled by the ABC Oro card, which improved the understanding of readers.

⁴ Excluding personnel adjustment measures and one-offs 1Q17 -9,413 thousand euros and 1Q18 -5,141 thousand euros.

ABC: performance of comparable EBITDA¹

Variation 1Q17 vs 1Q18 except comparable EBITDA €m



Note 1: excluding adjustment measures 1Q17 €-4.0m and 1Q18 €-1.9m. Note 2: print and digital. Note 3: others include margin on add-ons, printing plant margins, commercial expenses and other fixed costs.

The Supplements and Magazines division recorded comparable EBITDA of -576 thousand euros, compared to -586 thousand euros in 1Q17.

Audiovisual

| Thousand Euro | IFRS | | | |
|---------------------------------------|--------------|---------------|---------------|---------------|
| | 1Q18 | 1Q17 | Var Abs | Var % |
| Total revenues | | | | |
| DTT | 6,895 | 6,701 | 194 | 2.9% |
| Radio | 830 | 996 | -167 | -16.7% |
| Content | 956 | 3,542 | -2,586 | -73.0% |
| Adjustments intersegment | -58 | -65 | 7 | 11.0% |
| Total revenues | 8,622 | 11,175 | -2,552 | -22.8% |
| EBITDA | | | | |
| DTT | 1,613 | 1,319 | 295 | 22.3% |
| Radio | 629 | 627 | 2 | 0.3% |
| Content | 702 | 1,186 | -484 | -40.8% |
| Total EBITDA | 2,943 | 3,131 | -188 | -6.0% |
| Comparable EBITDA¹ | | | | |
| DTT | 1,613 | 1,480 | 133 | 9.0% |
| Radio | 629 | 627 | 2 | 0.3% |
| Content | 727 | 1,186 | -458 | -38.7% |
| Total comparable EBITDA | 2,969 | 3,292 | -323 | -9.8% |
| EBIT | | | | |
| DTT | 1,554 | 1,252 | 302 | 24.1% |
| Radio | 625 | 622 | 3 | 0.4% |
| Content | 521 | 522 | -1 | -0.2% |
| Total EBIT | 2,699 | 2,396 | 303 | 12.7% |
| Comparable EBIT^{1, 2} | | | | |
| DTT | 1,554 | 1,413 | 140 | 9.9% |
| Radio | 625 | 622 | 3 | 0.4% |
| Content | 546 | 522 | 25 | 4.7% |
| Total comparable EBIT | 2,725 | 2,557 | 168 | 6.6% |

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

¹ Excluding personnel adjustment measures in 1Q18 of -26 thousand euros and in 1Q17 -161 thousand euros.

² Excluding Result from divestment of fixed assets, without effect in 1Q18 and 1Q17.

Operating revenues: fell -22.8% to 8,622 thousand euros, reflecting the impact on the Content area of the deconsolidation of Veralia Contenidos and reduced activity at Veralia Distribución.

Comparable EBITDA⁵: down -9.8% to 2,969 thousand euros. The comparable EBITDA margin of the area rose to 34.4% in 1Q18 from 29.5% in 1Q17.

- i. **DTT:** comparable EBITDA of 1,613 thousand euros in 1Q18, an increase of +133 thousand euros from 1Q17.
- ii. **Radio:** 629 thousand euros, almost the same as in 1Q17 (627 thousand euros).
- iii. **Content:** comparable EBITDA of 727 thousand euros, down -458 thousand euros from 1Q17 due to lower activity at Veralia Distribución.

⁵ Excluding personnel adjustment measures in 1Q17 -161 thousand euros and 1Q18 -26 thousand euros.

Classifieds

| IFRS thousand euros | IFRS | | | |
|--------------------------------------|--------------|--------------|------------|--------------|
| | 1Q18 | 1Q17 | Var Abs | Var % |
| Total revenues | | | | |
| Classifieds | 4,744 | 4,441 | 303 | 6.8% |
| Total revenues | 4,744 | 4,441 | 303 | 6.8% |
| EBITDA | | | | |
| Classifieds | 474 | 227 | 247 | n.r. |
| Total EBITDA | 474 | 227 | 247 | n.r. |
| Comparable EBITDA¹ | | | | |
| Classifieds | 479 | 260 | 219 | 84.2% |
| Total comparable EBITDA | 479 | 260 | 219 | 84.2% |
| EBIT | | | | |
| Classifieds | 358 | 140 | 218 | n.r. |
| Total EBIT | 358 | 140 | 218 | n.r. |
| Comparable EBIT^{1 2} | | | | |
| Classifieds | 363 | 173 | 190 | n.r. |
| Total comparable EBIT | 363 | 173 | 190 | n.r. |

¹ Excluding personnel adjustment measures in 1Q18 of -5 thousand euros and in 1Q17 of -33 thousand euros.

² Excluding Result from divestment of fixed assets 1Q18 0 thousand euros and 1Q17 -1 thousand euros.

Operating revenues: 4,744 thousand euros, an increase of +6.8%, reflecting the +6.4% rise in advertising revenues in the area.

Comparable EBITDA: in 1Q18 reached 479 thousand euros, +84.2% from 1Q17, thanks to growth in the real estate market seen at pisos.com and increased profitability at Autocasión.com in the automotive sector.

Gastronomy and Others

| Thousand Euro | IFRS | | | |
|--------------------------------|--------------|----------|--------------|-------------|
| | 1Q18 | 1Q17 | Var Abs | Var % |
| Total Revenues | | | | |
| Gastronomy | 2,635 | 0 | 2,635 | n.a. |
| Others | 1 | 0 | 1 | n.a. |
| Total Revenues | 2,636 | 0 | 2,636 | n.a. |
| EBITDA | | | | |
| Gastronomy | 870 | 0 | 870 | n.a. |
| Others | -119 | 0 | -119 | n.a. |
| Total EBITDA | 751 | 0 | 751 | n.a. |
| Comparable EBITDA | | | | |
| Gastronomy | 870 | 0 | 870 | n.a. |
| Others | -119 | 0 | -119 | n.a. |
| Total comparable EBITDA | 752 | 0 | 752 | n.a. |
| EBIT | | | | |
| Gastronomy | 870 | 0 | 870 | n.a. |
| Others | -119 | 0 | -119 | n.a. |
| Total EBIT | 751 | 0 | 751 | n.a. |
| Comparable EBIT | | | | |
| Gastronomy | 870 | 0 | 870 | n.a. |
| Others | -119 | 0 | -119 | n.a. |
| Total comparable EBIT | 751 | 0 | 751 | n.a. |

Operating revenues: reached 2,636 thousand euros, following the Madrid Fusión trade fair in January.

Comparable EBITDA: 752 thousand euros, with a contribution from the trade fair of 870 thousand euros. The Others segment includes Factor Moka, a marketing and communications agency focused on content generation, which was launched in 2017.

Operational data

Newspapers

| Average Circulation Data | 1Q18 | 1Q17 | Var Abs | % |
|-----------------------------|----------------|----------------|----------------|--------------|
| National Press - ABC | 75,295 | 82,238 | -6,943 | -8.4% |
| Regional Press | | | | |
| El Correo | 59,631 | 63,241 | -3,610 | -5.7% |
| El Diario Vasco | 45,034 | 48,511 | -3,477 | -7.2% |
| El Diario Montañés | 19,912 | 21,038 | -1,126 | -5.4% |
| Ideal | 15,710 | 16,922 | -1,212 | -7.2% |
| La Verdad | 11,824 | 13,674 | -1,850 | -13.5% |
| Hoy | 9,018 | 9,740 | -722 | -7.4% |
| Sur | 13,763 | 14,925 | -1,162 | -7.8% |
| La Rioja | 8,102 | 8,556 | -454 | -5.3% |
| El Norte de Castilla | 15,892 | 16,935 | -1,043 | -6.2% |
| El Comercio | 13,977 | 14,943 | -966 | -6.5% |
| Las Provincias | 14,797 | 15,532 | -735 | -4.7% |
| TOTAL Regional Press | 227,660 | 244,017 | -16,357 | -6.7% |

Sources:OJD. 2018 non audited data.

| Audience | 1st Survey 18 | 1st Survey 17 | Var Abs | % |
|---------------------------------|------------------|------------------|----------------|--------------|
| National Press - ABC | 437,000 | 432,000 | 5,000 | 1.2% |
| Regional Press | 1,765,000 | 1,821,000 | -56,000 | -3.1% |
| El Correo | 369,000 | 382,000 | -13,000 | -3.4% |
| El Diario Vasco | 191,000 | 201,000 | -10,000 | -5.0% |
| El Diario Montañés | 152,000 | 141,000 | 11,000 | 7.8% |
| Ideal | 142,000 | 138,000 | 4,000 | 2.9% |
| La Verdad | 151,000 | 186,000 | -35,000 | -18.8% |
| Hoy | 109,000 | 129,000 | -20,000 | -15.5% |
| Sur | 132,000 | 123,000 | 9,000 | 7.3% |
| La Rioja | 78,000 | 76,000 | 2,000 | 2.6% |
| El Norte de Castilla | 157,000 | 177,000 | -20,000 | -11.3% |
| El Comercio | 161,000 | 147,000 | 14,000 | 9.5% |
| Las Provincias | 123,000 | 121,000 | 2,000 | 1.7% |
| Supplements | | | | |
| XL Semanal | 1,789,000 | 1,894,000 | -105,000 | -5.5% |
| Mujer Hoy | 1,017,000 | 1,117,000 | -100,000 | -9.0% |
| Mujer Hoy Corazón | 199,000 | 204,000 | -5,000 | -2.5% |
| Inversión y Finanzas | 28,000 | 25,000 | 3,000 | 12.0% |
| Monthly Unique uses (Th) | mar-18 | mar-17 | Var Abs | % |
| Vocento | 23,831 | 21,823 | 2,008 | 9.2% |

Source: comScore.

Audiovisual

| National TV Market | mar-18 | mar-17 | Var Abs |
|-----------------------|--------|--------|----------|
| Audinece share Net TV | 2.4% | 2.9% | -0.5 p.p |

Source: Kantar Media last month.

Appendix I: Alternative Performance Measures

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

The APMs used in this report include the following:

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

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

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

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

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

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

Comparable Net Financial Debt (NFD) is NFD adjusted for exceptional and non-recurring receivables and payables for comparative purposes. Various exceptional non-recurring payments have been included, as shown in the second table.

Generation of ordinary cash represents the difference between the NFD at the beginning and end of the period, adjusted for non-recurring and exceptional receivables and payables for comparative purposes. The details of these impacts can be seen in the second table.

Reconciliation between accounting data and Alternative Performance Measures

| Thousand Euros | 1T18 | 1T17 |
|---|---------------|---------------|
| Net result of the year | -4,501 | -9,779 |
| Financial income | -76 | -54 |
| Financial expenses | 1,004 | 1,339 |
| Other results from financial instruments | 0 | 0 |
| Tax on profits of continued operations | 410 | -161 |
| Amortization and depreciation | 3,912 | 4,233 |
| Impairment of goodwill | 250 | 250 |
| Impairment and result from sale of fixed and non-fixed assets | 6 | 7 |
| Result from equity-accounted subsidiaries | 329 | 57 |
| Net result of sale of non-current financial assets | -6 | 0 |
| EBITDA | 1,327 | -4,110 |
| Compensations payments | 5,572 | 10,614 |
| Other one-off costs | 0 | 100 |
| Comparable EBITDA | 6,899 | 6,504 |
| | | |
| EBITDA | 1,327 | -4,110 |
| Amortization and depreciation | -3,912 | -4,233 |
| Impairment and result from sale of fixed and non-fixed assets | -6 | -7 |
| EBIT | -2,590 | -8,349 |
| Compensations payments | 5,572 | 10,614 |
| Others one-off costs | 0 | 0 |
| Impairment and result from sale of fixed and non-fixed assets | 6 | 7 |
| Comparable EBIT | 2,988 | 2,271 |

| Thousand Euros | 1T18 | 1T17 |
|--|-------------|-------------|
| Long term financial debt with credit institutions | 51,300 | 63,964 |
| Other liabilities with long term financial cost | 755 | 630 |
| Short term financial debt with credit institutions | 11,875 | 19,807 |
| Other liabilities with short term financial cost | 12,008 | 1,607 |
| Cash and cash equivalents | -27,767 | -21,368 |

Disclaimer

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