

# LETTER FROM THE CEO

**VOCENTO CONTINUES TO MOVE  
FORWARDS BASED ON THE  
VERY STRONG FOUNDATIONS  
OF OUR INDEPENDENCE, OUR  
PROFITABILITY AND THE  
LEADERSHIP OF OUR BRANDS.**

In 2013, despite challenging conditions for the economy and for the media sector, we continued to execute our business strategy, which aims to maintain the leadership of our brands, optimize our cost structure and preserve our solid financial position, which has differentiated us from the rest of the sector and been one of our main competitive advantages in recent years.

During the year we strengthened our operational position and our advertising performance, with revenues of 529.8 million euros. This represents an inflection point in the recent performance of our advertising revenues in our online and offline properties, although our advertising performance was still conditioned by the economic conditions in Spain and by our commitment to reducing unprofitable circulation and improving our net margin on circulation revenues.

We also reported significant progress in the diversification of our revenue profile towards the digital business, which represented 22.2% of our total advertising revenues in 2013.

In 2013, Vocento recorded EBITDA of 36.4 million euros, 154.7% higher than in 2012, as a result of the implementation of our Efficiency Plan. All of our business areas reported positive EBITDA and despite a fall in advertising revenues of almost 200 million euros from 2008 to 2013, we were able to report comparable EBITDA of between 35 and 40 million euros throughout this period.

Net financial debt was 149.3 million euros in 2013. Excluding the investments in the Efficiency Plan and the divestments of non-strategic assets, we also reported positive cash flow. In February 2014, we signed a 5-year syndicated loan of 175 million euros, strengthening our financial structure and extending the maturities of our debt.

Vocento remains the leader of the regional press market, with market share of 25.3%, almost 10 percentage points higher than the number two player. In 2013, ABC was the best performing national daily in terms of kiosk sales, the metric which is the best indicator of the health of a newspaper. We were also leaders in both offline and online media, with around 9 million unique monthly users of our online properties.

Over the course of the year, we focused on enhancing our newspapers and adapting them to new formats, so that they could increase the loyalty of their subscribers and also reach new audiences. At the same time, we increased our advertising market share in the press and online, by optimizing the coverage of our newspapers thanks to strategic partnerships and innovative commercial strategies, such as our 3.0 advertising rate.

In the audiovisual area, Vocento is committed to niche and profitable television, with international partners who are world leaders, reducing our exposure to the economic cycle. Combined, our channels ended the year with audience share of 4.4%. In the radio segment, in March we implemented our strategic agreement with COPE, allowing us to reinforce the editorial vision and values that we both share and defend.

In classified advertising, we have maintained our presence in the three major markets – automotive, employment and real estate – and we have rolled out pioneering services based on recommendations and active listening that enable us to recommend sites and services that are of interest to our users.

In 2013, Vocento also made continued progress in two of its main strategic drivers for digital content: adapting to the multi-device environment for consuming content, and improving understanding of our users. We will continue to make the most of the possibilities of today's digital society and to meet the needs of our readers and advertisers. We have very specific goals for delivering content that is adapted to the interests of our users, increasing the consumption of our content, improving the time spent on our media properties, and making the most of new online advertising formats.

The financial strength of our group, combined with our efficiency plan and our coherent and consistent business strategy, represent our main competitive advantages in a media sector that is undergoing transformation. Vocento continues to move forwards based on the very strong foundations of our independence, our profitability and the leadership of our brands.

**Luis Enríquez**

