vocento

ANNUAL REPORT 2013

CONTENTS

04 LETTER FROM THE CHAIRMAN

06 LETTER FROM THE CEO

08 BOARD OF DIRECTORS

09 MANAGEMENT COMMITTEE

10 VOCENTO, THE STRENGTH OF ITS BRANDS

12 A LEADER IN NEWS AND OPINION

34 AUDIOVISUAL

36 CLASSIFIEDS

39 DIGITAL TRANSFORMATION

44 SUSTAINABILITY REPORT

66 FINANCIAL REPORT

LETTER FROM THE CHAIRMAN

YEAR AFTER YEAR, WE HAVE CONTINUED TO REINFORCE OUR POSITION AS THE LEADING MEDIA GROUP IN SPAIN.

In 2013, we continued to feel the effects of the economic and financial crisis. This crisis has had a particularly deep and prolonged impact on the media sector, which at the same time is trying to shape its strategy for a future that is full of uncertainties, in particular in light of the changing relationship between the media and its readers and advertisers.

As I have said before, this is the context in which our business is operating. I remain convinced that the financial strength of our group, our business strategy, and the professionalism of our employees, will allow us to emerge from today's challenging conditions as a stronger company. Two of the main pillars of our business model are to maintain the strength and leadership of our brands, using them for our competitive advantage when developing new business opportunities, while also improving the profitability of our operations without compromising our strong financial position.

Throughout most of 2013, economic indicators remained weak and only reached an inflection point in the last quarter of the year and in the first months of 2014. However, despite the continued impact of the recession on the advertising and circulation revenues of all the media sector, Vocento's brands have outperformed the market, thanks partly to our Efficiency Plan and to a business strategy which allows us to make the most of our regional leadership, while diversifying into new media and new sources of revenue.

Over the course of 2013, Vocento also reported a gradual slowdown in the rate of decline in advertising, and outperformed the rest of the market in print and Internet advertising.

In addition, we were able to stabilise EBITDA, with positive EBITDA recorded in all our business areas. ABC reported a positive gross operating profit for the year, reflecting the newspaper's commitment to high quality and accurate information and to profitable circulation. ABC focused on kiosk sales rather than on less profitable sources of circulation revenues such as collective subscriptions and block sales.

Our regional newspapers also outperformed their competitors, as a result of their continued commitment to the regions that they serve and the efficiency improvements that they have made to their working processes and organisation.

Our deep understanding of the media market, our leadership position and our capacity to develop innovative revenue streams have all resulted in the continued progress of our digital strategy. We are prioritizing two clear objectives in our digital strategy: firstly, to maintain the leadership of our newspapers, regardless of the devices used by readers, investing in high quality content as a way of differentiating the newspapers and attracting new audiences and revenues; and secondly, to develop new sources of revenues linked to e-commerce.

Vocento is an increasingly multimedia group. This is reflected in the diversification of our revenues, in our new commercial strategies, in the launch of innovative online products and content solutions for new technologies, and in our strategic partnerships, such as our radio agreement with COPE. Another example is Kiosko y más, an online multi-platform where users pay to read newspapers and magazines. This is a landmark initiative in the Spanish publishing sector, with in excess of 400 titles from more than 80 publishers.

Vocento also remains focused on its financial results, and it has continued to demonstrate that it is on solid ground, with debt that has stabilised at a comfortable level. Profitability improved significantly from the previous year, despite the continued decline in advertising revenues, while our Efficiency Plan allows us to respond to today's conditions from a position of strength and to make the most of the growth opportunities that I believe are now imminent.

At Vocento, we remain committed to providing high quality products for our readers, in print and online, and to developing innovative and competitive solutions for our advertisers. We will continue to create value for our shareholders, based on an ambitious and coherent business strategy that has the full support of our employees.

Year after year, we have continued to reinforce our position as the leading media group in Spain. I am convinced that the measures and strategies that we have implemented to adapt to challenging conditions have strengthened our business, and have improved our capacity to create value for all our stakeholders. I am confident that Vocento will emerge as a stronger group, after one of the most transformative periods that the media sector has experienced in many decades.

Enrique de Ybarra

LETTER FROM THE CEO

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.

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

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 increasing the loyalty of their subscribers and also reach new audiences. At the same, 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

BOARD OF DIRECTORS

HONORARY CHAIRMAN

- Santiago de Ybarra y Churruca

CHAIRMAN

- Energay de Inversiones, S.L., (represented by Enrique de Ybarra e Ybarra)

CHIEF EXECUTIVE OFFICER

- Luis Enríquez Nistal

VICE CHAIRMEN

- Lima, S.L.U., represented by Juan Ramón Urrutia Ybarra
- Gonzalo Soto Aguirre

DIRECTORS

- Mezouna, S.L., represented by Santiago de Ybarra y Churruca
- Valjarafe S.L., represented by Soledad Luca de Tena García - Conde
- Santiago Bergareche Busquet
- Onchena, S.L., represented by Álvaro de Ybarra Zubiría
- Casgo, S.A., represented by Jaime Castellanos Borrego)
- Miguel Antoñanzas Alvear
- Fernando Azaola Arteche
- Rodrigo Echenique Gordillo

Non-Director Secretary and Legal Counsel
- Carlos Pazos Campos

Non-Director Deputy Secretary
- Pablo Díaz Gridilla

MANAGEMENT COMMITTEE

- **Luis Enríquez Nistal**
Chief Executive Officer

- **Iñaki Arechabaleta Tontórregui**
General Manager of Business

- **Iñigo Argaya Amigo**
General Manager of Human Resources and Organisation

- **Emilio Ybarra Aznar**
General Manager of Communications and Institutional Relations

- **Juan Luis Moreno Ballesteros**
General Manager of Digital Strategy

- **Fernando Gil López**
General Manager of Operations

- **Ana Delgado Galán**
General Manager of ABC

- **Fidel Pila Rivero**
Head of Regional Media, South Zone

- **Iñigo Barrenechea Lombardero**
Head of Regional Media, North Zone

- **Joaquín Valencia von Korff**
Chief Financial Officer

- **Benjamín Lana Velasco**
Editorial Manager of Regional Media

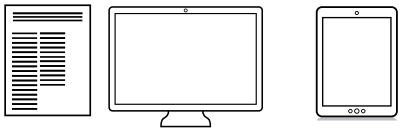
- **Rafael Martínez de Vega**
General Manager of CM Vocento

VOCENTO, THE STRENGTH OF ITS BRANDS

EL CORREO
EL DIARIO VASCO
EL DIARIO MONTAÑÉS
LA VERDAD
IDEAL
HOY
SUR
LA RIOJA
El Norte de Castilla
EL COMERCIO
LAS PROVINCIAS
Colpisa

ABC
www.abc.es

XLSemanal
mujerhoy
INVERSIÓN finanzas.com
Corazón
INVERSIÓN finanzas.com



vocento

K+ KIOSKO MÁS
infoempleo.com
pisos.com
AUTOCASION.com
11870.COM
Oferplan

COPE
con la fuerza de ABC
NET TV
veralia
BOCA BOCA PRODUCCIONES
euroTV producciones
hillvalley

hoy corazón
JOSÉ MARI MANZANARES
"MI MUJER ES MI EQUILIBRIO"
mujerhoy.com
EL COMERCIO
DIARIO DECANO DE LA PRENSA ASTURIANA FUNDADO EN 1878
SPRINGSTEEN SE ENTREGA
MAÑANA LIBRO 1 + CD
7 SEPTIEMBRE 2013 Sábado
madrid202
Difícil pero pos
EL DIARIO MONTAÑÉS
SOS Torrelavega
SNIACE
SOLVAY
EL CORREO
Francisco I, argentino y jesuita
EL CORREO
«Rajoy me ha decepcionado en todo»
SUR
SUSANA DÍAZ, PRESIDENT
INVERSIÓN & finanzas.com
900 ESPECIAL
XLSemanal 1321
LA NIÑA MILAGRO
LA PATATA
ALMODÓVAR ¡in fraganti!
SEGUROS BILBAO
contigo
portadas
ABCdesevilla.es
diariovasco.com
HOY.es
EN FITUR

A LEADER IN NEWS AND OPINION

READERSHIP

+2,000,000 READERS

*Source EGM: 3rd moving survey 2013

UNIQUE USERS

8.8 MILLIONS

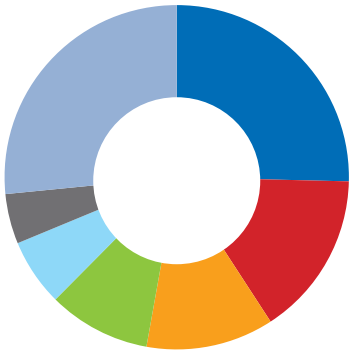
*Source comScore December 2013

NEWSPAPERS

REGIONAL

VOCENTO is the undisputed leader of the regional press markets of Spain due to the deep roots and excellent positioning of its 11 regional newspapers: El Correo, El Diario Vasco, El Diario Montañés, El Norte de Castilla, La Verdad, Ideal, Las Provincias, Sur, El Comercio, Hoy and La Rioja. The strength of these titles, some of which are over 100 hundred years old, their high level of local recognition and their strong links to their regions have turned them into clear references in their areas.

Vocento's regional newspapers maintained their leadership in circulation in 2013, ending the year with average circulation of 324,526 copies per day, equivalent to a 25.4%[1] share of the regional press market, ahead of the number two group on 15.4%.

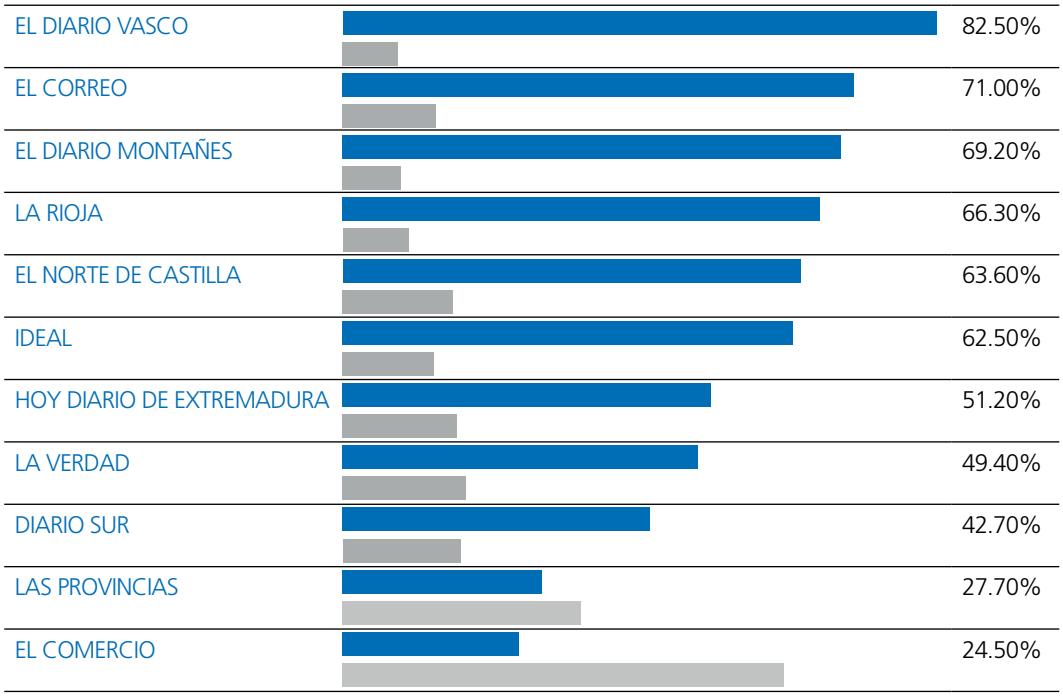


VOCENTO	25.4%
PRENSA IBÉRICA	15.4%
GODO	12.0%
ZETA	9.6%
GRUPO VOZ	6.3%
JOLY	4.7%
OTHER	26.6%

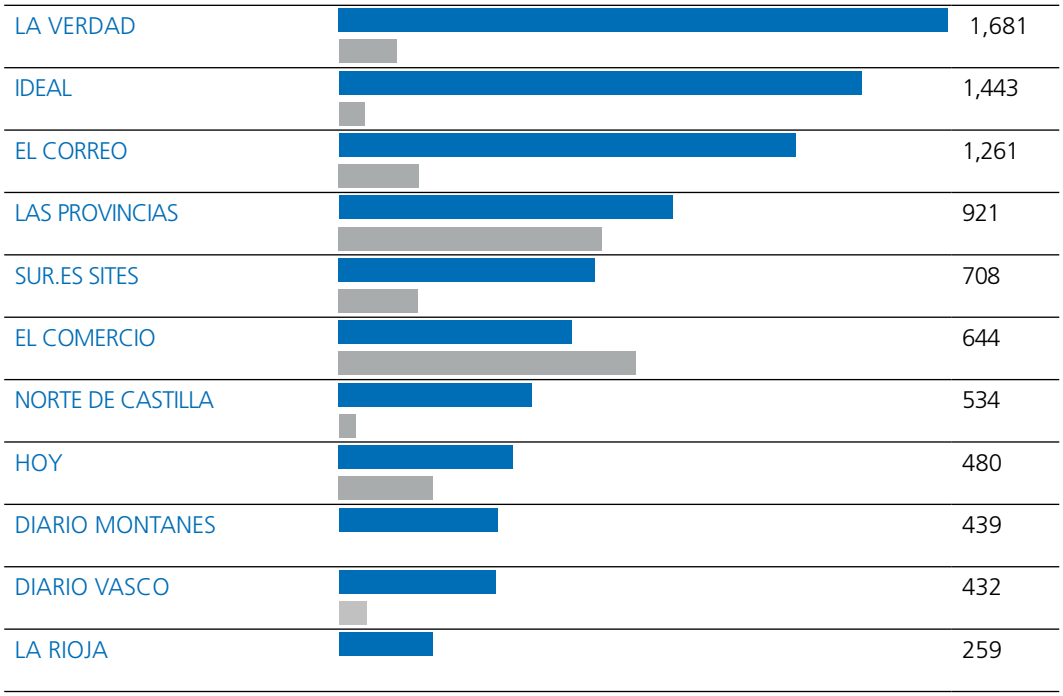
In terms of readership, VOCENTO remains the leader both in the offline market (with over 2 million readers[2], 0.7 million readers more than the number two regional media group), and also online, with a readership of close to 9 million unique monthly users[3]. Every one of the eleven portals is the audience leader in their markets, except for El Comercio Digital.

1. Source: OJD January-December 2013. Data not audited.
2. Source: EGM 3rd accumulated survey 2013
3. Source: comScore December 2013.

MARKET SHARE OF EACH TITLE PER REGION[4] (%)



READERSHIP OF LOCAL PORTALS (MILLION U.M.U.)[5]



4. Source: OJD January-December 2013. Data not audited. Competitor share in grey.
5. Source: comScore December 2013. Competitor share in grey.

Vocento's multi-channel strategy has enabled the regional newspapers to maintain their position across different media vehicles, thanks to the strength and influence of the brands. This strength has allowed the newspaper to reinforce new businesses such as Oferplan and to launch new, value added activities for users, such as Guapabox, which started operations in 2013 and has already achieved high levels of penetration and awareness in every town and city where it is present.

Another major initiative undertaken in the year was the "Spanish Future" series organised by Vocento's regional newspapers, led by La Rioja, in November. The year's event was such a success that it was exported to the group's other newspapers in early 2014. The most recent focus of "Spanish Future" was on Latin America and on language as an economic driver, serving to internationalise the event and attract increased participation from the business community.

Over the course of 2013, Vocento concentrated its efforts on different aspects of the regional newspaper business. The group remains committed to making product improvements and adapting content to new media, leading to increased loyalty of existing subscribers and access to new audiences. Major contributors in this process are the central newsroom of Colpisa, which supplies fully edited and designed news sections to Group titles, and also the merger of the print and online news teams, enabling resources to be freed up to increase the newspapers' focus on local content. There has also been an improvement in the share of the advertising market in press and Internet, the share of the advertising market in press and Internet, thanks to strategic agreements including joint advertising sales with the supplement of La Vanguardia and press partnerships with La Voz de Galicia, Heraldo de Aragón, Diario de and Navarra, and also thanks to the success of the 3.0 advertising rate for nationwide advertising.

In 2014, Vocento will focus on developing new sources of digital revenues from e-commerce. Highlights include the Kiosko y Más platform, a paid platform with enriched audiovisual content, and Oferplan.com, which allows discount offers to be marketed to readers of VOCENTO's digital and print editions

Vocento remains committed to maintaining the leading position of our newspapers, on all devices, to invest in the quality of our content to differentiate them from the rest of the market, and to access new audiences and revenue streams.

New sources of revenues include e-commerce initiatives such as Ticketing and Guapabox, and advertising strategies which are designed to improve revenues from digital advertising inventories. We will also continue to progress in digital transformation, to improve the positioning and perception of our newspapers, redesigning the digital editions and developing hyperlocal sections and content.

VOCENTO'S NEWSPAPERS MAINTAIN THEIR LEADERSHIP, WHATEVER DEVICE IS USED.

COLPISA - CENTRAL NEWSROOM

In 2013, Colpisa/Central Newsroom consolidated its new role at the centre of content production, increasing its delivery of general content, including both daily news and coverage of special events, in print and online, for the regional newspapers.

Colpisa also led the implementation of a new project that is dedicated to covering financial news that affects independent professionals and freelance workers, in all 11 regional newspapers. This initiative reflects the increased importance of this segment in the Spanish economy. As well as providing these readers with information, practical tools and participatory mechanisms have been developed which enable the regional newspapers to strengthen their ties with these professionals.

Elsewhere, the magazine Salud Revista evolved into a monthly multimedia publication in 2013, which included establishing an online Health channel linked to the print version. The publication is following the same successful strategy that has allowed Innova+ to respond to demands for local and general content and to meet its editorial and sales ambitions. Each of the regional newspapers has adapted, increased and personalised the content of these products as is appropriate to their local market.

The online health channel is continuously updated with education about healthy living, research, psychology, etc. The channel includes capabilities such as an online consultancy staffed by practising specialists and a specialist search engine.

Online leisure content was also enhanced in 2013, with the launch of a channel dedicated to tourism and travel, complementing the special supplements published with the regional newspapers. In addition, a special ski section was also launched, with daily updates during the ski season.

AWARDS AND RECOGNITION

For yet another year, Vocento's regional newspapers were recognised with various awards for design and innovation. These included:

In 2013, El Correo received the award for the best designed regional newspaper in Europe at the European Newspaper Awards (ENA), the Oscars for design in the newspaper world.

The special multimedia Project Autónomos won the Journalism Award handed out each year by the ATA (the association of independent workers in Spain) for journalisms that addresses the interests of the group.

Salud Revista.es received the award for best article in the year from the European School of Oncology, for its feature on mothers and cancer, published in March.

EL CORREO

READERSHIP

422,000

readers

CIRCULATION

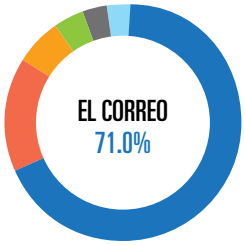
82,943

copies

Pending certification

UNIQUE USERS

1,261,000



EL CORREO	71.0%
DEIA	13.0%
EL PAÍS	5.1%
DIARIO DE NOTICIAS DE ÁLAVA	3.7%
EL MUNDO	3.4%
OTHER	3.8%

Area: Álava and Vizcaya

EL DIARIO VASCO

READERSHIP

236,000

readers

CIRCULATION

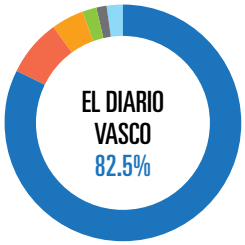
59,122

copies

Pending certification

UNIQUE USERS

432,000



EL DIARIO VASCO	82.5%
NOTICIAS DE GIPUZKOA	7.7%
EL PAÍS	4.5%
EL MUNDO	1.9%
EL CORREO	1.2%
OTHER	2.2%

Area: Guipuzcoa

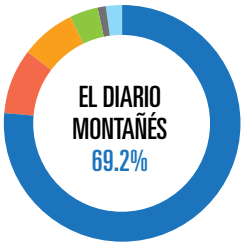
Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD (January 2012 - December 2012)

EL DIARIO MONTAÑÉS

READERSHIP
193,000
readers

CIRCULATION
27,586
copies
Pending certification

UNIQUE USERS
439,000



Area: Cantabria

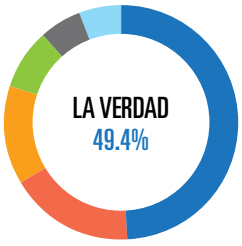
EL DIARIO MONTAÑES	69.2%
EL MUNDO	8.1%
EL CORREO	7.6%
EL PAIS	7.3%
ABC	3.0%
OTHER	4.7%

LA VERDAD

READERSHIP
212,000
readers

CIRCULATION
20,523
copies
Pending certification

UNIQUE USERS
1,681,000



Area: Región de Murcia

LA VERDAD	49.4%
LA OPINION DE MURCIA	17.2%
ABC	13.6%
EL PAIS	8.3%
EL MUNDO	5.9%
OTHER	5.7%

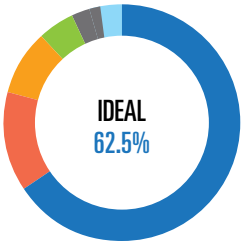
Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD (January 2012 - December 2012)

IDEAL

READERSHIP
195,000
readers

CIRCULATION
22,703
copies

UNIQUE USERS
1,443,000



IDEAL	62.5%
EL PAIS	12.7%
GRANADA HOY	10.8%
EL MUNDO	5.3%
ABC	4.6%
OTHER	4.1%

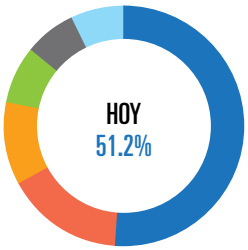
Area: Granada

HOY

READERSHIP
120,000
readers

CIRCULATION
13,208
copies

UNIQUE USERS
480,000



HOY	51.2%
EL PERIÓDICO DE EXTREMADURA	15.9%
EL PAÍS	11.1%
EL MUNDO	7.8%
ABC	7.1%
OTHER	7.0%

Area: Extremadura

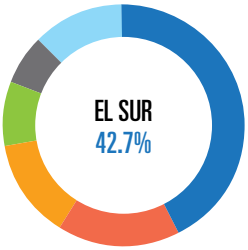
Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD (January 2012 - December 2012)

SUR

READERSHIP
158,000
readers

CIRCULATION
20,369
copies
Pending certification

UNIQUE USERS
708,000



Area: Malaga

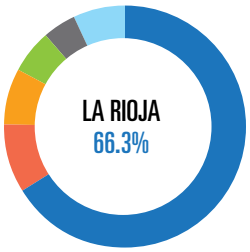
DIARIO SUR	42.7%
MALAGA HOY	16.4%
EL PAIS	13.3%
EL MUNDO	8.7%
LA OPINION DE MALAGA	6.7%
OTHER	12.3%

LA RIOJA

READERSHIP
90,000
readers

CIRCULATION
11,579
copies

UNIQUE USERS
259,000



Area: La Rioja

DIARIO LA RIOJA	66.3%
EL PAÍS	9.1%
EL CORREO	7.6%
EL MUNDO	5.8%
ABC	4.3%
OTHER	6.9%

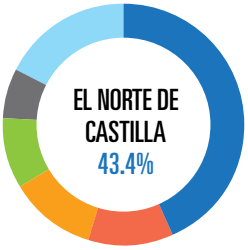
Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD (January 2012 - December 2012)

El Norte de Castilla

READERSHIP
192,000
readers

CIRCULATION
23,967
copies

UNIQUE USERS
534,000



EL NORTE DE CASTILLA	43.4%
EL MUNDO	11.5%
EL PAIS	11.5%
LA OPINION-EL CORREO DE ZAMORA	9.5%
DIARIO PALENTINO	6.7%
OTHER	17.3%

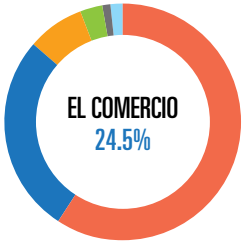
Area: Palencia, Segovia, Valladolid and Zamora

EL COMERCIO

READERSHIP
153,000
readers

CIRCULATION
19,463
copies

UNIQUE USERS
644,000



LA NUEVA ESPAÑA	61.3%
EL COMERCIO	24.5%
EL PAIS	6.1%
EL MUNDO	4.1%
ABC	1.8%
OTHER	2.3%

Area: Asturias

Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD (January 2012 - December 2012)

LAS PROVINCIAS

READERSHIP

146,000

readers

CIRCULATION

20,771

copies

Pending certification

UNIQUE USERS

921,000

Area: Valencia

LEVANTE - EL MERCANTIL VALENCIANO	33.1%
LAS PROVINCIAS	27.7%
EL PAIS	16.5%
EL MUNDO	11.1%
LA RAZON	4.2%
OTHER	7.3%

Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD (January 2012 - December 2012)

READERSHIP

543,000 DAILY READERS

CIRCULATION

140,027 COPIES

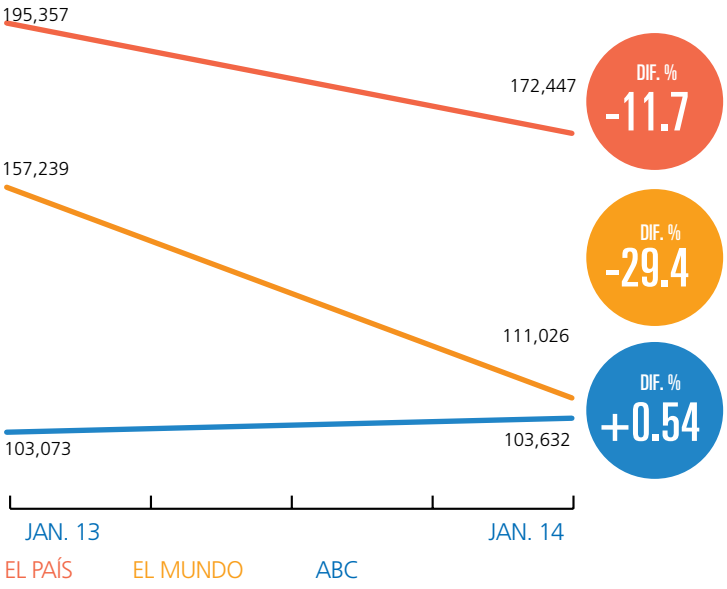
Readers. Source EGM: 3rd moving survey 2013
Copies: Source OJD January 2013- December 2013

ABC

ABC's commitment to quality and continuous innovation, and its loyalty to its founding principles from 111 years ago, were acknowledged by readers throughout 2013.

In the year, ABC was the best performing major national daily in terms of kiosk sales, the main indicator of the health of a newspaper. In 2013, ABC's kiosk sales declined by much less than those of El Mundo and El País. In particular, ABC cut the circulation gap to El Mundo by over 35,000 copies, or 65%.

KIOSK SALES



(Source OJD January 2014)

These data reflect ABC's commitment to profitable circulation, focusing its efforts on the kiosk rather than on other lower quality channels such as collective subscriptions and block sales. The performance also supports our commitment to accurate information and to providing our readers with a full understanding of the economic challenges facing our country and of international affairs, thanks to the widest network of foreign correspondents of the Spanish press. ABC's performance has also been reinforced by continuous improvements to content and design in popular areas such as Sport, Culture, Society, Leisure, Style and Television.

UNIQUE USERS

6,362,000

READERSHIP

+19.3%

ABC.ES

In 2013, ABC.es secured its position as the best performing major online newspaper in terms of new readers. According to data from official measurement company comScore, ABC.es websites ended 2013 with a spectacular increase in readers, up 19.3% from the previous year. This contrasts with the stagnation at both elmundo.es (+3.3%) and elpais.com (+0.8%).

From the first publication of unified data from comScore in March 2012 to December 2013, ABC.es added 1,818,000 unique users, increasing its audience to 6,362,000, while elpais.com lost 408,000 readers and elmundo.es added just 154,000. As a result, ABC has cut the gap to elpais.es by 64% (or by 2,226,000 unique monthly users), and to elmundo.es by 60% (1,664,000 unique users).

The strong performance of ABC.es has followed on from the transformation in the way in which its journalists work. ABC delivers similar information for web and print editions, but with different philosophies underlying the two versions. Online, the information is presented in a more immediate way, with the buzz of real time news. In the print edition, the emphasis is on the analysis and assessment of the news and on summarising the most important events in the day according to new editorial criteria. Several years ago, ABC stopped producing identical content for print and online versions, and it is now providing the two vehicles with differentiated personalities.

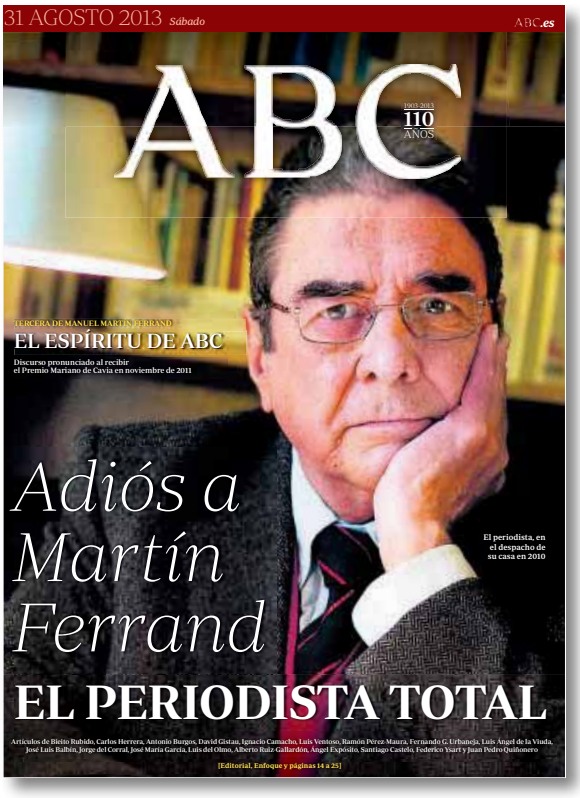
As well as changing the working culture and increasing the volume and quality of the information it provides, ABC has also improved its editorial offering with content such as thematic channels on Real Madrid, Atlético de Madrid, Technology, Travel and Defence. The incorporation of HoyCinema.com, laguíaTv.com and Loff.it have also made ABC.es a leader for information about cinema, television and lifestyle, with continuous monthly increases in traffic to its various websites.

ABC ON KIOSKO Y MÁS AND ABC IN 20

2013 was a year of major progress for ABC's digital evolution. ABC continued to progress with its digital edition on Kiosko y Más, which transforms traditional reading into a multimedia experience, and also launched ABC in 20 for mobile telephones.

ABC in 20 is a response to the need for readers to be kept informed while they are on the move and when they have little time to catch up on the day's news. It enables key news and information to be accessed on a reader's mobile phone. ABC in 20 is a selection of the 20 most important items of information in the day's newspaper (news, features, opinion pieces, etc.), adapted for quick and easy reading on a smartphone, in an exclusive app designed by ABC.

Meanwhile, ABC on Kiosko y Más continued to provide its readers with exclusive and complete analysis of current affairs, enabling access to all the editions of the newspapers as well as its newspapers, supplements and special multimedia content. Every day, at 23:30, readers can access the Morning Edition of the following day. Even on days without a print publication, such as Christmas and New Year's Day, readers can enjoy ABC on Kiosko y Más when and how they choose.



ABC MUSEUM

The ABC Collection consists of around 200,000 original drawings dating from 1891 to the present. In 2010, the process of cataloguing and digitizing the contents of the collection began, which in 2013 involved 3,770 items. In total, some 12,000 pieces have so far been digitized and catalogued. In addition, the 1,573 works that are on display in the Museum and other institutions are subject to continuous checks, cleaning and restoration.

Thanks to an agreement between the Foundation and the municipality of Madrid, in 2013 the ABC Museum also hosted a full programme of exhibitions from its own resources and from other institutions.

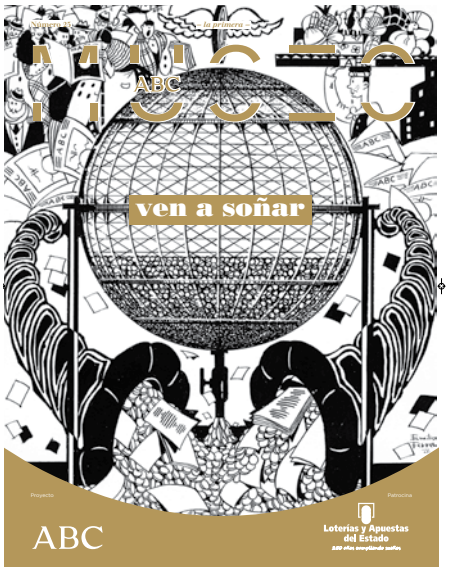
Martín Vitaliti, the winner of the second edition of the ABC Museum Drawing Award in 2012, presented his work ***En el fondo nada ha cambiado***. The life and work of Miguel Delibes was also on show in 2013, with the exhibition ***Patria común. Delibes ilustrado***, a selection of ten illustrated works. Another show at the Museum was ***Portadas. Dibujos de primera plana***, a collection of original drawings that had been on the front pages of Blanco y Negro. The ABC Museum also organised a number of ***talks***, with six illustrators participating and then taking the group to various spaces in Madrid included in the exhibition ***Dibujamadrid: en ruta***.

In addition, the Museum also organised courses about illustration, opening up the archives of the ABC Collection to young students and professionals in the visual arts, illustration, design, advertising, communications and other similar creative areas, as part of the Project ***Duetos III and IV.***

The ABC Museum put on the special Jesús Zurita exhibition, ***Ida y Trasiego***, whose centrepiece was a work called Trocha, consisting of a mural almost 15 metres long that was created with a market, acrylic and paint. Madrid in the 1980s was also on show at the Musem, with a special exhibition ***El papel de La Movida. Arte sobre papel en el Madrid de los 80***, highlighting the artistic production of that most creative decade to new generations. ***La destrucción o la obra. Urnas y laceraciones***, by André Elbaz, displayed the work on paper that the artist and explorer of vegetative fibres has created in recent years.

The Museum also looked back to the past with its show, ***Ven a soñar***, celebrating the 250th anniversary of the decision by Carlos III, on his arrival from Naples, to dream up the lottery and propose the idea to the finance ministry.

Another initiative undertaken by the ABC Museum was ***Plas***, a website that sells contemporary art and promotes artists. In 2013, the Museum hosted a retrospective of some of the works that PLAS published in its first year, focusing on collage, illustration, watercolours, acrylics and silk-screen printing. The exhibition La otra put on show a



selection of the work of Amparo Sard, providing visitors with an overview of the artist's unique way of drawing. For the first time in Spain, the ABC Museum also hosted an exhibition of original illustrations by the renowned French artist Benjamin Lacombe.

In 2013, the Museum organised around 50 cultural and educational initiatives for amateurs and specialists in the world of drawing and illustration. These ranged from guided tours, to introductory programmes to drawing, and included workshops, master classes and concerts in the Museum. As a result, the cultural space has consolidated its status as a popular attraction for devotees of these arts, and it is especially well regarded by professionals in the illustration sector.

VISITORS
79,845

GUIDED TOURS
156

VISITS - DAILY WORKSHOPS FOR SCHOOLCHILDREN AGED 6 TO 12 60

VISITS - WORKSHOPS FOR FAMILIES ON SATURDAYS AND SUNDAYS 53

SPECIALIST WORKSHOPS
42

CHRISTMAS AND SUMMER CAMPS
6

SUPPLEMENTS AND MAGAZINES

Taller de Editores S.A. (TESA) publishes XLSemanal, Mujer Hoy and Hoy Corazón, weekly supplements which are leaders in their segments and which are among the three most widely read magazines in Spain.

There was a general decline in the readership of supplements in 2013, but Vocento's supplements were able to consolidate their leadership positions in the overall ranking of general supplements. XL Semanal is the most widely read supplement, and Mujer Hoy is number two. Of the specialist magazines, Inversión y Finanzas remains the leader in the economics and finance segment and the only weekly magazine.

In 2013, the continued high market share of the supplements was complemented by measures to diversify revenues, developing new businesses such as a new events area with the participation of Mujer Hoy and Inversión y Finanzas, and launching new e-commerce activities including Guapabox. The online positioning was strengthened, especially at the Mujer Hoy and Finanzas portals. Finally, we continued to serve the luxury advertising market with the monthly magazines Código Único and Mujer Hoy Moda.

In 2014, the main targets for Taller de Editores include improving the online presence, and enhancing the editorial quality of all the products to support the circulation of the newspapers with which they are distributed. Other priorities are to maintain the readership and the quality of the magazines, so that they continue to attract advertising support, while at the same time making progress in the integration and flexibility of the editorial teams, to ensure the continued good health of the various brands. The company will also develop new sources of advertising revenues.

XL SEMANAL

In 2013, the supplement had more than one million readers more than its closest rival, and maintained its advertising market share according to the Association of Spanish Newspaper Publishers, for yet another year consolidating its position as the undisputed leader of the general weekend supplement market. XLSemanal has a readership of over 2.5 million people every weekend, in all corners of Spain.

More than four out of every ten people who buy a Sunday supplement choose Vocento's product, which among other qualities has contributors of the quality of Carlos Herrera, Arturo Pérez-Reverte, Juan Manuel de Prada, Eduardo Punset, Paulo Coelho and Carmen Posadas.

MUJER HOY

WIth 1.6 million readers, Mujer Hoy, is the second most widely read supplement in Spain, just behind XLSemanal. It is the most widely read women's magazine, distributed on Saturdays with Vocento's newspapers and other leading regional newspapers. Its readership means that it is one of the leading publications in its segment, with coverage of news, fashion and beauty, interior decoration, and health.

Each year, Mujer Hoy awards prizes to outstanding Spanish women. In the fifth edition in 2013, the winner of the Woman of Today prize was the designer and businesswoman Rosa Clará.

The most admired women included, in the arts and cinema category, the actress Belén Rueda, the writer Julia Navarro and the scientist Teresa Gonzalo. Ignacio Garralda, chairman of Mutua Madrileña, received the second Madrid Award for Commitment from Men.

Vocento completes its offer in the women's segment with Mujer Hoy Moda, a quarterly large format, high quality publication that is focused on high end women's fashion, with a print run of 250,000 copies.

Mujerhoy.com is the online edition of the leading women's magazine in Spain, and it has continued to update its image. The website has a clear vocation to inform, support and entertain women. In 2013 it occupied fifth place in the Beauty, Fashion and Style ranking from ComScore, the official measurement company for websites in Spain. For 0.7 million users, mujerhoy.com is their main source of information for fashion, beauty, celebrities, health and the latest trends.

HOY CORAZÓN

Hoy Corazón has no competition in the weekend supplements market, and completed seven years of life in 2012. The publication is sold with the newspapers, for a separate price.

Hoy Corazón is dedicated to celebrity news, with upbeat, dynamic and respectful coverage. It was launched in October 2006, is distributed with Vocento newspapers on Saturdays and Sundays, and has been well received by readers.

In 2013, Hoy Corazón had a print run of 200,000 copies a week, the second largest for any celebrity publication in Spain.

INVERSIÓN Y FINANZAS

Taller de Editores, S.A. has a 75.91% stake in this specialist financial publisher, which publishes the magazine "INVERSIÓN y FINANZAS". This is the only independent weekly finance and investment magazine on sale in the kiosks. According to EGM, it has a weekly readership of around 50,000 people.

The magazine organises leading trade fairs in the financial sector, including Bolsalia (Madrid) as well as seminars and training in finance, including Private Banking.

After major restructuring involving all areas of the magazine, 2013 was a year of recovery, with positive results.

Finanzas.com, is the specialist finance and investment website. It provides real time information on stock market prices and news, as well as useful services such as an extensive personal finance and consumer finance section.

Recent data reflect the upside potential of the financial portal of Taller de Editores, with an average of 0.5 million users per month.

CÓDIGO ÚNICO

Aimed at the high end men's market, this monthly magazine is jointly published with La Vanguardia (Grupo Godó) and with a print run of c. 130,000 copies has now celebrated its second anniversary.

GUAPABOX

In September 2013, Vocento launched Guapabox, its beauty subscription box service, which allows subscribers to acquire the most exclusive products of high end cosmetics brands. When they subscribe, every month users will receive a box with mini versions of five exclusive products, each carefully selected by experts from the magazine. The box also contains a special Guapabox edition of Mujer Hoy, in pocket format, including advice, trends and exclusive content about cosmetics.

Guapabox also regularly produces exclusive limited edition boxes for one brand only, including the brand's most innovative and exclusive products.

In just three months of life, Guapabox has achieved 2,900 subscribers and 11,600 registered users.

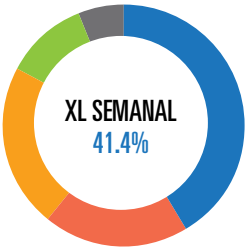
EVENTS

An Events area was launched in 2013, focused on finance and women. 24 events were organised in the year, with 17 financial events including CIO and Tribuna de Mercados and 7 women's events, including Beauty Day, and MHM 2013 'A new strategy for the fashion industry.'

XLSemanal

READERSHIP
2,469,000
readers

CIRCULATION
881,412
copies



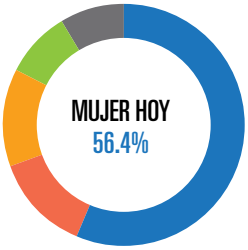
XL SEMANAL	41.4%
EL PAIS SEMANAL	19.5%
MAGAZINE (VANGUARDIA)	22.0%
MAGAZINE DE EL MUNDO	11.1%
DOMINICAL	6.0%

mujerhoy.com

READERSHIP
1,575,000
readers

CIRCULATION
715,845
copies

UNIQUE USERS
697,000



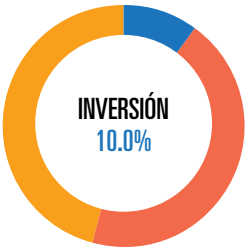
MUJER HOY	56.4%
TELVA	13.3%
ELLE	13.0%
COSMOPOLITAN	8.7%
VOGUE	8.6%

Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD 2012

READERSHIP
45,000
readers

CIRCULATION
5,158
copies

UNIQUE USERS
485,000



INVERSIÓN Y FINANZAS	10.0%
CAPITAL	44.2%
ACTUALIDAD ECONÓMICA	45.8%

READERSHIP
286,000
readers

CIRCULATION
140,477
copies
January-March 2013

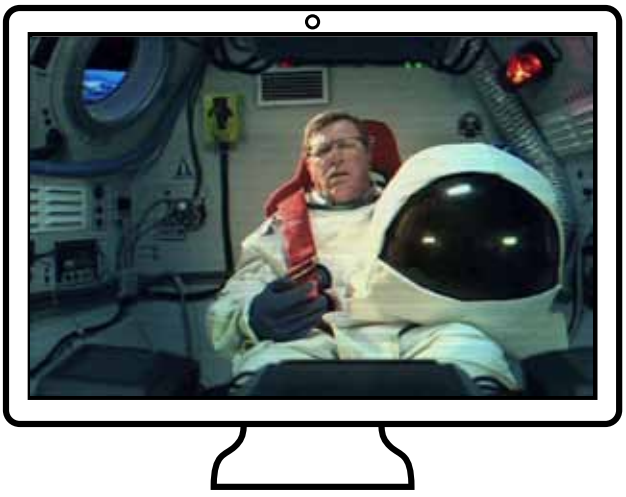
Readers: Source EGM 3rd rolling survey 2013
Unique users: Source comScore December 2013
Copies: Source: OJD 2012

AUDIOVISUAL

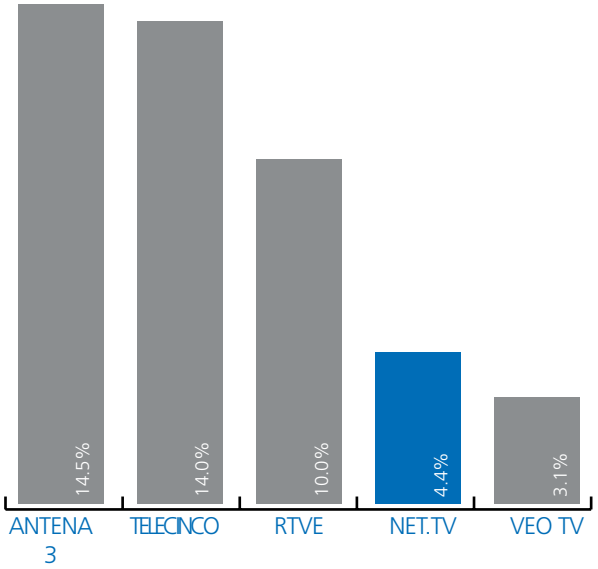
TELEVISION

Vocento, via its 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. in which Grupo Intereconomía has a 25% stake and The Walt Disney Company Iberia, S.L. has a 20% stake, is one of four private companies to have a national DTT license, which broadcasts four free-to-air television channels.

With Net TV, Vocento has made a solid commitment to profitable, niche television, with international partners and global leaders in entertainment. The combined channels (Disney Channel, Paramount Channel, MTV and Intereconomía) had an audience share of 4.4% in December 2013[1].



AUDIENCE



1. Source: Kantar Media December 2013. Not including pay DTT channels.

CINEMA

In 2013, Vocento reached an agreement with the minority shareholder in Tripictures, selling its stake in the independent film distributor but retaining the responsibility for managing its catalogue. This means that Vocento has been released of its obligations to acquire new films and to make the corresponding investments, but it will keep rights to the distributor's film library of more than 244 titles. This will increase the stability of results, as the rights have been fully paid for.

In 2013 Vocento was responsible for 11 new movie releases, including Flight, directed by Robert Zemeckis and starring Denzel Washington, which was nominated for two Oscars (best actor and best original screenplay) and made 3.4 million euros at the box office.

RADIO

In March 2013, the strategic radio agreement between COPE and Vocento began operating. Both groups have agreed a partnership that will reinforce and defend the common editorial values of the two companies.

The agreement involved the merger of the broadcasters owned by Vocento with the broadcasters of the Cadena COPE network. Both networks share the same programming, which is managed by Cadena COPE. The programmes, presenters and editorial content of Cadena COPE are emphasised in the pages of ABC.

This strategic alliance also includes the presence of ABC journalists and presenters on the main news and opinion programmes of Cadena COPE and joint work by both editorial teams on issues of common interest. An Editorial Committee has been established that comprises of representatives of both media.

Likewise, the two groups have integrated the portals of the radio stations (COPE, Cadena 100 and Rock FM) on the ABC website, to strengthen both media in the competitive online market for information and news.

CONTENT

In 2013, Veralia, the holding company that groups Vocento's audiovisual production companies, was responsible for various successes in Spain and abroad.

In Spain, Europroducciones TV/Hill Valley achieved audience share of 24.9% for their production of one of TVE's landmark programmes, the New Year special *La Puerta del Tiempo*, with the famous duo Los Morancos.

The entertainment productions of Europroducciones TV, included the 'emotainment' show Cerca de ti on Canal Sur, presented by singer Merche, and the long-running talent show A tu vera, on Castilla la Mancha Televisión, now in its fifth season, with an exceptional response from the public.

Conexión Samanta and 21 Días, both from BocaBoca, retained high audience figures for their factual coverage of current affairs in an almost documentary format, in which a fine line separates fact from fiction.

Outside Spain Europroduzione (Italy) achieved spectacular audience figures for the biopic *Volare, La Grande storia di Domenico Modugno*, which was the most watched show on RAI in the last decade, with more than 10 million viewers (34.21%) for the first chapter and almost de 11.5 million (38.98%) for the second chapter.

The company had continuing successes with *Mezzogiorno in famiglia and Tutte le strade portano…* in which comedian Maurizio Battista travelled to four cities around the world. Both of these were productions for RAI DUE. International sales were also boosted by the sale of the 21 Días format from BocaBoca to France (France 2) and Canada (TV5).

CLASSIFIEDS

Vocento is present in the three main markets for Internet classified advertising: employment with Infoempleo.com, automotive with autocasion.com and real estate with pisos.com. In the directories market it also owns 11870.com, an innovative social network for discovering websites and services. It is differentiated from traditional directories as it is the users themselves who, based on recommendations, rank the sites and services of most interest to them. In cooperation with the Group's digital editions it also has a pioneering service for requesting professional quotes.

INFOEMPLEO.COM

Infoempleo.com is the second most visited employment website in Spain, with a monthly average of 880,000 unique users, and 2.9 million visits in 2013, according to comScore data. In 2013, it carried out a series of actions to enhance the brand and reinforce its commitment to help its users find work and develop their careers.

Highlights of the year include improvements to the service for business clients, based on Business Intelligence techniques. A mobile version was also launched to enhance the user experience on mobile devices, where there has been a major increase in usage.

Improvements were also made to the international employment area, with new products and services, reflecting the development of the labour market. Infoempleo has an established and differentiated position in this area.

Analysing the supply side of the labour market, in 2013 the 15th edition of the Infoempleo Report into the Spanish Labour Market was published. Infoempleo publishes a series of leading reports, including the 2nd edition of the Infoempleo Kschool Handbook to New Professions, which is focused on new technologies.

Tweets&Jobs events continued throughout the year, including networking events about social media, employment and professional development, which were extensively covered by the media. The portal also sponsored the second SpainStartup and Investor Summit, continuing its support to entrepreneurs.

AVANZAENTUCARRERA.COM

The new portal consolidated its progress in 2013 after its launch in the previous year. Traffic growth was significant, with the average number of unique monthly visitors and hits up 110% from the previous year.

The portal was focused on improving all key metrics to raise its profile and increase conversion rates, and it more than doubled the number of leads generated compared to 2012.

As part of its customer offering, Avanzaentucarrera.com provides customers with differentiated technical content that is designed to help increase sales opportunities.

In 2013, as part of the strategy of selling non-strategic assets to finance the Efficiency Plan, the part of the Infoempleo business that sells software licences to human resources managers was sold.

AUTOCASIÓN.COM

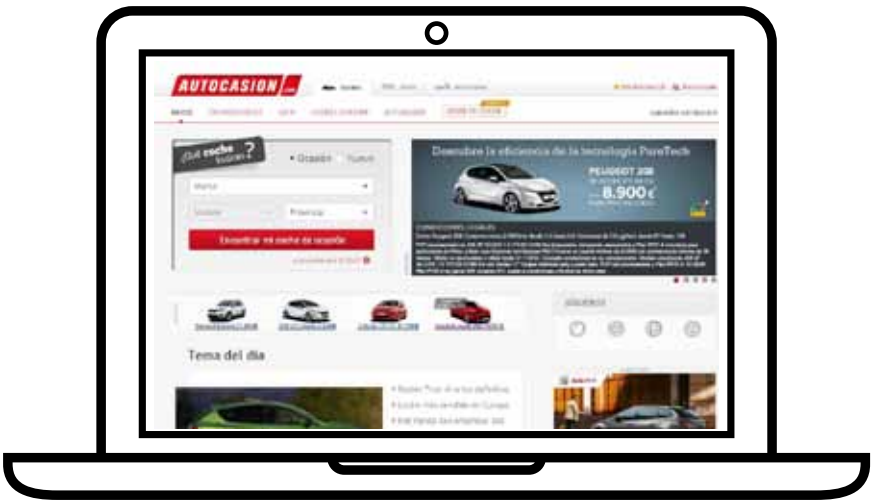
Autocasión Hoy S.A. is focused on publishing classified advertising and digital content, and in providing related services for a wide range of customers and users, in the automotive and industrial equipment markets

Autocasion.com is Vocento's automotive portal, with an Internet and mobile presence. Its content and services cover an extensive variety of advertisements for used cars, as well as the best offers for new cars and all the information that readers and users need to buy, maintain and enjoy a car. The platform had over 630,000 unique users each month on average in 2013, according to comScore, data which reflect the quality of its up to date content.

Motocasion.com is a classified advertising platform aimed at the motorbike market, with a monthly average of 85,000 unique users in 2013.

Autocasión Hoy S.A. manages in Spain the portal Mascus.es, which specializes in industrial equipment and vehicles. The partnership with the international company Mascus dates back to 2011, and makes the most of the synergies of a global specialist platform, with the local know-how of a company with wide experience in the Spanish market.

The leadership of Autobiz in France has been combined with the understanding of the used car sector from Autocasión Hoy, in a partnership that will be extremely interesting for managers of concessionaries and used car brands in Spain. The agreement has led to the arrival of the Sistema VO, which is a state-of-the-art technological system that allows concessionaries to manage their vehicles and optimize revenues and profits.



PISOS.COM

pisos.com, with more than 1.1 million unique users and 3 million monthly visits according to comScore data, has become the leading classified advertising portal for real estate in Spain.

In 2013, the product development strategy focused on mobile devices, which already account for more than one third of total traffic. The mobile website was completely redesigned, as were the apps for iPad, iPhone and Android, with more than 225,000 downloads. pisos.com also became the only real estate portal with an application for the Firefox operating system.

The website complements its offering with the room search portal, pisocompartido.com, which consolidated its leadership of the segment in 2013, as well the portal exclusively for professionals, habitat24.com.

In 2013, a marketing and communications campaign was carried out to raise the profile on the media and improve brand recognition.

The portal participated in the main real estate trade fairs and professional events, including SIMA, SIE and Urbe. It was also an official sponsor of Inmocionate 2013, the largest event for real estate professionals in Spain and Portugal.

Pisos.com has a significant media presence, with more than 5,000 impacts in the press, radio and television, or 41% more than in the previous year.

It also experienced continued growth on social networks, with more than 8,000 followers on Twitters and 22,000 fans on Facebook, or 25% more than in the preceding year.

The portal carried out a campaign to position the brand, both online and offline, including a presence on the mass media, including advertising and sponsorships on the main TV broadcasters in Spain and in the leading regional media.

LEISURE

11870.COM

In 2013, 11870.com consolidated its position as the leading portal for recommendations of websites and services in Spain, with more than 750,000 unique users and over one million monthly visits, according to comScore. At the end of the year, it had 115,000 registered users and 85,000 registered companies, representing growth rates of over 20% from the preceding year.

At the end of 2013, there were more than 330,000 opinions of websites and more than one million photographs and videos, making 11870 the absolute leader in terms of the number of reviews and photographs of SMEs in Spain.

In the year, the portal focused on optimizing its main business line, its visibility products, developing plans, options and tools for clients to improve their results. It also improved accessibility to the website from all devices, developing a version for mobile telephones, which now contribute 32% of traffic, and tablets, which contribute more than 10%.

Another focus was on developing new business lines that enabled the portal to complete its customer offering.

Reflecting this, the portal implemented a Restaurant Management tool, which enables users of 11870 to make reservations directly on the portal, and also developed a system of offers for reservations.

It also developed a new Social Media service, allowing customers to manage their presence on social networks. There has been a very positive response to the service, with revenues associated it representing 15% of revenues in its first year of operation.

DIGITAL TRANSFORMATION

Vocento is working on a series of digital initiatives focused on future developments for its titles. We are focused on two main areas of digital content; firstly, on adapting to the multi-device environment for consuming content, and secondly, on improving our understanding of the users as a key to developing our business. We are also continuing to develop Kiosko y Más, a premium platform with enriched audiovisual content, and we are stepping up our search for new sources of digital revenues to support the business.

MULTI-DEVICE ENVIRONMENT

TOUCHSCREENS FOR PERSONAL USE

2013 was a crucial year in the development of touchscreen devices. The diversification in the supply of these devices and the corresponding fall in prices for users increased their popularisation, and increasing number of readers are using them to access media.

Vocento continued to strengthen its presence both on tablets and on smart phones, with enriched and free versions of its digital editions, as well as increasing the number of digital subscribers to its paid editions on Kiosko y Más. Partnerships with other players in this ecosystem, such as Amazon, Microsoft, Samsung and Apple have been with essential. With these partners, we have sealed strategic alliances to deliver exclusive content for Microsoft Windows 8, and promoted bundles of products by making joint sales of digital subscriptions and devices such as Microsoft Surface and the Apple iPad and making sales in the digital stores of these players, including Amazon.

STRATEGIC ALLIANCE WITH MICROSOFT

In mid-2013, Vocento and Microsoft signed a new agreement to develop innovative advertising formats for the Internet. Thanks to this agreement, users will be able to access relevant advertising content in new, non-intrusive formats on Microsoft's latest platform, Windows 8. The agreement also establishes joint innovation initiatives, leveraging Microsoft's experience and technologies in the digital marketing area, in order to simplify and enhance the user experience in Vocento's various online properties.

THE ARRIVAL OF THE CONNECTED HOME

In 2013, the PC continued to lose its role as the main content centre for users, as the connected home began to replace it, with intelligent interconnection between different devices taking over the role that the PC played for almost two decades.

Apple stimulated the rise of interconnection between devices with its AirPlay technology, and competitors have taken up the trend. Digital consumers have been rapid adopters of interconnection because of its ease of use and the ability to manage devices efficiently. All electronic devices for consuming content, such as TV and HiFi audio systems have evolved to be controlled by tablets and smart phones, from where the user can stream their videos and music, or share videos and photographs from their smart phone or tablet.

In this space, Vocento has carried out pilot audiovisual projects of independent technologies that allow families to view and share on a connected TV all the ABC content that a user reads on their tablet or smart phone.

SOCIAL NETWORKS

The exponential growth of social networking, linked above all to the emergence of new devices for consuming content, has made it necessary for Vocento to improve its presence on these networks, as a way of finding new audiences and building a dialogue with its readers. Social networks are forecast to grow at the same pace in 2014.

Vocento has carried out major initiatives in this space, including developing new publishing processes and increasing its messages on social networks, developing new strategies for creating online communities and using these to attract new digital subscribers and generate other revenues.

As a consequence, Vocento's brands now have loyal online communities, including more than 400,000 followers of abc.es on Twitter, and more than 60,000 followers of the regional newspapers, which are leaders in their markets.

UNDERSTANDING USERS

As the digital society evolves and online offerings multiply, it is critical for businesses to establish processes that enable them to understand their users, so that they can adapt their messages to attract different profiles of readers.

In all its phases, digital marketing depends on understanding users; firstly when users are exposed to a service and discover its, then when they consider making a purchase or a comparison, and then when they become a client and their loyalty needs to be supported.

In the area of identifying and tracking anonymous users, in 2013 Vocento began to implement new realtime data analytics, adapted for mobile devices, tablets, connected TVs and multimedia devices. The ComScore Digital Analytix (DAX) service was implemented to measure readership and to track in real time the content of our media. The service establishes the foundations for understanding our anonymous users, and is the first stage of the building of a unified view of the user, which in the medium term will enable us to identify anonymous users, registered users and clients.

The interaction with potential new clients that is possible on the digital editions is a key element in attracting business. It enables an understanding of the future client in all the phases of their relationship with the product or service. Information about what clients read and do from a tablet, smart phone, or connected TV is essential to understanding readers and buyers.

New formats of content have been developed, based on contextual recommendations according to the user's profile, behaviour, ways of consuming, with very specific targets: to deliver content that is adapted to users' interests, increases the consumption of content, increases the time spent on our media, and is adapted to new forms of online advertising that depends on the time spent on a website. At ABC, this approach has led to increases of 70% in visit times because of content recommendations, as well as more page views per user visit and millions of additional page views in total.

Vocento has implemented the first stage of its Marketing Funnel project, which is based on user behaviour technologies and contextual recommendation, retargetting, A/B tests and multivariable. The results have been inspiring, such as increasing by 10x the number of users exposed to digital subscription offers and other services, as well as increasing the number of users who start the buying procedure. These methodologies have been introduced into the Group's marketing areas, as in the future a greater understanding of the readership of the digital editions will without question provide the greatest potential for revenue growth at the online titles.

To facilitate the capture of anonymous users and turn them into potential clients, the Unique Registrtion project was implemented, using the unified registration platform from Gigya. This has enabled the Group to establish a Privacy Policy, improve its processes for capturing users on the media and on social networks, enhance profiling and establish the capacities needed to make the most of the user and potentially convert them into clients. In its first month, the technology has already led to a 14% improvement in the quality of geopositioning data. Vocento has over a million registered users, and 24% of new users choose to register with our media over a social network.

With the IT platforms for understanding and manager active users now established for our media, progress is being made in convert anonymous users into clients, using customer loyalty processes and upselling, based on direct communications using email marketing.

In this space, the Selligent software for interactive dialogue with users has been established, enabling direct interaction and communications with consumers of news and with clients. This technology helps enrich user profiles, based on their behaviour in their communications, and on any PC and mobile platform. It establishes a flexible channel for intelligent communication based on user understanding, and has achieved record business opening levels of 60%.

KIOSKO Y MÁS

Two and a half years ago, Vocento and Prisa launched Kiosko y Más, an online paid multi-platform for magazines and newspapers, which has the largest supply of high quality press of any digital platform in Spain.

Since then, the platform has evolved into the gold standard for consuming paid for digital journalism content. It provides readers with a simple way of reading the high quality press in two formats, a replica of the print format and so-called smart flow, which is adapted to new devices such as tablets. It has also implemented the subscription business model in a digital environment and unified supply. It also adds value to aggregation, as users benefit from discounts when they buy two or more publications at the same time.

The publishers who are present on Kiosko y Más manage their offerings to suit their readers. It is the publishers who set the subscription prices for their products and design their offers to groups or to print subscribers.

In 2013, as well as its web version and apps for Apple and Android, Kiosko y Más was the first digital kiosk on Microsoft Windows 8, and also added its catalogue to the Amazon Apps store. Technological process was accompanied by increases to the supply of magazines and newspapers, with around one hundred new titles, for a total of over 400 titles and 1,200 different publications available to users.

In terms of subscriber numbers, in 2013 Kiosko y Más recorded an increase of more than 50%, with 300,000 new subscriptions activated and 15 million copies distributed, as well as doubling the base of registered users on the platform.

In terms of financial results, the growth in subscriptions and focused management help Kioko y Más achieve profitability in the fourth quarter of 2013.

One of the reasons for growth is the effort being made to provide the best solution to the more than 80 publishers involved, with the launch of different tools for sales and the development of new promotional systems such as 'member get member, personalized displays for publishers, systems for fast purchases, and new mobile stores.

These commercial efforts have also enabled the start of a new affiliate network in the year, reinforcing relations with various partners and enabling access to new markets. These include CEDRO, Travel Club, Gowex, ADL Partners, Microsoft and Amazon.

Kiosko y más is supported in its activity by a wide network of suppliers and partners, with a powerful technology platform thanks to the strategic agreement with Newspaperdirect, the world's largest digital press distributor, which offers services to newspapers such as Le Figaro and The Guardian and which each day processes more than 2,000 publications.

CIRCULATION

15,000,000

COPIES

MORE THAN 400 TITLES AND 1,200 PUBLICATIONS

NEW SOURCES OF REVENUES

VOCENTO, AN INTERNET LEADER

In 2013, Vocento was in the seventh place in the Internet ranking, with an audience of more than 11,300,000 users in December. In particular, ABC is the fastest growing newspaper on the Internet, increasing its user base from 4.5 million users in 2012 to 6.3 million in 2013. The increase at ABC has accelerated since December 2012. There was a 19% increase in visitors to ABC.es, compared to an 0.8% increase at El País and a 3.3% rise at elmundo.es

In addition, in 2013 the continued high market share of the newspapers and supplements of the groups helped us to find and develop new sources of revenues based on e-commerce.

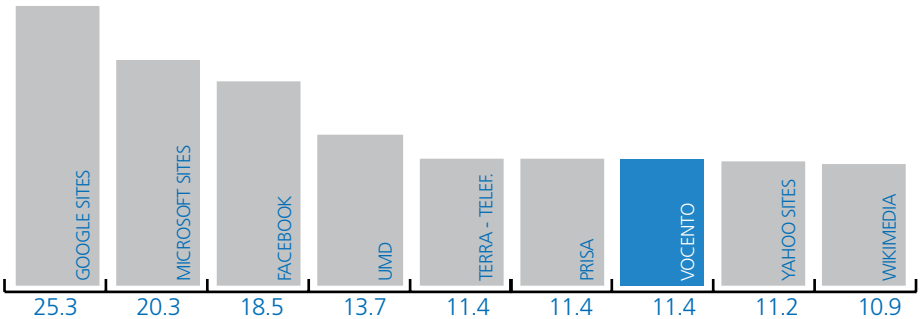
In September 2013, Vocento launched Guapabox, its beauty subscription box service, which allows subscribers to acquire the most exclusive products of high end cosmetics brands. When they subscribe, every month users will receive a box with mini versions of five exclusive products, each carefully selected by experts from the magazine. The box also contains a special Guapabox edition of Mujer Hoy, in pocket format, including advice, trends and exclusive content about cosmetics. In just three months of life, Guapabox has achieved 2,900 subscribers and 11,600 registered users. At the beginning of 2014, Vocento also agreed to integrate Glossybox España into Guapabox, meaning that Guapabox has consolidated its position in the Spanish e-commerce subscription market.

The strength of our new strategy was reflected in 2013 in the success of initiatives such as Ticketing and Oferplan.

Ticketing is an online portal where readers of Vocento's newspapers and magazines, in both print and digital editions, can buy tickets to events. Readers can also buy tickets to the main events in their regions from the leisure sections of Vocento's online media properties, where the platform is integrated. Meanwhile, Oferplan is the portal where the main media companies in Spain provide discount offers and promotions. Users can access exclusive, high quality offers for local products and services. According to internal data, over half a million users are registered on Oferplan.

VOCENTO, IN THE INTERNET TOP 10

11.4 MILLION UNIQUE MONTHLY USERS



Source: Comscore MediaMetrix, Top 100 Properties December 2013

SUSTAINABILITY REPORT

LETTER OF INTRODUCTION FROM THE CHIEF EXECUTIVE OFFICER

It is my pleasure to introduce our second Sustainability Report, which provides information on our financial, social and environmental performance in 2013, in accordance with the criteria of the Global Reporting Initiative (G3) and the Supplement for the Media Sector.

This document reflects our aim to disclose publicly our commitments to corporate social responsibility and to describe our relations with Vocento's key stakeholders, including our shareholders, audiences, and advertisers and the communities in which we work. This report also reaffirms our commitment to the Global Compact and its ten principles in the areas of human rights, labour conditions, the environment, and anti-corruption.

To avoid any overlaps, the document also refers to other reports, including our reports on Governance, the Annual Report of the Audit and Compliance Committee and the Annual Accounts, which contain relevant information about sustainability and responsibility.

The focus of our CSR strategy is based on the identification of the key issues for us as a media company and the importance of each of these issues internally and externally, depending on what we do, for whom, and with whom. It is also based on the mission, vision and values that we aim to define next year.

In 2013, we established indicators to enable us to manage and report accurately on our actions. We also took the first steps towards identifying best practices in our media properties in their relationships with their audiences, in the areas of working processes, and in their relations with advertisers as well as other material issues. Our aim is for Vocento to manage CSR in a decentralized way and to share knowledge across the group, using internal benchmarking and developing a learning community in this area.

We have also started the process of using the criteria of the London Benchmarking Group to quantify social actions such as our cooperation with charitable causes and NGOs in our various media properties. This will enable us to understand better the impact we have on the communities we serve, and full information about this is provided in this document. In addition, in parallel to the other transformative processes that Vocento is experiencing, we have identified education in digital issues and digital literacy as a major issue for corporate responsibility at the Group. This also reflects our traditional strong presence in educational institutions and universities, and Vocento's continued focus on culture and education.

Our commitment to the Global Compact is reflected in the continuous coverage our media gives to information and opinion in the Human Rights area, especially focused on sustainable development, gender equality, poverty, equal opportunities, and access to education and health. Vocento is completely committed to the freedom of expression and plurality of opinion, as well as the other traditional rights associated with the media in a free and democratic society. We cooperate with various professional bodies in this area, in Spain and beyond.

As a company, we comply with the labour standards and legislation that are currently in force, and our human resources policies are fully committed to diversity, professional development and training talent. We have strong links to educational establishments, journalism colleges and associations of journalists and publishers. We carry out leading training programmes including Master's courses in Journalism. Finally, we recognise the commitment of our best journalists with the Vocento awards, given each year to journalists in recognition of the social impact of our media properties.

In terms of our environmental impact, our sustainability report provides indicators about the consumption of raw materials and energy and the reductions we have achieved. We have made significant progress in the last two years. Our commitment to digital will in the long term lead to reduced impacts on the environment.

Finally, Vocento is very aware of the role that media companies have played and continue to play in Spain, especially during the years of the Transition and in contributing to continued national cohesion. Our aspiration is to contribute to the economic recovery that is now underway and to regenerate our country from our position as a socially responsible media company.

Luis Enríquez Nistal
Chief Executive Officer of Vocento

PROFILE AND FOCUS ON SUSTAINABILITY AND RESPONSIBILITY

Vocento has a vocation to serve its audiences and society in general, and has a responsibility to society mainly through the publishing and media brands that represent the mission of its business: to provide information, opinion and entertainment.

The fact that Vocento is media group that is completely Spanish owned, that it is independent and financially solid, committed to a plurality of opinions, and committed to the society and culture of the communities where it is present, defines our vision as a socially responsible company and defines the values that differentiate us.

In parallel to other transformative processes at the company, three years again Vocento began to update its corporate social responsibility strategy, in economic, social and environmental terms.

After assessing our initial position, we analysed best practices in the media sector in Spain and internationally. This process helped us identify issues that are most relevant to use because of our business and our impacts. We then examined these issues using both internal and external consultations, to prioritize them and develop a coherent approach.

Our focus in the area of sustainability is based on this list of relevant issues for a media company, and on the importance that each of these issues has for us internally and externally.

Our strategy for corporate social responsibility reflects what we do, as well as for whom and with whom we operate. It is also based on the mission, vision and values that we aim to define next year as socially responsible company.

We have called this management process Being better at what we do. It is coordinated by Vocento's Communications and Institutional Relations department.

In 2013, we established performance indicators and improved our accountability, publishing the second CSR report in accordance with the terms of the Global Reporting Initiative (GR3) and its Media Sector Supplement.

We also continued to establish a system for recording the best practices of our publications, media properties and corporate offices. We understand that increasing visibility is the first step towards internal benchmarking, strengthening our sense of responsibility by sharing practices that we are sometimes not aware of. By increasing shared know-how in the CSR area, we can become better at what we do.

We are also implementing a model to measure our social actions with NGOs and good causes, both in our media properties and as a company, in accordance with the criteria London Benchmarking Group, of which Vocento is a member and which has established an international model in this area.

2011

DEFINING THE STAKEHOLDERS FOR VOCENTO FOR OUR CORPORATE SUSTAINABILITY AND RESPONSIBILITY

- Shareholders and investors
- Employees
- Journalists
- Advertisers
- Suppliers
- Communities where we operate
- Public administration
- Sector organisations

IDENTIFICATION OF GOOD PRACTICES IN RESPONSIBILITY IN THE MEDIA SECTOR

MATERIALITY STUDY

The identification of issues and areas where Vocento has a particular responsibility, in addition to the general responsibilities of companies and generally accepted reporting principles for responsibility (the Global Reporting Initiative)

Internal and external consultations on these issues (which were repeated in 2013) to establish a coherent approach and report about them

IDENTIFICATION OF PERFORMANCE INDICATORS AND DASHBOARD FOR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT OF VOCENTO

For the main reporting indicators for sustainability as prepared by the Global Reporting Initiative, which is the most commonly accepted framework, and for the Media Sector Supplement of the GRI, which is of more direct concern to a company such as Vocento, we carried out a process of internal consultation which resulted in a first dashboard of sustainability and responsibility at Vocento, which we are implementing both for management and for reporting purposes.

In addition, we began a process of identifying the management indicators of Vocento that could give a better idea of our financial, social and environmental performance.

DEFINITION OF THE MAIN AREAS FOR RESPONSIBILITY AND SUSTAINABILITY

We have allocated 6 major areas for managing and reporting our responsibilities:

1. Financial transparency, shareholder and investor relations and good governance
2. Employees
3. Editorial, journalists, product responsibility, and relations with audiences
4. Advertisers and sales
5. Social engagement, sponsorship and support, relations with the communities where we work
6. Environment and suppliers.

2013

- Establishment of a system for collecting information concerning material issues and strategic stakeholders, both at the corporate level and by media property.
- Application of the indicators from the London Benchmarking Group model to identify and raise visibility of financial contributions and contributions in kind to social causes and NGOs, from the media properties and as a company, and also registering the impact of these contributions.

SUSTAINABILITY AND RESPONSIBILITY STRATEGY AND MANAGEMENT

In 2012, we reviewed our action in the areas that we considered relevant for our internal and external stakeholders, assessing what we did and we began to set targets as part of our sustainability plan.

	RELEVANCE FOR RESPONSIBILITY AT VOCENTO	SPECIFIC RELEVANT ISSUES FOR VOCENTO	VOCENTO'S APPROACH	ASSESSMENT AND TARGETS
WHAT do we do?	**CONTENT** of the media: information, opinion and entertainment	Content that responds to social issues	Each media acts and has specific initiatives (e.g. employment, innovation, equality, women, etc.)	The various media properties act freely and with responsibility in this area Need for good practices and guidance according to the experience of Vocento and each property
		Content respecting protection of privacy	Compliance with the law, respect	
		Content that respects minors	Compliance with the law, respect	
		Treatment of risky content	Compliance with the law	

	RELEVANCE FOR RESPONSIBILITY AT VOCENTO	SPECIFIC RELEVANT ISSUES FOR VOCENTO	VOCENTO'S APPROACH	ASSESSMENT AND TARGETS
FOR WHOM do we do it?	Relations with **AUDIENCES**: readers, listeners internet users, etc.	Systems for communicating with audiences	Each media has its own channels for communication and/or participation There are surveys for measuring audience satisfaction and other regular surveys for certain media	It is important to be able to report using indicators, not only measurements from surveys. Drive the establishment of systems for quantitative and qualitative indicators (number of letters, suggestions, etc.).
		Systems for complaints		
		Systems for suggestions, comments		
		Systems for participation		
		Tools for regular measurement of audience satisfaction		
		Other initiatives for audience relations		
		Quality of information	We believe our media have quality in three areas: information, opinion and entertainment. Audience surveys for this purpose in media and titles	

	RELEVANCE FOR RESPONSIBILITY AT VOCENTO	SPECIFIC RELEVANT ISSUES FOR VOCENTO	VOCENTO'S APPROACH	ASSESSMENT AND TARGETS
HOW we do it	Topics about PROCESSES **FOR GENERATING AND MANAGING INFORMATION, OPINION AND ENTERTAINMENT**	Accuracy of information	Each media and title ensures this internally	Possible internal development of a handbook of good practices at Vocento about this based on experience of the media properties.
		Freedom of expression		
		Independence from political power		
		Independence from advertisers		
		Differentiation between information and opinion		
		Training journalists and professionals	Training in digital environment and others	Set training indicators for reporting.
		Technical infrastructure to enable quality	Improvement of infrastructure Transition to digital Editorial	Identify what improvements and what can be done for quality in information, opinion and entertainment.
	Issues concerning **ADVERTISING AND SALES,** as it is advertising that financially sustains media and enables our service to reach our audiences	Responsible advertising	Compliance with the law, Code for Self-Regulation of advertising	Possible internal development of handbook of good practices in Vocento based on experience of each media property.
		Content with advertising risks	Every media property has its own policy	
		Advertising for children	Every media property has its own policy	
		Transparency and reporting to advertisers	Public data in annual accounts	
		Differentiation of advertising and information	Advertising is indicated in print media (advertising features, etc.) Other systems of differentiation (font, positioning etc.)	

	RELEVANCE FOR RESPONSIBILITY AT VOCENTO	SPECIFIC RELEVANT ISSUES FOR VOCENTO	VOCENTO'S APPROACH	ASSESSMENT AND TARGETS
HOW we do it	**ENVIRONMENTAL IMPACT of our activity,** which involves energy consumption and raw materials, transport, etc.	Consumption of raw material (mainly paper) and energy	There is a system for measurement and policies for reducing energy consumption	Need for specific indicators and common policies or guidance, good practices for media, etc. Need for internal reporting system for integrated reporting by Vocento
		Consumption reduction initiatives	The digital transition has led to savings There other initiatives at some titles	
		Recycling and re-use initiatives	Exists at the Group level and some titles	
		Encouragement of environmentally responsible behaviour in the supply chain		
		Environmental management of buildings, plants, certifications, etc.	Audit carried out	
Underlying issues for a media company such as Vocento, which require direct and indirect actions from the company and in collaboration with third parties (NGOs, public administration, etc.)		Digital divide or the differences and difficulties in accessing new technologies for specific people and groups	Vocento is committed to going digital and to accessibility for all types of people	We can work more on this and on digital education, media, etc.
		Art and culture	As a Group and at every media property we carry out various activities in this topic	We should measure our contribution and the return on this for the Group and society. Since March 2013 we have been a member of the London Benchmarking Group, a system for measuring a company's social actions.
		Language, good use of language, promotion of the language, etc.		
		Creative freedom		
		Intellectual property		
		Education in the media and for the media		

STAKEHOLDER RELATIONS

SHAREHOLDER RELATIONS

Vocento's relationships with shareholders, investors and financial analysts are characterised by transparency and regular two-way communication. The financial community is continuously informed about the company's performance and strategy. The Investor and Shareholder Relations department is responsible for this and for relations with the Comisión Nacional del Mercado de Valores.

Vocento has a Shareholder office which includes a telephone service, e-mail, post and a website. Last year, 56 enquiries were made to this office.

The website is an essential channel for communicating with shareholders, providing shareholders will information about the company, its various business units, relevant filings with the CNMV, quarterly and annual reports, share prices, information about the Board and its members and other issues concerning the company and its governance.

For the General Shareholder Meeting, the company has a register of proxy votes received from the shareholders, and deals with any queries about the meeting. There were 27 contacts made by telephone, post and email in 2013. Vocento has also set up a shareholders' forum on its website to help facilitate communication between shareholders ahead of the Shareholder Meeting.

To maintain institutional investors informed, Vocento is a very active participant in events and seminars in Spain and abroad.

Regular meetings are also held with institutional investors on request to update them about the company's strategy.

In total in 2013, Vocento participated in 12 events attended by a total of 66 institutional investors.

Analysts are a key element in our communications with the financial community. The company regularly contacts analysts to discuss results, relevant facts and news in the press about the various business areas.

Likewise, the quarterly publication of results complies with regulations and is supported by a conference call in which analysts can question management about the operational and financial performance of Vocento.

There are fluid, continuous relations with analysts, and we speak at least twice a month to each of them.

START INNOVA

RELATIONS WITH EMPLOYEES

Vocento has a total of 2,851 employees, of which 93% are on fixed contracts and over 90% are graduates. Of this total,39% are women.

Vocento does not have a specific policy on discrimination and diversity, but it does apply these principles in its operations. There is no policy for hiring disadvantaged groups, although it also complies with legislation on the employment of the handicapped. Vocento remains committed to equality and diversity in all its selection processes and in managing and promoting employees. These principles have been fully implemented across the Group, with the even split between the genders a clear indication of the applications of these plans.

The Group's personnel selection policy means that any vacant position is first offered internally, informing employees and managers of the company on the portal. If the vacancy is not filled, an external selection procedure is undertaken.

Vocento's Training Plan is based on the following general principles:

- Aligning training with strategic goals in the areas of Innovation, Impact, Collaboration and Quality
- Recognising training as a means of productive transformation
- Making the maximum use of internal and external resources
- Assessing and measuring the effectiveness of training
- Emphasizing internal training and the transfer of know-how between companies and areas
- The complementarity of training with internal communication activities

Vocento has a Performance Management System that is associated with variable compensation, for directors, managers and heads of teams (about 10% of the workforce). It also has a system of remuneration for sales teams, providing incentives and enhancing the sales performance in line with Vocento's values. There is no general personnel development policy, although specific projects are carried out when needs are identified in different groups.

The report on activities provides full information about our relations with employees.

RELATIONS WITH AUDIENCES

All of Vocento's media and publications have their own channels for communicating with their audiences, including letters to the editor, a dedicated corrections section, a reader's ombudsman, etc.

In 2013, the first steps were taken to set up management indicators for all of these tools, in order to measure more effectively the way in which we respond to and incorporate suggestions and comments and the expectations and values of our audiences.

WEB LA VERDAD AWARDS

Communication channels with our audiences							
Media	**Letters to the editor**	**Fixed corrections section**	**Reader's/ listener's ombudsman**	**Publication of complaints and law suits**	**Publication of the number of corrections, complaints, law suits, on an annual basis (public information and accountability)**	**Mechanisms for regular consultation of readers/listeners about results and their publication**	**Other initiatives for shared creation (including readers and audiences in news generation, etc.)**
ABC	Yes	No regular section for corrections at the newspaper. If there is any correction to be made, it is published.	At the weekends, a summary of the letters or opinions received is published.	Yes, when these occur	No	Yes, a report is made, but it is not public.	Above all online and in the print edition, when a letter is received with news or content, contact is made with the writer.
Diario Vasco	Yes, there is a set section in the Opinion pages.	There is no specific section for corrections. If a correction is needed, it is normally published in the opinion pages, next to the Letters to the Editor.	No Reader's Ombudsman.	There is a fixed section of reader participation via complaints, preferably aimed at the institutions responsible. The section is called 'Sirimiri' and is found in the local information pages of the newspaper.	The number of corrections published is uneven. It is generally about one per month. In the last 17 years, there has only been one lawsuit that resulted in a trial, and the result was favourable to the newspaper.	The EGM and CIES results are published regularly during the year. In addition, market research of readers is carried out on a biannual basis.	The Society pages include content from readers. There is also a participatory section for citizen issues on the website diariovasco.com, which can receive photographic and video content, as well as reader forums, blogs that are open to readers, and others.
El Comercio	Yes, there is a section for Letters to the Editor	Corrections are generally published next to the Letters section, in the Opinion pages, although depending on the case they are also published in the areas where the item that led to the complaint was published.	There is no Reader's Ombudsman. It is management that responds to any complaints.	In general, if to satisfy a complaint it is necessary to publish a clarification or reply, this is done, either as a separate item or following the information that led to the complaint, which must be relevant and accurate.	For all these forms of information (clarifications, responses, rectifications or corrections), EL COMERCIO and LA VOZ DE AVILÉS both publish about one hundred a year, with no public summary of these.	There are no regular systems for consulting readers, apart from surveys which are carried out for various reasons and published.	There are various spaces for readers to be heard, including Letters to the editor, columns about local issues, and comments on news items on ELCOMERCIO.es. There are also telephone lines for clients/subscribers, which occasionally are used for complaints and comments about content. On social networks, there are also official accounts and editor accounts. At ELCOMERCIO.es there are specific sections for news and videos from readers. Reader contributions from these channels can be published on the website or the print edition, and the information is followed up.

Communication channels with our audiences							
Media	**Letters to the editor**	**Fixed corrections section**	**Reader's/ listener's ombudsman**	**Publication of complaints and law suits**	**Publication of the number of corrections, complaints, law suits, on an annual basis (public information and accountability)**	**Mechanisms for regular consultation of readers/listeners about results and their publication**	**Other initiatives for shared creation (including readers and audiences in news generation, etc.)**
El Correo	Yes	X	X	Yes, complaints and lawsuits in general, but there is no systematic reference in the newspaper. (In the Enlace section).	X	X	X
El Diario Montañés	Yes, there is daily section in the Opinion pages. Four to five letters from readers are published each day.	Whenever corrections need to be published, they appear in the letters section. There is no set section for corrections, which are published in the pages where the information to be corrected first appeared.	No	There is no set section in the newspaper but there is on the website. At eldiariomontanes.es there are two sections: Fotodenuncia where users can send their complaints and proposals, and Tu cuentas, a blog where internet users discuss current issues.	No yearly summaries or accounts are compiled.	Fotodenuncia, Tú cuentas, la calle opina and surveys.	Email address where any reader can send their suggestions, news and complaints: *redacción.dm@eldiariomontanes.es* Email for sending photographs: *ciudadanos.dm@eldiariomontanes.es* Debate are generated using social media, especially Twitter. Nearly all information on the website can be commented on. Registration is required, which is a useful filter. The number of derogatory or insulting comments has been reduced, and often the comments generate news. - 601 blogs registered on the DM community, where internet users generate their own content.

Communication channels with our audiences							
Media	**Letters to the editor**	**Fixed corrections section**	**Reader's/ listener's ombudsman**	**Publication of complaints and law suits**	**Publication of the number of corrections, complaints, law suits, on an annual basis (public information and accountability)**	**Mechanisms for regular consultation of readers/ listeners about results and their publication**	**Other initiatives for shared creation (including readers and audiences in news generation, etc.)**
El Norte de Castilla	Yes	Yes	No	In addition, journalists go to the streets to collect the opinion of citizens about current events, contributing to the debate and exchange of opinion. Surveys are often used to complement information on the website, so that readers can state their positions.	No	Yes / No	Yes (project covering the VVela, area, cuéntanos tu Historia, videochats with questions from readers, etc.)
Hoy	Yes, there is a regular section with about four letters per day	X	X	X	X	X	X
Hoy Corazón	No	X	X	If there is any correction, it is published	X	X	X
Ideal	Daily section, very popular with readers	No, corrections are published when mistakes are made.	No	Many issues and dilemmas come to the newspaper from citizens, and in most of these cases a solution is found.	Figure not available.	Regular market surveys, focus groups etc. are carried out.	A daily reader's page is available, for photographs of social events, congratulations, etc. Also online.
La Rioja	Yes, a regular daily section.	No specific section. Included in the Letters page, and we publish corrections without any reservations.	There is no Ombudsman. The head of Opinion and the editor try to respond personally to issues from readers	No	No	The platform of larioja.com is used to survey reader opinions about issues of interest. Depending on each case, results are also published in the print edition.	We tend to use larioja.com to request contributions from our followers (for examples, weather phenomena in places that are hard to access), eye witness accounts or opinions about events. Readers also helped to choose the Seven Wonders of La Rioja and the best food dishes of La Rioja. For both of these surveys, reader interest and participation resulted in daily sections for two consecutive summers.
La Verdad	Yes, every day	Yes	No	Yes, in the "La Chincheta" and "Telefonazo" sections	10	Almost daily surveys online, which are often included in the print version.	Occasional experiments with crowdsourcing, with many items published following complaints or concerns from listeners

Communication channels with our audiences							
Media	**Letters to the editor**	**Fixed corrections section**	**Reader's/ listener's ombudsman**	**Publication of complaints and law suits**	**Publication of the number of corrections, complaints, law suits, on an annual basis (public information and accountability)**	**Mechanisms for regular consultation of readers/ listeners about results and their publication**	**Other initiatives for shared creation (including readers and audiences in news generation, etc.)**
Las Provincias	YES, normally published in the opinion page.	No specific section for corrections, which are published when they occur.	No	Yes	No	Yes, a report is made but it is not public.	Above all online, where suggestions are made and readers can become involved in a news item and relate their experience
Mujer Hoy	No	If there is any correction to be made, it is published.	X	X	X	X	X
Sur	Yes	No specific section for corrections, which are published when they occur.	No	If any occurs, this is published.	No	Yes, a report is compiled but it is not public, and there are also more regular internal reports about online activity.	Yes, using the web site and social networks for interactivity with readers in a proactive way. Emails of journalists are published and readers contact them with their opinions, suggestions and news.
XL Semanal	Fixed section of letters, faxes and emails managed by Lorenzo Silva.	If there is any correction to be made, it is published.	X	X	X	X	X

Other reports published with this Sustainability Report contain detailed information about relations with advertisers and the strategies of Vocento's brands.

RELATIONS WITH THE COMMUNITIES WHERE WE WORK

In addition to our responsibility to deliver information, opinion and entertainment with independence and plurality, Vocento carries out various social activities in cooperation with not for profit organisations, local administrations, and also independently.

Vocento has also for a long time been closely associated with training the professionals of the future, in particular via two very well established Master's Courses, the ABC Master's in Journalism at the Universidad Complutense in Madrid and the Master's in Multimedia Journalism at the University of the Basque Country (UPV).

TRAINING THE PROFESSIONALS OF THE FUTURE

ABC Master's in Journalism

Last year saw the 24th intake to the ABC's Master's in Journalism.

Students learn the literary, ethical and technological skills needed to exercise a profession in all forms of the media. From the first day of the course, theory and practice are combined, with direct contact with editors at the newspaper, helping to close pages and prepare notes for the website, in the conditions of a contemporary multimedia newspaper. This practical work provides real professional experience, and students learn how to write, edit and produce videos, culminating in time at ABC. The newspaper depends partly on the Master's for its own renewal and continuous improvement and it has become a real talent school.

El Correo – UPV/EHU Master's in Multimedia Journalism

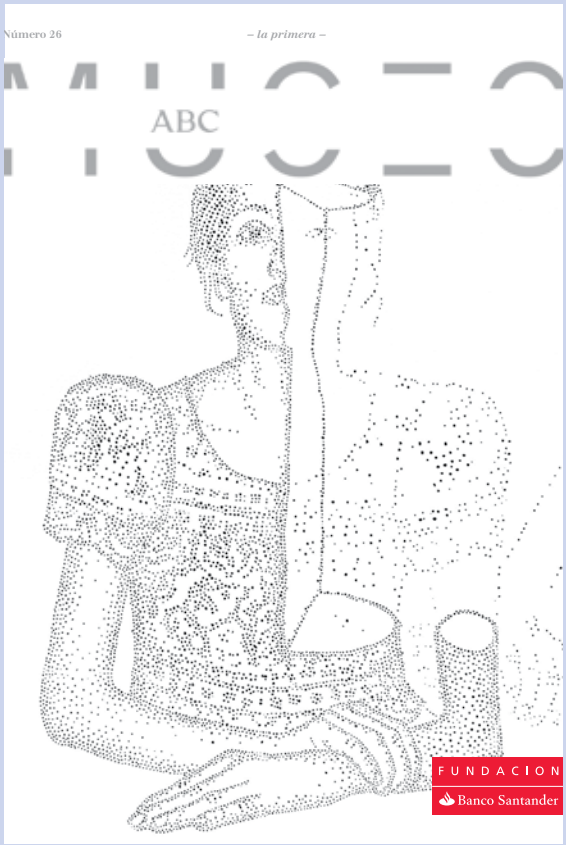
This renowned Master's is the second oldest in Spain. It is recognised nationally and in Europe, according to the criteria of the Bologna Declaration, has been certified by ANECA (the National Agency for Evaluation of Quality and Certification), and is catalogued as one of the highest quality courses in the journalism area.

Its main aim is to train the young professionals needed by today's dynamic media companies, professionals who can work in any of the technologies and platforms used by mass communication, including press, television and digital editions. The profile of new journalists is achieved by applying a programme that covers all areas of applied journalism, and which is taught by teachers, experienced professionals, with personalised attention to students, who are closely monitored throughout the course.

ABC MUSEUM 2013

The establishment of the ABC Museum has been possible thanks to the efforts of Vocento and ABC and the cooperation of the Community and Town Hall of Madrid, as well as various supporting companies. Based in a historic area of Madrid, the museum has a surface area of more than 3,000 m^2 for its activities.

In 2010, the process of cataloguing and digitizing the contents of the collection began, which in 2013 involved 3,770 items. In total, 20,245 pieces have so far been digitized and catalogued. In addition, the 1,573 works that are on display in the Museum and other institutions are subject to continuous checks, cleaning and restoration. In 2013, there was an extensive programme of exhibitions of works from the Museum and other institutions. There were also a wide ranging series of cultural and educational activities for all types of public, turning this cultural space into a leading site for cultural events.



Our commitment to culture, beyond the work of our media, and the ABC Museum of Drawing and Illustration, is also reflected in the Culture Workshops that for 20 years the Vocento Foundation and our publications have provided. Thanks to these, we are present in more than 14 Spanish cities, and in 2013 more than 200 experts participated, covering various issues of social and cultural relevance.

Each year ABC holds the ABC Solidario awards, now in their eleventh year, including awards for the best Project, Entity and Research, in cooperation with various companies. In addition, El Correo organises Alma Solidaria which is now run for fifth editions. The Congress "What really matters" and other social initiatives are also supported by the group.

Mujer Hoy provides particular support to causes linked to women, by organising various activities and events and covering women's issues. It is responsible for the Mujer Hoy awards, and in 2013 participated actively in conferences and actions aimed at improving the work-life balance, diversity management, and the presence of women in the worlds of business, the arts, science, etc.

LONDON BENCHMARKING GROUP:

A MODEL FOR MEASURING AND BUILDING ON THE SOCIAL ACTIONS OF OUR MEDIA

In 2012, Vocento began conversations to form part of the London Benchmarking Group, originally a UK initiative that is now global, comprising of companies who aim to apply a model to measure their dedication to social causes and the returns obtained from this, both for society and for the company itself. Vocento is the only media company in the Spanish initiative, and since early 2013 it has formed part of LBG España, which has a membership of 15 companies. This initiative will serve to make our social actions more visible, manage them more effectively, be able to compare them and learn with other companies about how to make a more effective social impact.

In 2013, Vocento began to collect data about the social actions carried out by our media properties, in order to improve internal awareness and training about this issue.

We consider social actions to be all those actions that are carried out in cooperation with or in the support of non-profit organisations (NGOs, associations, foundations, etc.), of whatever nature (sporting, cultural, educational, environmental, cooperation for development, social integration, support to the disabled).

These actions could take the form of donating funds to these causes or organisations, or, for a media company such as Vocento, in-kind actions including the following:

- Free or discounted advertising space.
- Logistics and other support for causes and events.
- The organisation by the media of events and activities that are not directly related to the business.
- The acquisition of products and/or services from charitable institutions.

Vocento has also identified the following actions and initiatives that comprise its social actions:

1. Awards given by each title
2. Culture: cultural actions including
    a. Conferences about contemporary issues (such as the Culture workshops)
    b. Cooperation with the cultural activities of third parties, such as sponsorship, logistical support and others.
3. Support for social and cultural events and other non-business events, which are important for the town or province, support which goes beyond just covering the events in the media, including making direct or indirect donations.
4. Providing discounted advertising space to NGOs.
5. Other forms of cooperation with causes and NGOs, in terms of hours and direct and indirect contributions.

On these foundations, Vocento is developing a system to capture information that assesses all the resources dedicated to social actions, including both monetary donations, human resources and in kind contributions. This will enable us to give visibility to the actions of our media in this area and to understand their real contribution to society and the impacts and benefits they lead to.

ENVIRONMENT AND SUPPLIERS

Vocento has a threefold role in the environment.
Firstly, there is its own environmental performance, such as its consumption of energy and raw materials, its emissions, recycling policy, waste management, etc. This document provides information on these issues, using the indicators currently available to use for reporting on sustainability.

Secondly, Vocento addresses the various issues of the environment in the content and information provided by its media businesses, where we can influence the audience, serve as an advocate for the environment, generate opinion and improve knowledge, etc.

Thirdly, by working together with public and private institutions at all levels for a better environment.

The increasing contribution of the digital media to Vocento and on-going technological changes will lead to major improvements in the group's environmental management, by reducing the consumption of paper, ink, etc., as the following table shows.

Environmental indicators		
Concept	**GRI Indicators**	**Reporting**
Materials used, by weight or volume, and % of materials that are renewable Total weight of paper used, breakdown by type Carbon intensity of paper used	GRI EN1, EN2 and GRI Media Sector Supplement	**Environmental policy, consumption of materials** Paper 71,128 tons (see more detail later) Inks consumed at print plants (Bilbao Editorial Producciones, S.L., Sdad. Vascongada de Producciones S.L., Printolid SL, Rotomadrid SL., Andaluprint S.L and Localprint S.L.) and 2 daily press companies (Prensa Malagueña, S.A (SUR) and Corporación de Medios de Andalucía, S.A (IDEAL). Black ink 491,966 Kg (Coldset 486,366. Heatset 5,600) Colour ink 516,018 Kg (Coldset 485,717. Heatset 30,300) Plates 553,312 m^2.
Direct and indirect energy consumption, by primary sources, and energy savings due to conservation and efficiency measures	GRI EN3, EN4	**Environmental policy, consumption of energy** Gas 3,726,726 Kw GAS(KW) : Print Plants Bilbao Editorial Producciones, S.L., Sdad. Vascongada de Producciones S.L., Printolid SL, Andaluprint S.L) Gasoil 66,531 GASOIL: Print Plants (Sdad. Vascongada de Producciones S.L. and Localprint S.L.) ;1 daily press company (Corporación de Medios de Andalucía, S.A (IDEAL) and Distribution company (Beralán) Water 25,000 m3. (All Vocento) Electricity 28,000,000 MWh
Total water withdrawal by source	GRI EN8	**Environmental policy, consumption of water** Not measured
Weight of total emissions (direct and indirect) of greenhouse gases and other ozone destroying substances	GRI EN16, EN17, EN19	**Environmental policy, CO_2 policy, reduction of emissions, etc.** We use drying ovens which eliminate gases in an incinerator. Processing of plates does not use chemicals Emission of gases: gases emitted by print plants (Bilbao Editorial Producciones, S.L. and Sdad. Vascongada de Producciones S.L.) CO 1,150 Kg NOx 165 Kg COT 30 Kg
Initiatives to mitigate the environmental impacts of products or services and level of reduction of this impact	GRI EN26	**Environmental policy for reducing waste generated, etc.** Recycling of water by fine filtration system for presses (50% less waste). Optimization of consumption of inks due to installation of systems for optimizing ink (Optiink and Inksave). Management of liquid waste and oils (143,490 Kg).

Environmental indicators

Concept	GRI Indicators	Reporting
Policies or initiatives to reduce consumption of energy or materials, investment in these areas and results obtained	GRI	**Environmental policy, consumption efficiency and others (Bepsa and Local Print)** During the year, the following energy efficiency actions have been taken: • Installation of compressed air valve • FSC/PEFC Certification • Installation of variable compressor in November • Reduction of maximum electrical power agreed for each period • Optimization of hours of operation of air conditioning • Optimization of schedule for producing daily products Information from Vocento general services: 1. Recycling: we have contracts with authorised companies for the recycling of bulbs and batteries. 2. Management of hazardous waste and gases: suppliers ensure that all waste is duly collected and treated, as are hazardous gases such as R22. 3. Energy efficiency: there is an energy efficiency plan that has been operational since 2012. In these 2 years, energy savings of 10 to 15% have been achieved. Measures such as adjusting power, controlling air conditioning, improving equipment performance by pre-emptive maintenance and installing LED screens can cut consumption by 70%.
Specify the effects of the policy for transition from paper to digital on the consumption of raw materials and energy	GRI EN 18 and GRI Media Sector Supplement	Environmental policy, impact of new technologies / digital on media Not available
Percentage of products sold and packaging materials that are recoverable at the end of their useful life, by product category	GRI EN27	**Packaging paper:** Print plants (Bilbao Editorial Producciones, S.L., Sdad. Vascongada de Producciones S.L., Printolid SL, Rotomadrid SL., Andaluprint S.L and Localprint S.L.); and 1 daily press company (Corporación de Medios de Andalucía, S.A (IDEAL) and the Distribution company (Beralán). **Used plates:** Print plants (Bilbao Editorial Producciones, S.L., Sdad. Vascongada de Producciones S.L., Printolid SL, Rotomadrid SL., Andaluprint S.L and Localprint S.L.); and 1 daily press company (Corporación de Medios de Andalucía, S.A (IDEAL) **Plastic packaging:** Print plants (Sdad. Vascongada de Producciones S.L., Rotomadrid SL., Andaluprint S.L and Localprint S.L.) and 1 daily press company (Corporación de Medios de Andalucía, S.A (IDEAL). **Rubber packaging:** Print plants (Bilbao Editorial Producciones S.L., Sdad. Vascongada de Producciones S.L.,) and 1 daily press company Corporación de Medios de Andalucía, S.A (IDEAL).
Cost of significant fines and number of non-monetary sanctions due to non-compliance with environmental norms.	GRI EN28	**Environmental behaviour, fines** We have not received any fines or sanctions.
Initiatives in the area of consuming paper from sustainable sources	GRI Media Sector Supplement	**Environmental policy, sources of sustainable paper** There are various initiatives in this area with suppliers
Policies in the area of inks and printing techniques and packaging materials	GRI Media Sector Supplement	**Environmental policy, inks.** Not currently available

RECYCLING I Tons totals

	PAPER	PLATES
	13,258.64	392.68
TOTAL SALES	13,258.64	392.68

RECYCLING II Kilos totals

	PLASTIC	RUBBER
	2,688.00	9,773.00
TOTAL SALES	2,688.00	9,773.00

Vocento paper consumption, 2013			
TOTAL PAPER	**Tons**	**%**	**Source**
100% RECYCLED	55,387	78%	Spain/France
80% RECYCLED	291	0%	France
Mechanical pulp	11,049	16%	Germany/Finland
Chemical pulp	2,829	4%	Italy/France/Spain
0% recycled	1,569	2%	Canada
	71,124		

Note: carbon intensity in supplier specifications

Other considerations	**Tons. aprox.**
Bepsa consumes third party paper for third party publications, NOT INCLUDED	2,550
Svpr consumes paper from Vocento for third party publications, INCLUDED	0
Printolid consumes paper from Vocento for third party publications, INCLUDED	0
Rotomadrid consumes paper from Vocento for third party publications, INCLUDED	0
Andaluprint consumes paper from Vocento for third party publications, INCLUDED	0
Localprint consumes third party paper for third party publications, NOT INCLUDED	2,850
Estimated consumption by third parties for their publications	5,400

ABOUT THIS REPORT

The Sustainability Report from Vocento has been prepared by the Department of Communications and follows G3 of the Global Reporting Initiative and the Media Sector Supplement. We declare that it achieves level B of the GRI, based on the indicators that we have been able to report, which are referenced in the corresponding index.

The system for collecting non-financial data has been implemented following the identification of material topics in 2011, by the areas to whom these topics have been allocated and based on interviews with the responsible parties from November 2013 to February 201T.

In addition, other information has been incorporated that is considered relevant by stakeholders and by Vocento.

Financial performance and shareholder relations
Joaquín Valencia

Human Resources
Iñigo Argaya

Sales and advertising
Rafael Martínez de Vega

Editorial and content
Benjamín Lana

Social action
Luisa Alli

Environment and suppliers
Fernando Gil

Vocento, S.A. and Subsidiaries

Consolidated Financial Statements and Directors' Report for 2013, together with Auditors' Report

Deloitte.

Deloitte, S.L.
Ercilla, 24
48011 Bilbao
España
Tel.: +34 944 44 70 00
Fax: +34 944 70 08 23
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Vocento, S.A.:

We have audited the consolidated financial statements of Vocento, S.A. ("the Company") and Subsidiaries ("the Group"), which together comprise the Vocento Group, which consist of the consolidated balance sheet at 31 December 2013 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the directors of Vocento, S.A. as the Parent. As indicated in Note 2-a to the accompanying consolidated financial statements, the directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2013 present fairly, in all material respects, the consolidated equity and consolidated financial position of Vocento, S.A. and Subsidiaries at 31 December 2013 and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2013 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2013. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Group's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Luis Jiménez Guerrero
27 February 2014

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13 650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

vocento

VOCENTO, S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND DIRECTORS' REPORT

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

vocento

CONTENTS

		Page
Consolidated balance sheet at 31 December 2013		**1**
Consolidated income statement for 2013		**2**
Consolidated statement of comprehensive income for 2013		**3**
Consolidated statement of changes in equity for 2013		**4**
Consolidated statement of cash flows for 2013		**5**
Explanatory notes to the consolidated financial statements for 2013		
1	Group activities	6
2	Basis of presentation of the consolidated financial statements and basis of consolidation	7
3	Applicable legislation	16
4	Accounting policies	16
5	Responsibility for the information and use of estimates	30
6	Risk management policies	32
7	Profit/Loss from discontinued operations and assets classified as held for sale	34
8	Goodwill	35
9	Other intangible assets	40
10	Property, plant and equipment	41
11	Investments accounted for using the equity method	43
12	Interests in joint ventures	45
13	Financial assets	45
14	Inventories	46
15	Trade and other receivables	46
16	Cash and cash equivalents	47
17	Equity	47
18	Provisions	51
19	Trade and other payables	55
20	Bank borrowings and other financial liabilities	57
21	Derivative financial instruments	59
22	Deferred income	61
23	Other non-current payables	62
24	Deferred taxes and income tax expense	63
25	Tax matters	68
26	Business segment reporting	68
27	Revenue	72
28	Procurements	72
29	Staff costs	73
30	Outside services	75
31	Finance income	75
32	Finance costs	76
33	Acquisition of subsidiaries	76
34	Earnings per share	76
35	Balances and transactions with other related parties	77
36	Remuneration of directors	78
37	Remuneration of senior executives	81
38	Other disclosures concerning the Board of Directors	81
39	Guarantee commitments to third parties	84
40	Fees paid to auditors	85
41	Events after the reporting period	85
42	Authorisation for issue of the consolidated financial statements	86
43	Explanation added for translation to English	86

Juan Ignacio Luca de Tena, 7. 28027 Madrid Tel: +34 91 743 81 04 - Fax: +34 91 742 63 52

vocento

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated balance sheet at 31 December 2013 (Notes 1, 2, 3, 4, 5 & 6)

ASSETS	Notes	Thousands of euros 2013	2012 (*)
NON-CURRENT ASSETS:			
Intangible assets		**159,662**	**174,784**
Goodwill	**8**	116,327	122,127
Other intangible assets	**9**	43,335	52,657
Property, plant and equipment	**10**	**182,366**	**197,409**
Property, plant and equipment in use		182,268	197,311
Property, plant and equipment in the course of construction		98	98
Investments accounted for using the equity method	**11**	**10,676**	**10,098**
Financial assets		**11,208**	**10,919**
Non-current financial assets	**13-a**	10,676	10,355
Other non-current financial assets	**13-b**	532	564
Other non-current receivables		**434**	**1,082**
Deferred tax assets	**24**	**203,676**	**202,897**
		568,022	**597,189**
CURRENT ASSETS:			
Inventories	**14**	**13,983**	**18,336**
Trade and other receivables	**15**	**114,123**	**140,310**
Tax receivables	**25**	**9,947**	**12,646**
Cash and cash equivalents	**16**	**34,722**	**40,296**
		172,775	**211,588**
Assets classified as held for sale	**7**	**193**	**193**
TOTAL ASSETS		**740,990**	**808,970**

EQUITY AND LIABILITIES	Notes	Thousands of euros 2013	2012 (*)
EQUITY:	**17**		
Of the Parent		**286,067**	**298,865**
Share capital		24,994	24,994
Reserves		307,682	359,812
Treasury shares		(31,474)	(32,572)
Net loss for the year		(15,135)	(53,369)
Of non-controlling interests		**63,835**	**70,361**
		349,902	**369,226**
NON-CURRENT LIABILITIES:			
Deferred income	**22**	**15**	**139**
Provisions	**18**	**5,387**	**3,919**
Bank borrowings and other financial liabilities	**20**	**55,458**	**91,129**
Other non-current payables	**23**	**33,323**	**38,156**
Deferred tax liabilities	**24**	**37,915**	**41,240**
		132,098	**174,583**
CURRENT LIABILITIES:			
Bank borrowings and other financial liabilities	**20**	**115,111**	**66,491**
Trade and other payables	**19**	**125,794**	**179,147**
Tax payables	**25**	**18,085**	**19,523**
		258,990	**265,161**
TOTAL EQUITY AND LIABILITIES		**740,990**	**808,970**

(*) The consolidated balance sheet at 31 December 2012 is presented for information purposes only.

The accompanying Notes 1 to 43 and the Appendix are an integral part of the consolidated balance sheet at 31 December 2013.

Juan Ignacio Luca de Tena, 7. 28027 Madrid Tel: +34 91 743 81 04 - Fax: +34 91 742 63 52

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated income statement
for 2013 (Notes 1, 2, 3, 4, 5 & 6)

	Notes	Thousands of euros 2013	2012 (*)
Revenue	27	529,008	595,295
In-house work on intangible assets		188	652
Other income	22	561	722
		529,757	**596,669**
Procurements	28	(90,849)	(104,558)
Change in operating allowances and other	15	(9,326)	(7,555)
Staff costs	29	(161,231)	(200,823)
Outside services	30	(231,995)	(269,460)
Impairment of and gains or losses on disposal of property, plant and equipment and intangible assets	8, 9 & 10	(1,256)	(3,779)
Depreciation and amortisation charge	9 & 10	(29,133)	(33,657)
Write-down of goodwill	8	(5,800)	(37,646)
Result of companies accounted for using the equity method	11	67	(9,220)
Finance income	31	719	1,173
Finance costs	32	(10,666)	(10,168)
Other gains or losses on financial instruments		(11)	2,553
Net gains or losses on disposal of non-current financial instruments		332	(59)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**(9,392)**	**(76,530)**
Income tax relating to continuing operations	24	(2,188)	27,883
NET LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(11,580)**	**(48,647)**
NET PROFIT/LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS		**-**	**-**
NET LOSS FOR THE YEAR		**(11,580)**	**(48,647)**
Non-controlling interests	17	(3,555)	(4,722)
NET LOSS ATTRIBUTABLE TO THE PARENT		**(15,135)**	**(53,369)**
EARNINGS PER SHARE IN EUROS	34	**(0.13)**	**(0.44)**
- From continuing operations		(0.13)	(0.44)
- From discontinued operations		-	-

(*) The consolidated income statement for 2012 is presented for information purposes only.

The accompanying Notes 1 to 43 and the Appendix are an integral part of the consolidated income statement for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated statement of comprehensive income
for 2013 (Notes 1,2, 3, 4, 5 & 6)

	Notes	Thousands of euros 2013	2012 (*)
Net loss for the year		**(11,580)**	**(48,647)**
Other comprehensive income-			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss			
Arising from hedging instruments	**21**	286	243
Tax effect on items that may be reclassified to profit or loss		(85)	(73)
		201	**170**
Other comprehensive income		**201**	**170**
TOTAL COMPREHENSIVE INCOME		**(11,379)**	**(48,477)**
Net loss for the year attributable to non-controlling interests		(3,555)	(4,722)
Other comprehensive income attributable to non-controlling interests	**21**	(42)	(53)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT		**(14,976)**	**(53,252)**

(*) The consolidated statement of comprehensive income for 2012 is presented for information purposes only.

The accompanying Notes 1 to 43 and the Appendix are an integral part of the consolidated statement of comprehensive income for 2013.

vocento

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated statement of changes in equity
for 2013 (Notes 1, 2, 3, 4, 5 & 6)

	Thousands of euros									
	Of the Parent									
	Share capital	Legal reserve of the Parent	Other reserves of the Parent	Unrealised asset and liability revaluation reserve	Reserves of consolidated companies	Treasury shares	Reserves for share-based payment	Net profit (loss) for the year	Of non-controlling interests	Total equity
Balance at 31 December 2011 (*)	**24,994**	**4,999**	**342,619**	**(371)**	**69,201**	**(33,008)**	**278**	**(53,535)**	**71,946**	**427,123**
Allocation of 2011 loss	-	-	(16,674)	-	(36,861)	-	-	53,535	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(7,291)	(7,291)
Comprehensive income:										
- Loss for the year	-	-	-	-	-	-	-	(53,369)	4,722	(48,647)
- Other comprehensive income	-	-	-	117	-	-	-	-	53	170
Total comprehensive income	-	-	-	117	-	-	-	(53,369)	4,775	(48,477)
Transactions with non-controlling interests	-	-	-	-	(673)	-	-	-	1,032	359
Treasury share transactions	-	-	(547)	-	-	436	-	-	-	(111)
Other	-	-	-	-	(1,998)	-	(278)	-	(101)	(2,377)
Balance at 31 December 2012 (*)	**24,994**	**4,999**	**325,398**	**(254)**	**29,669**	**(32,572)**	**-**	**(53,369)**	**70,361**	**369,226**
Allocation of 2012 loss	-	-	(1,289)	-	(52,080)	-	-	53,369	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(7,918)	(7,918)
Comprehensive income:										
- Loss for the year	-	-	-	-	-	-	-	(15,135)	3,555	(11,580)
- Other comprehensive income (Note 21)	-	-	-	159	-	-		-	42	201
Total comprehensive income	-	-	-	159	-	-	-	(15,135)	3,597	(11,379)
Transactions with non-controlling interests (Notes 2-d & 17)	-	-	-	-	(17)	-	-	-	(199)	(216)
Treasury share transactions (Note 17)	-	-	(1,098)	-	-	1,098	-	-	-	-
Other	-	-	-	-	2,195	-	-	-	(2,006)	189
Balance at 31 December 2013	**24,994**	**4,999**	**323,011**	**(95)**	**(20,233)**	**(31,474)**	**-**	**(15,135)**	**63,835**	**349,902**

(*) The consolidated statement of changes in equity for 2012 is presented for information purposes only.

The accompanying Notes 1 to 43 and the Appendix are an integral part of the consolidated statement of changes in equity for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated statement of cash flows
for 2013 (Notes 1, 2, 3, 4, 5 & 6)

	Notes	Thousands of euros 2013	2012 (*)
CONSOLIDATED STATEMENT OF CASH FLOWS FROM CONTINUING OPERATIONS			
Cash flows from operating activities:			
Loss for the year from continuing operations		(15,135)	(53,369)
Profit for the year attributable to non-controlling interests		3,555	4,722
Adjustments for-			
Depreciation and amortisation charge	**9 & 10**	29,133	33,657
Write-down of goodwill	**8**	5,800	37,646
Changes in provisions	**15, 18 & 29**	9,682	23,706
Changes in deferred income	**22**	(124)	(142)
Result of companies accounted for using the equity method	**11**	(67)	9,220
Finance costs	**32**	10,666	10,168
Finance income	**31**	(719)	(1,173)
Income tax	**24**	2,188	(27,883)
Impairment losses and gains or losses on disposals of non-current assets	**9, 10, 11 & 17**	933	1,284
Other adjustments to profit or loss		(986)	(310)
Cash flows from ordinary operating activities before changes in working capital:		**44,926**	**37,526**
(Increase)/Decrease in trade and other receivables	**15 & 25**	12,987	30,195
(Increase)/Decrease in inventories	**14**	3,572	3,357
Increase/(Decrease) in current operating liabilities	**19 & 25**	(51,333)	(29,148)
Income taxes paid		(4,487)	(7,597)
		(39,261)	(3,193)
Net cash flows from operating activities (I)		**5,665**	**34,333**
Cash flows from investing activities:			
Investments in intangible assets	**9**	(5,469)	(6,534)
Investments in property, plant and equipment	**10**	(2,159)	(6,844)
Investments in other financial assets	**13**	(300)	-
Increase/(Decrease) in payables to property, plant and equipment and intangible asset suppliers	**19**	(377)	(1,380)
Proceeds from the disposal of property, plant and equipment and intangible assets	**9 & 10**	6,819	(457)
Proceeds from the disposal of financial assets	**11**	350	-
Interest received	**31**	656	958
Dividends received	**11**	38	374
Net cash flows from investing activities (II)		**(442)**	**(13,883)**
Cash flows from financing activities:			
Interest paid	**32**	(9,211)	(10,842)
Cash inflows (outflows) relating to non-current bank borrowings	**20**	(35,671)	(12,403)
Cash inflows (outflows) relating to current bank borrowings	**20**	48,620	5,322
Dividends paid		(7,917)	(7,291)
Cash outflows due to acquisition of treasury shares	**17**	1	(106)
Acquisitions/Disposals of non-controlling interests without loss of control	**17**	(6,619)	(8,180)
Net cash flows from financing activities (III)		**(10,797)**	**(33,500)**
Net increase in cash and cash equivalents from continuing operations (I+II+III)		**(5,574)**	**(13,050)**
Cash and cash equivalents at beginning of year	**16**	**40,296**	**53,346**
Cash and cash equivalents at end of year		**34,722**	**40,296**

(*) The consolidated statement of cash flows for 2012 is presented for information purposes only.

The accompanying Notes 1 to 43 and the Appendix are an integral part of the consolidated statement of cash flows for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 43). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements for 2013

1. Group activities

Vocento, S.A. was incorporated for an indefinite period of time on 28 June 1945. Its company object, per its bylaws, is the publication, distribution and sale of unitary publications, whether periodical or otherwise, dealing with general, cultural, sports, artistic and any other information, the printing of such publications and the operation of printing workshops and, in general, any other activity related to the publishing and graphic arts industry; the setting-up, use and operation of radio and television stations and any other facilities for the broadcasting, production and promotion of audiovisual media, as well as the production, publishing and distribution of disks, cassettes, recorded tapes, films, programmes and any other devices or means of communication of any type; the ownership, acquisition, sale and performance of acts of administration and disposal by any means of shares, interests, securities and investments in companies engaging in any of the aforementioned business activities, and, in general, in any other activity directly or indirectly related to the aforementioned business activities which is not prohibited by the legislation currently in force.

All the activities making up the aforementioned company object can be carried on both in Spain and abroad, and may be carried on, either totally or partially, indirectly through the ownership of shares or other equity interests in companies with identical or similar company objects (see Notes 11, 12 and the Appendix).

At the Annual General Meeting held on 17 March 2001, the shareholders resolved to change the Parent's name from Bilbao Editorial, S.A. to Grupo Correo de Comunicación, S.A.

On 26 November 2001, as a result of the merger by absorption of Prensa Española, S.A., the shareholders at the Extraordinary General Meeting resolved to change the Parent's name to Grupo Correo Prensa Española, S.A. Lastly, the shareholders at the Annual General Meeting held on 29 May 2003 resolved to change the Parent's name to Vocento, S.A. ("the Parent").

The Parent's registered office is in Madrid, at calle Juan Ignacio Luca de Tena, no. 7, and its tax domicile is in Bilbao, at calle Pintor Losada, no. 7.

In view of the business activities carried on by the Group, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

2. Basis of presentation of the consolidated financial statements and basis of consolidation

a) Basis of presentation-

The consolidated financial statements for 2013 of Vocento were formally prepared:

- By the directors of Vocento, at their Board of Directors Meeting held on 27 February 2014.
- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, including the International Accounting Standards (IASs) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and by the Standing Interpretations Committee (SIC). The principal accounting policies and measurement bases applied in preparing Vocento's consolidated financial statements for 2013 are summarised in Note 4.
- Taking into account all the mandatory accounting policies and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternatives in this connection, which are specified in Note 2-b to Vocento's consolidated financial statements.
- So that they present fairly the Group's consolidated equity and financial position at 31 December 2013 and the results of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended.
- On the basis of the accounting records kept by Vocento and by the other Group companies. However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2013 (IFRSs) may differ from those used by certain Group companies, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and make them compliant with International Financial Reporting Standards.

In order to uniformly present the various items composing the consolidated financial statements, the policies and measurement bases used by the Parent were applied to all the consolidated companies.

Vocento's consolidated financial statements for 2012 were approved by the shareholders of Vocento at the Annual General Meeting on 16 April 2013. The 2013 consolidated financial statements of the Group and the 2013 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Board of Directors of Vocento considers that the aforementioned financial statements will be approved without any changes.

The accompanying consolidated balance sheet at 31 December 2013 discloses a working capital deficiency of EUR 86,215 thousand. In this connection, on 21 February 2014 the Parent of the Group arranged a long-term syndicated loan (see Note 41).

In this new context, EUR 97.8 million classified as short-term at 31 December 2013 were refinanced in 2014 and now mature at long-term. Therefore, at 31 December 2013 the directors considered that there were no liquidity problems in the short term.

vocento

b) Adoption of International Financial Reporting Standards (IFRSs)-

IFRSs permit certain alternative treatments in their application, which include most notably the following:

i) Interests in joint ventures may be proportionately consolidated or accounted for using the equity method provided that the same method is applied to all the interests in joint ventures held by the Group.

The Group applies proportionate consolidation (see Note 12) to the companies over which control is shared with the other shareholders, as described in Note 2-e.

ii) Both intangible assets and the assets recognised under "Non-Current Assets – Property, Plant and Equipment" may be measured at market value or acquisition cost adjusted for any accumulated amortisation or depreciation and any accumulated impairment losses.

The Group opted to recognise the aforementioned assets at adjusted acquisition cost.

iii) Grants related to assets may be recognised by deducting from the carrying amount of an asset the amount of the grants related to assets received to acquire it or as deferred income on the liability side of the consolidated balance sheet.

The Group opted for the latter option.

iv) It was decided not to reconstruct business combinations prior to 1 January 2004.

c) Adoption of new standards and interpretations issued

Standards and interpretations applicable in 2013

In 2013 new accounting standards came into force, which, accordingly, were taken into account in the preparation of these consolidated financial statements.

Standards adopted in the period that did not have any effect on the consolidated financial statements

The following standards were applied in these consolidated financial statements but did not have any material impacts on the amounts reported, on the presentation of the consolidated financial statements or on the disclosures herein:

IFRS 13, Fair Value Measurement.

This standard sets out a framework for measuring the fair value of assets, liabilities or equity when other standards require that the fair value measurement model be used. IFRS 13 applies to both financial and non-financial items.

Amendments to IAS 1, Presentation of Items of Other Comprehensive Income

These amendments require small changes to IAS 1, Presentation of Financial Statements, with respect to items recognised under "Other Comprehensive Income".

Amendments to IFRS 7, Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities

These amendments introduce a specific section of new disclosures required for recognised financial assets and financial liabilities that are set off; these disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement (IAS 32).

Improvements to IFRSs, 2009-2011 cycle

Introduces minor amendments to the following standards: IAS 1, IAS 16, IAS 32 and IAS 34.

Also, other new accounting standards came into force on 1 January 2013 ("Amendments to IAS 12, Income Taxes - Deferred Taxes Arising from Investment Property", "Amendments to IAS 19, Employee Benefits", "Improvements to IFRSs, 2009-2011 cycle" and "IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine"), which the directors consider did not have any impact on the Group.

Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the most significant standards and interpretations that had been published by the IASB but which had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union, were as follows. The directors assessed the potential impact of the entry into force of these standards and interpretations and considered that they will not have a significant effect on the consolidated financial statements, except where indicated in the descriptions thereof:

IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities, IAS 27 (Revised), Separate Financial Statements and IAS 28 (Revised), Investments in Associates and Joint Ventures

This "package" of five standards or amendments was issued jointly and is aimed at superseding the current standards in relation to consolidation and the accounting for investments in subsidiaries, associates and joint ventures and the related disclosures.

IFRS 10, Consolidated Financial Statements

IFRS 10, which is the new standard on consolidation, supersedes the requirements relating to consolidated financial statements in IAS 27, and SIC 12 on the consolidation of special purpose entities.

The main objective of IFRS 10 is to modify the current definition of control. The new definition of control sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns.

IFRS 11, Joint Arrangements

IFRS 11, Joint Arrangements, supersedes IAS 31. The fundamental change introduced by IFRS 11 with respect to the current standard is the elimination of the option of proportionate consolidation for jointly controlled entities, which will begin to be accounted for using the equity method.

At 31 December 2013, the Group only proportionately consolidates its ownership interest in Localprint, S.L., Roi Media, S.L. and Kioskoymas, Sociedad Gestora de la Plataforma Tecnológica, S.L. (see Note 12). The effect on the Group's consolidated financial statements of accounting for these joint ventures using the equity method instead of proportionately consolidating them would lead (as regards their most significant balance sheet headings) to a reduction in revenue of EUR 3,477 thousand and an increase in losses from operations of EUR 169 thousand, all of which was calculated with reference to the current figures.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 represents a single standard presenting the disclosure requirements for interests in other entities (whether these be subsidiaries, associates, joint arrangements or other interests) and includes new disclosure requirements.

Accordingly, its entry into force will foreseeably give rise to an increase in the disclosures that the Group has been making, i.e., those currently required for interests in other entities.

Revised IAS 27, Separate Financial Statements and revised IAS 28, Investments in Associates and Joint Ventures

IAS 27 and IAS 28 are revised in conjunction with the issue of the aforementioned new IFRS 10, IFRS 11 and IFRS 12.

The directors consider that they will not have any impacts other than those discussed above.

Amendments to IFRS 32, Financial instruments: Presentation.

The amendments to IAS 32 introduce certain additional clarifications in the implementation guidance on the standard's requirements for offsetting a financial asset and a financial liability in the balance sheet. IAS 32 already states that in order to offset a financial asset and a financial liability, an entity must have a currently enforceable legal right to set off the recognised amounts. The amended implementation guidance states, inter alia, that in order to meet the criterion, the right of set-off must not be contingent on a future event, and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties.

IFRS 9, Financial Instruments: Classification, Measurement and Hedge Accounting

IFRS 9 replaces the current part of IAS 39 relating to classification and measurement. There are very significant differences with respect to IAS 39, including the approval of a new classification model based on only two categories, namely instruments measured at amortised cost and those measured at fair value, the disappearance of the current “held-to-maturity investments” and “available-for-sale financial assets” categories, impairment analyses only for assets measured at amortised cost and the non-separation of embedded derivatives in financial contracts.

In relation to financial liabilities, the classification categories proposed by IFRS 9 are similar to those currently contained in IAS 39 and, therefore, there should not be any very significant

differences except for the requirement to recognise changes in fair value relating to own credit risk as a component of equity, in the case of fair value option financial liabilities.

With regard to hedge accounting, the new model attempts to more closely align accounting rules with risk management. The three types of hedge accounting present in the current standard are retained (cash flow hedges, fair value hedges and hedges of net investments in foreign operations), but there are significant changes to various matters with respect to IAS 39.

The directors consider that this interpretation will not have a significant effect on the Group's consolidated financial statements.

Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets

The amendments propose restricting the current disclosure of the recoverable amount of an asset or cash-generating unit to reporting periods in which an entity has recognised or reversed an impairment loss, i.e. removing the requirement to disclose the recoverable amount when an impairment loss is not recognised or reversed.

They also introduce new disclosure requirements for when the recoverable amount has been calculated as fair value less costs of disposal and an impairment loss has been recognised or reversed.

Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting.

These amendments arise in the context of regulatory changes to over-the-counter (OTC) derivatives. The purpose of these amendments is to ease the requirements to discontinue hedge accounting when a derivative must be novated with a central clearing counterparty or an entity acting in a similar capacity as a consequence of legal requirements. The amendments do not introduce any specific disclosure requirements.

Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions

These amendments have been issued in order to facilitate the possibility of recognising these contributions as a reduction in the service cost in the same period in which they are payable if, certain requirements are met, without having to make calculations in order to allocate the reduction to each year of service.

Improvements to IFRSs, 2010-2012 cycle

Introduces minor amendments to the following standards: IFRS 2, Share-based Payment, IFRS 3, Business Combinations (and parallel changes to IFRS 9, IAS 39 and IAS 37), IFRS 8, Operating Segments, IFRS 13, Fair Value Measurement (Basis for Conclusions), IAS 16, Property, Plant and Equipment, IAS 38, Intangible Assets, and IAS 24, Related Party Disclosures.

Improvements to IFRSs, 2011-2013 cycle

Introduces minor amendments to the following standards: IFRS 3, Business Combinations, IFRS 13, Fair Value Measurement, and IAS 40, Investment Property.

IFRIC 21, Levies

This interpretation addresses the moment at which a liability to pay a levy must be recognised if that liability is based on financial information for a period other than that in which the obligating event that gives rise to the payment of a levy occurs.

vocento

d) Changes in the scope of consolidation-

The percentages of ownership in the following companies at 31 December 2013 and 2012 were as follows:

Companies	Percentage of direct and indirect ownership		Percentage of control (*)	
	31/12/13	31/12/12	31/12/13	31/12/12
Newspapers-				
Nueva Rioja, S.A.	58.98%	58.92%	58.98%	58.92%
Audiovisual-				
Canal Bilbovisión, S.L. (**)	0.00%	98.53%	0.00%	98.53%
Canal Bilbovisión Margen Izquierda, S.L.U. (**)	0.00%	98.53%	0.00%	100%
Canal Bilbovisión Margen Derecha, S.L.U. (**)	0.00%	98.53%	0.00%	100%
Grupo Videomedia, S.A.	0.00%	21.00%	0.00%	30.01%
Álava Televisión, S.L.	99.36%	99.34%	99.36%	99.34%
Canal Ideal Televisión, S.L.U. (**)	0.00%	98.74%	0.00%	100%
Radiotelevisión Canal 8 - DM, S.L.U. (**)	0.00%	90.70%	0.00%	100%
Classified advertisements-				
Tus Anuncios en la Red, S.L.U. (**)	0.00%	100%	0.00%	100%
Holding de Portales de Motor, S.L.U. (**)	0.00%	100%	0.00%	100%
11870 Información en General, S.L.	37.33%	34.50%	37.33%	34.50%

(*) This percentage refers to the direct percentage held by the Group company of which it is a subsidiary.
(**) Companies that were liquidated in 2013 without a significant impact on the consolidated financial statements.

The detail of the main transactions performed by the Group in 2013 is as follows:

- On 4 April 2013, the Group company Veralia Corporación, S.A. sold all the shares it held in Grupo Videomedia, S.A., equal to an ownership interest of 30.01% of its share capital for EUR 350 thousand.

- On 27 May 2013, the Group subscribed to the capital increase performed at 11870 Información en General, S.L. (a company accounted for using the equity method) for a total of EUR 309 thousand, thereby increasing the Group's ownership interest therein from 34.51% to 36.4% (see Note 11).

- On 5 September 2013, the Group subscribed to the capital increase performed at 11870 Información en General, S.L. (a company accounted for using the equity method) for a total of EUR 202 thousand, thereby increasing the Group's ownership interest therein from 36.4% to 37.33% (see Note 11).

- In 2013, the following mergers took place among Group companies:

Absorbing company	Absorbed company
Diario El Correo, S.A.U.	El Correo Digital, S.L.U.
Sociedad Vascongada de Publicaciones, S.A.	Digital Vasca, S.L.U. Sociedad Vascongada de Radio, S.L.U.
Editorial Cantabria, S.A.	Editorial Cantabria Interactiva, S.L.U.
Nueva Rioja, S.A.	La Rioja Com. Serv. en la Red, S.A.U.
El Norte de Castilla, S.A.	El Norte de Castilla Digital, S.L.U.
El Comercio, S.A.	El Comercio Digital Serv. Red, S.L.
ABC Sevilla, S.L.U.	Comercializadora de Medios ABC Andalucía, S.L.U. ABC Sevilla Multimedia, S.L.U.
La Verdad Multimedia, S.A.	Comercial Media de Levante, S.L.U. La Verdad Digital, S.L.U.
Federico Domenech, S.A.	555 Unimedia, S.L.U. Comercializadora de Medios Las Provincias Multimedia, S.L.U. Valenciana Editorial Interactiva, S.L.U.
Corporación de Medios de Cádiz, S.L.U.	La Voz de Cádiz Digital, S.L.U.
El Comercio Televisión, Servicios Audiovisuales, S.L.	Difusión Asturiana, S.L.
Corporación de Medios de Andalucía, S.A.	Ideal Comunicación Digital, S.L.U.
Taller de Editores, S.A.	Alianzas y Nuevos Negocios, S.L.U.

These merger transactions did not have a material effect on the consolidated income statement or on consolidated equity.

- On 27 December 2013, the Group company Corporación de Medios de Comunicación, S.L.U. entered into an agreement to sell its 80% ownership interest in the Group company Sarenet, S.A. for a total of EUR 14,320 thousand (Relevant event no. 198193 reported to the Spanish National Securities Market Commission (CNMV) on 30 December 2013).

  The transaction is subject to various conditions precedents, including its approval by the competition authorities and, therefore, it will be effective for economic or accounting purposes until the completion thereof, which the Company's directors believe will take place in the first quarter of 2014.

  The transaction, which will give rise to a projected gain of EUR 10 million for the Group, lies within the financing initiatives in the Efficiency Plan, announced as a Relevant event on 19 December 2012, through the sale of non-strategic assets.

The other transactions did not have a material effect on the consolidated income statement or on consolidated equity.

e) Basis of consolidation-

Scope

Vocento's consolidated financial statements include all the subsidiaries of Vocento, S.A. Control is presumed to exist when the Parent owns directly or indirectly half or more of the voting power of another company unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Parent owns half or less of the voting power when there is:

- power over more than half of the voting rights by virtue of an agreement with other investors;

- the power to govern the financial and operating policies of the company under a legal or bylaw provision or by virtue of an agreement;

- the power to appoint or remove the majority of the members of the Board of Directors;

- the power to issue the majority of the votes at Board meetings.

Procedures

The subsidiaries are fully consolidated and, accordingly, intragroup balances, transactions, income and expenses are eliminated in full.

Furthermore, the consolidated financial statements of the Parent and its subsidiaries have the same reporting date and are prepared using uniform accounting policies.

Non-controlling interests in the net assets of the subsidiaries are identified separately from the Parent's ownership interests in them.

Changes in ownership in a subsidiary that do not result in a loss of control are accounted for as equity transactions, i.e. any difference is recognised directly in equity (see Note 17).

Business combinations

The Group is considered to have a business combination when the assets acquired and liabilities assumed constitute a business. The Group accounts for all business combinations by applying the purchase method, which involves identifying the acquirer, determining the acquisition date, which is the date on which the acquirer effectively gains control, recognising and measuring the identifiable acquired assets, the liabilities assumed and any non-controlling interest, and recognising and measuring the goodwill or gain.

The acquiree's identifiable assets and assumed liabilities are recognised at fair value at the acquisition date and any non-controlling interest is measured at fair value or at the proportion of this ownership interest in the identifiable net assets.

The Group recognises a gain or goodwill at the acquisition date as the excess of (a) over (b), whereby:

- (a): (i) the consideration received measured at fair value at the acquisition date.

  (ii) the amount of any non-controlling interest.

  (iii) if it is a business combination achieved in stages, the fair value at the acquisition date of the investment previously held by the Group (the difference with respect to the previous fair value of cost is recognised in profit or loss).

- (b): the net amount of identifiable assets acquired and liabilities assumed.

In the event that there is no excess and (b) is higher than (a), the Group repeats the analysis of all the elements in order to determine whether the acquisition was made in truly advantageous conditions, in which case the difference is recognised in profit or loss.

Loss of control

When the Group loses control of a subsidiary it derecognises the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests at their carrying amounts at the date when control is lost. The consideration received and the investment retained in the former subsidiary are recognised at fair value at the date on which control is lost, and any difference is recognised as a gain or loss.

Interests in joint ventures and investments in associates

Vocento accounts for its interests in the entities that it manages jointly with other companies using proportionate consolidation (see Note 12). Companies over which control is shared with other shareholders are considered to be joint ventures and companies over which Vocento exercises significant influence are deemed associates.

The companies not included in the preceding paragraphs, over which one or several Group companies exercise significant influence, are accounted for using the equity method, except when they are classified as held for sale.

Under this method, the investment is initially recognised at cost and adjusted upwards or downwards thereafter as the Parent recognises its share of the profit or loss obtained by the investee. Also, distributions received from an investee reduce the carrying amount of the investment.

If the share of losses of an associate exceeds its interest in the associate, the Group discontinues recognising its share of further losses and recognises a liability to the extent that it has incurred legal or constructive obligations.

Regardless of the losses recognised as described above, the Group analyses any additional impairment according to the rules governing the impairment of financial assets (see Note 4-g), taking into account the investment as a whole and not only any associated goodwill.

The Appendix to the consolidated financial statements includes a detail of the subsidiaries, jointly-controlled entities and associates.

f) Comparative information-

As required by IAS 1, the information relating to 2013 contained in these notes to the consolidated financial statements is presented, for comparison purposes, with similar information relating to 2012 and, accordingly, it does not constitute in itself the Vocento Group's statutory consolidated financial statements for 2012.

In this connection, the Group took new methods into account to define the segment reporting included in the accompanying consolidated financial statements. Therefore, the structure of the comparative information included in Note 26, referring to the information for 2012 presented for comparison purposes, differs from that presented in Vocento's consolidated financial statements for 2012.

3. Applicable legislation

Regarding TV and radio, in 2010 the General Audiovisual Communications Law 7/2010, of 31 March, was approved, which basically amended the concession system and transformed existing concessions into radio and TV licences.

Television

In terms of Spanish digital terrestrial television, an area in which Vocento is involved through its ownership interest in Sociedad Gestora de Televisión Net TV, S.A., the General Audiovisual Communications Law was applied to convert the concession into a license. It should also be noted that appropriate measures were taken to eliminate advertising in CRTVE's media.

Autonomous-community television broadcasting activities have also been regulated since 1 May 2010, the date on which the General Audiovisual Communications Law came into force. However, the process for obtaining the necessary authorisation remains the same and the permit (in this case, the corresponding licence) to provide television services must be obtained. Vocento is especially present in the sphere of Digital Terrestrial Television (DTT) at autonomous community level.

Radio

The Group holds two compatible national digital radio licences through the Group companies, E-Media Punto Radio, S.A.U. and Corporación de Medios Radiofónicos Digitales, S.A.U., with and without local programming. Also, the Group holds various FM and MW radio broadcasting licences.

It should be noted that new tenders have been awarded, others are underway and have yet to be awarded, and other invitations to tender are expected to be issued.

4. Accounting policies

The principal accounting policies used in preparing the consolidated financial statements were as follows:

a) Goodwill-

Goodwill arising on consolidation is calculated as explained in Note 2-e.

For the purpose of the assessment of impairment losses, goodwill acquired in a business combination is distributed from the date of acquisition, among the cash-generating units of the acquiring entity to which the benefits of the business combination synergies are expected to flow, irrespective of whether other assets or liabilities of the acquired entity have been assigned to these units or groups of units. For this purpose, the Parent's directors consider that each company constitutes a cash-generating unit.

At the end of each reporting period, goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount below its carrying amount) and impairment is written down with a charge to "Impairment of Goodwill" in the consolidated income statement (see Note 8).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is taken to be the present value of the estimated future cash flows before tax based on the budgets most recently approved by the directors. These budgets include the best estimates

available of the income and costs of the cash-generating units based on industry projections and future expectations.

These projections cover at least the following five years and include a residual value that is appropriate for each business. Taking into account their past experience and know-how regarding the various businesses, the directors consider that, in view of the performance of certain businesses' key variables, the use of five-year projections may distort the analysis performed and, in certain cases, they have used projections which they deem more reliable and suited to the analysis to be performed since the last year of these projections reflects a normal year for these businesses (see Note 8). These cash flows are discounted at a given pre-tax rate in order to calculate their present value. This rate reflects the weighted average cost of the capital used, adjusted for the business risk relating to each cash-generating unit. If the recoverable amount is lower than the asset's carrying amount, the related impairment loss is recognised for the difference in the consolidated income statement.

Any impairment losses recognised for goodwill must not be reversed in a subsequent period.

In the case of the sale or disposal of a business activity within a cash-generating unit to which goodwill has been allocated, the goodwill allocated previously to calculate the gain or loss on the sale or disposal is included in the carrying amount of the business activity.

b) Other intangible assets-

The other intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction or which are developed internally by the Group companies. They are initially recognised at acquisition or production cost under "Non-Current Assets - Intangible Assets - Other Intangible Assets" in the consolidated balance sheet (see Note 9) and, subsequently, they are measured at cost less any accumulated amortisation and any accumulated impairment losses, provided that it is considered probable that they will generate future economic benefits and provided that their cost can be measured reliably.

Separately acquired intangible assets

These items are recognised at acquisition cost and are amortised on a straight-line basis over their useful life, which is generally five years.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

The expenses incurred in the development of various projects are recognised as assets provided that they meet the following conditions:

- The expenditure is specifically identified and controlled by project and its distribution over time is clearly defined.
- The directors can demonstrate how the project will generate future economic benefits.
- The development cost of the asset, which includes, where appropriate, the staff costs of the Group personnel working on the projects, can be measured reliably.

Internally generated intangible assets that qualify for recognition as assets are amortised on a straight-line basis over their useful lives.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred.

Film productions

These are considered to be internally developed intangible assets that meet the capitalisation criteria and, accordingly, they are recognised as described in the preceding paragraph.

The cost of finished productions is amortised on a straight-line basis over three years, since this is considered to be the approximate period over which these productions will generate income, from the time they are ready to generate economic benefits.

Film scripts

The scripts may be acquired or produced internally and are recognised appropriately as explained above. In both cases they are amortised over their estimated useful lives.

Film distribution rights

These are intangible assets acquired from a third party and, accordingly, they are recognised at their incurred cost. They are classified by target market as follows:

- Television distribution

  These costs are recognised as intangible assets and are amortised in accordance with the expected pattern of consumption of the future economic benefits arising from such rights, i.e. over approximately five years.

- Cinema and DVD distribution

  These costs are recognised under “Trade and Other Receivables - Other Receivables” (see Note 15), since the period over which such costs will generate income and, therefore, the period over which they will be allocated to expense is less than one year. They are recognised in profit or loss as and when agreements are entered into with producers.

c) Property, plant and equipment-

Property, plant and equipment are stated at cost which includes, in addition to the purchase price, any non-recoverable indirect taxes and any other costs related directly to the entry into service of the asset for its intended use (including interest and other borrowing costs incurred during the construction period).

In accordance with the exceptions permitted under IFRS 1, certain items of property, plant and equipment acquired prior to 1 January 2004 are carried at cost revalued pursuant to the applicable legislation.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful life of the assets are capitalised.

Period upkeep and maintenance expenses are charged to the consolidated income statement.

The Group depreciates its property, plant and equipment on a straight-line basis at rates based on the estimated useful life of the items that compose it (see Note 5).

“Other Items of Property, Plant and Equipment” includes EUR 5,545 thousand (see Note 10), relating to the historical and artistic heritage of Diario ABC, S.L., made up of its graphics and documentary archive and a collection of paintings and drawings by artists who contributed to the publications ABC and Blanco y Negro. In the opinion of the specialists consulted, the residual value of this historical and artistic heritage is higher than the amount recognised in the consolidated balance sheet and, therefore, it is not depreciated.

The property, plant and equipment depreciation charge for 2013 and 2012 is recognised under "Depreciation and Amortisation Charge" in the accompanying consolidated income statements.

d) Impairment of assets excluding goodwill-

At each balance-sheet date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For such purposes, where the identifiable asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use, which is considered to be the present value of the estimated future cash flows. In assessing value in use, the assumptions used in making the estimates include pre-tax discount rates, growth

rates and expected changes in selling prices and costs. The directors of the Parent estimate pre-tax discount rates which reflect the time value of money and the risks specific to the cash-generating unit. The growth rates and the changes in selling prices and costs are based on in-house and industry forecasts and experience and future expectations, respectively.

If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised for the difference with a charge to the consolidated income statement.

For the other financial assets, the Group considers the following to be objective indicators of impairment:

- Financial difficulty of the issuer or significant counterparty.
- Shortfall or delays in payment.
- Likelihood that the borrower will enter bankruptcy or be subject to other financial reorganisation.

Impairment losses recognised on an asset in prior years are reversed when there is a change in the estimate of its recoverable amount, and the maximum value of the asset is increased up to the carrying amount that would have resulted had no impairment loss been recognised.

e) Leases-

The Group classifies as finance leases the lease agreements that transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised in the non-current asset category that corresponds to their nature and function. Each asset is depreciated over its useful life since the Group considers that there are no doubts that title to the assets will be acquired at the end of the finance lease term. They are recognised at the lower of the leased asset's fair value and the present value of future payments arising from the finance lease transaction, with a credit to "Bank Borrowings and Other Financial Liabilities" in the consolidated balance sheet.

The finance costs of the finance leases are recognised in the consolidated income statement, except when they are directly attributable to a qualifying asset, in which case they are recognised at the increased value of the asset financed by the finance lease (see Note 10).

Expenses arising on operating leases are allocated to "Outside Services" (see Note 30) in the consolidated income statement over the term of the lease on an accrual basis.

f) Inventories-

Inventories, mainly paper for printing the related newspapers, are stated at the lower of FIFO and net realisable value. Trade discounts, rebates and other similar items are deducted from the acquisition cost (see Note 14).

The rebates recognised in profit or loss are classified under "Change in Operating Allowances and Other" in the consolidated income statement.

vocento

g) Financial instruments-

Financial assets

Financial assets are initially recognised at acquisition cost, including transaction costs.

The Group classifies its current and non-current financial assets in four categories:

- Held-for-trading financial assets. These assets meet any of the following conditions:

  - The Group expects to obtain a profit from short-term fluctuations in their prices.

  - They have been included in this category of assets since their initial recognition, provided that they are either listed on an active market or their fair value can be estimated reliably.

  The financial assets included in this category are measured in the consolidated balance sheet at fair value and changes in fair value are recognised under "Finance Costs" and "Finance Income", as appropriate, in the consolidated income statement.

  The Group includes in this category derivative financial instruments that do not qualify for hedge accounting, as established by IAS 39 Financial Instruments.

- Held-to-maturity investments. These are financial assets with fixed or determinable payments and fixed maturity which the Group intends to hold until the date of maturity. The assets included in this category are measured at amortised cost, and the interest income is recognised in profit or loss on the basis of the effective interest rate. The assets are also tested for impairment. The amortised cost is understood to be the initial cost minus principal repayments, plus or minus the cumulative amortisation of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest rate is the discount rate that, at the date of acquisition of the asset, exactly matches the initial carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life.

- Loans and receivables. These are financial assets originated by the companies in exchange for supplying cash, goods or services directly to a debtor. The assets included in this category are also measured at amortised cost and are tested for impairment.

- Available-for-sale financial assets. These are financial assets not classified in any of the aforementioned three categories, nearly all of which relate to equity investments. These investments are measured in the consolidated balance sheet at their fair value, which, in the case of unlisted companies, is obtained using alternative methods such as comparison with similar transactions or, if sufficient information is available, discounting the expected cash flows. Changes in market value are charged or credited to "Equity – Unrealised Asset and Liability Revaluation Reserve" in the consolidated balance sheet until the investments are sold, at which time the cumulative balance of this account relating to these investments is allocated in full to the consolidated income statement (see Note 13-a).

  Investments in the share capital of unlisted companies whose market value cannot be measured reliably are measured at acquisition cost.

Group management determines the most suitable classification for each asset on acquisition, which is reviewed at each year-end.

Impairment of financial assets

Except for the financial assets classified as at fair value through profit or loss, the financial assets are analysed by Group management in order to identify any indication of impairment periodically and at least at the end of each reporting period. A financial asset is impaired if there is objective evidence that the estimated future cash flows of the asset have been affected as a result of one or more events that occurred after the initial recognition of the financial asset.

For the other financial assets, the Group considers the following to be objective indicators of impairment:

- Financial difficulty of the issuer or significant counterparty.
- Shortfall or delays in payment.
- Likelihood that the borrower will enter bankruptcy or be subject to other financial reorganisation.

Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated balance sheet includes cash on hand, demand deposits and other highly liquid short-term investments that can be readily realised in cash and are not subject to a risk of changes in value (see Note 16).

Financial liabilities and equity

Financial liabilities and equity instruments are classified in accordance with the content of the contractual arrangements. An equity instrument is any contract that evidences a residual interest in the net assets of the Group. The main financial liabilities held by the Group are held-to-maturity financial liabilities that are measured at amortised cost.

Debentures, bonds and bank borrowings

Interest-bearing loans, debentures and similar liabilities are initially recognised for the proceeds received, net of direct issue costs, under "Bank Borrowings and Other Financial Liabilities" in the consolidated balance sheet (see Note 20). Borrowing costs are recognised on an accrual basis in the consolidated income statement using the effective interest rate method and they are aggregated to the carrying amount of the financial instrument to the extent that they are not settled in the year in which they arise. Also, obligations under finance leases are recognised at the present value of the lease payments under this consolidated balance sheet heading.

Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate (see Note 19).

Categories of instruments measured at fair value

Following is an the analysis of the financial instruments measured at fair value at 31 December 2013 and 2012 subsequent to their initial recognition, classified in categories 1 to 3, depending on the fair value measurement method:

- Category 1: their fair value is obtained from directly observable quoted prices in active markets for identical assets and liabilities.
- Category 2: their fair value is determined using observable market inputs other than the quoted prices included in category 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Category 3: their fair value is determined using measurement techniques that include inputs for the assets and liabilities that are not directly observable market data.

	Fair value at 31 December 2013			
	Thousands of euros			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets				
Investments in unlisted companies (Note 13) (*)	-	-	7,542	7,542
Financial liabilities held for trading				
Financial derivatives (Note 21)	-	(216)	-	(216)
Total	-	**(216)**	**7,542**	**7,326**

	Fair value at 31 December 2012			
	Thousands of euros			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets				
Investments in unlisted companies (Note 13) (*)	-	-	7,542	7,542
Financial liabilities held for trading				
Financial derivatives (Note 21)	-	(503)	-	(503)
Total	-	**(503)**	**7,542**	**7,039**

(*) Val Telecomunicaciones, S.L.

h) Financial derivatives and hedge accounting-

Financial derivatives are initially recognised as assets or liabilities at cost of acquisition in the consolidated balance sheet and the necessary valuation adjustments are subsequently made

to reflect their fair value at all times (see Note 21). Gains or losses arising from these changes are recognised in the consolidated income statement, unless the derivative has been designated as a hedge.

- Fair value hedges:

  In the case of fair value hedges, changes in the fair value of the derivative financial instruments designated as hedges and the changes in the fair value of the hedged item caused by the risk hedged are recognised with a charge or credit, as appropriate, to the consolidated income statement, so that "Finance Income" and "Finance Costs" include simultaneously the income or expense from the hedged item and the hedging instrument, respectively.

- Cash flow hedges:

  In the case of cash flow hedges, the changes in the fair value of the hedging derivatives are recognised, in respect of the ineffective portion of the hedges, in the consolidated income statement, and the effective portion is recognised under "Reserves – Unrealised Asset and Liability Reserve" in the consolidated balance sheet.

Derivatives embedded in other financial instruments, if any, are treated as separate derivatives when their characteristics and risks are not closely related to those of the host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported with a charge or a credit to the consolidated income statement.

When hedge accounting is discontinued, any cumulative gain or loss at that date recognised under "Reserves - Unrealised Asset and Liability Revaluation Reserves" is retained under that heading until the hedged transaction occurs, at which time the loss or gain on the transaction will be adjusted. If a hedged transaction is no longer expected to occur, the gain or loss recognised under the aforementioned heading is transferred to profit or loss. In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, Vocento verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The market value of the various financial instruments is calculated as follows:

- The market value of derivatives listed on an organised market is their market price at year-end.

- The Group values derivatives that are not traded on an organised market on the basis of assumptions based on market conditions at year-end. Specifically, the market value of interest rate swaps is calculated by discounting at a market interest rate the difference between the swap rates.

i) Current/Non-current classification-

In the accompanying consolidated balance sheet, assets and liabilities maturing within twelve months are classified as current items and those maturing within more than twelve months are classified as non-current items.

j) Pension and similar obligations-

The contributions to be made to defined contribution benefits, which are recognised under "Staff Costs" in the accompanying consolidated income statement, will give rise to a long-term employee remuneration liability when there are accrued contributions payable at year-end. This liability will be measured at year-end at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party (see Notes 18 and 23).

k) Treasury shares of the Parent-

All the shares of the Parent held by consolidated companies are recognised at acquisition cost and are presented as a reduction of "Equity - Treasury Shares" in the consolidated balance sheet (see Note 17).

The gains and losses obtained by Vocento on the disposal of treasury shares are recognised in "Reserves – Voluntary Reserves" in the accompanying consolidated balance sheet.

l) Provisions-

A distinction is drawn between:

- Provisions: present obligations at the reporting date arising from past events which are uncertain as to their amount and/or timing.

- Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the consolidated companies; or possible obligations, whose occurrence is unlikely or whose amount cannot be reliably estimated.

The Group's consolidated financial statements include all the material provisions with respect to matters for which it is considered that it is more likely than not that the obligation will have to be settled and whose amount can be measured reliably. Contingent liabilities are not recognised in the consolidated financial statements but rather are disclosed, except for those that arise in business combinations (see Notes 2-e and 18).

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each reporting period, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

m) Grants-

The Group accounts for the grants it receives as follows:

- Grants related to assets: these grants, which are measured at the amount granted, are treated as deferred income and taken to income in proportion to the period depreciation on the assets concerned (see Note 22).

- Grants related to income are recognised as income when granted.

In 2013 the Group credited EUR 561 thousand (2012: EUR 722 thousand) in this connection to "Other Income" in the accompanying consolidated income statements for 2013 and 2012.

n) Revenue recognition-

Revenue from the sale of goods-

The principal goods sold by the Group are newspapers, magazines, promotional products and television programmes, the revenue from which is measured at the fair value of the consideration received or receivable for the goods provided in the normal course of business, net of discounts, VAT and other taxes.

Sales of goods are recognised when substantially all the risks and rewards have been transferred.

Revenue from the rendering of services-

The principal services provided by Vocento include the distribution of press and other products, the sale of advertising space, newspaper printing, Internet connection services and technical counselling on audiovisual productions. Revenue from the rendering of services is measured at the fair value of the consideration received or receivable for the services provided, net of discounts, VAT and other taxes, and is recognised using the percentage of completion method.

Where the final revenue cannot be estimated reliably, revenue is recognised at the amount of the recognised expenses that are considered recoverable.

Revenue from the assignment of rights-

This revenue is recognised on an accrual basis in accordance with the substance of the agreement, provided that it is considered probable that the revenue will be obtained and that it can be estimated reliably.

Revenue from the assignment of film screening rights-

This revenue is recognised on a straight-line basis over the term of the assignment. Consequently, advances received on this revenue are recognised under "Trade and Other Payables" in the consolidated balance sheet (see Note 19).

Revenue from television productions-

This revenue is considered to be from the rendering of a service.

The Group recognises this revenue by reference to the stage of completion and the estimated end margin based on the agreed-upon sale price.

Revenue from box-office takings from film productions-

Revenue from box-office takings from the screening of films at cinemas is recognised when the film begins to be commercially exploited once the settlement document has been received from the distributor.

Interest income and dividend income-

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's carrying amount.

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

ñ) Volume rebates-

The Group grants volume rebates to its customers, basically advertising agencies, based on the sales made, deferring the related expenses and allocating them to income on an accrual basis at the end of each year.

The account payable arising from the aforementioned volume rebates is recognised under "Current Liabilities - Trade and Other Payables" on the liability side of the consolidated balance sheet (see Note 19). The amount of the volume rebate to be offset against accounts receivable from the related advertising agencies is therefore deducted from the balance of "Current Assets - Trade and Other Receivables" in the consolidated balance sheet (see Note 15).

o) Income tax-

The income tax expense is recognised in the consolidated income statement, unless it arises as a consequence of a transaction the result of which is recorded directly in equity, in which case the income tax expense is also recorded in equity.

The income tax expense is recognised using the balance sheet liability method. This method consists of determining deferred tax assets and liabilities on the basis of the differences between the carrying amounts of assets and liabilities and their tax base, using the tax rates that can objectively be expected to apply when the assets are realised and the liabilities are settled (see Notes 24 and 25).

Deferred tax assets and liabilities arising from direct charges or credits to equity accounts are also accounted for with a charge or credit to equity.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill, goodwill for which amortisation is not deductible for tax purposes or the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss).

Vocento recognises deferred tax assets to the extent that it is considered probable that there will be sufficient taxable profits in the future against which the deferred tax assets can be utilised.

Also, double taxation tax credits and other tax credits and tax relief earned as a result of economic events occurring in the year are deducted from the income tax expense, unless there are doubts as to whether they can be realised.

Under IFRSs, deferred taxes are classified as non-current assets or liabilities even if they are expected to be realised in the next twelve months.

The income tax expense represents the sum of the current tax expense and the changes in the deferred tax assets and liabilities that are not recognised in equity (see Notes 24 and 25).

The deferred tax assets and liabilities recognised are reassessed at each reporting date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

p) Share-based payment-

The Group accrues these future payments, recognising the expense under "Staff Costs" in the consolidated income statement, as described below:

- For the portion to be settled in cash, the Group recognises the present value of the obligations, which is calculated by applying a simplified method in the vesting period of the plan, and credits this amount to "Provisions – Provisions for Share-based Payment" in the accompanying consolidated balance sheet at 31 December 2013 (see Note 18).

- For the portion to be settled through the delivery of the Parent's treasury shares, the Group recognises the amount of the share-based remuneration in the vesting period on the value of the plan at the grant date thereof, and credits this amount to "Reserves – For Share-based Payment" (see Note 17).

q) Earnings per share-

Basic earnings per share are calculated by dividing net profit or loss for the year by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held.

Diluted earnings per share are calculated by dividing net profit or loss by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

In the case of the Group's consolidated financial statements for 2013 and 2012, basic earnings per share are equal to diluted earnings per share since there were no potential shares outstanding in those years (see Note 34).

r) ***Dividends-***

Any interim dividend approved by the Board of Directors is presented as a deduction from the Group's equity. However, any final dividend proposed by the Board of Directors of Vocento, S.A. for approval by the shareholders at the Annual General Meeting will not be deducted until it has been approved by the latter.

s) ***Foreign currency transactions and balances-***

The Group's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At each consolidated balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the consolidated balance sheet date. Any resulting gains or losses are recognised directly in the consolidated income statement.

The foreign currency balances held at 31 December 2013 and 2012 and the foreign currency transactions performed in 2013 and 2012 were not significant (see Note 6).

t) ***Consolidated statements of cash flows-***

The following terms are used in the consolidated statements of cash flows with the meanings specified:

- Cash flows: changes in "Current Assets - Cash and Cash Equivalents".
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities, including income and other taxes.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and borrowings that are not operating activities.

u) ***Disposal groups and assets classified as held for sale-***

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use, for which they must be available for immediate sale in their present condition and their sale must be highly probable.

For the sale to be highly probable, the following conditions must be met:

- Vocento must be committed to a plan to sell the asset or disposal group.
- An active programme to locate a buyer and complete the plan must have been initiated.

- The asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale.

- It is unlikely that significant changes will be made to the plan.

Assets and disposal groups classified as held for sale are measured in the consolidated balance sheet at the lower of carrying amount and fair value less costs to sell (see Note 7). Also, non-current assets are not depreciated while they are classified as held for sale.

v) Profit/Loss from discontinued operations-

A discontinued operation is a line of business that has been sold or disposed of by any other means, or that has been classified as held for sale (see Note 4-u) whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes.

5. Responsibility for the information and use of estimates

The information contained in these consolidated financial statements is the responsibility of the Board of Directors of Vocento.

In the Group's consolidated financial statements for 2013 estimates were occasionally made by the management of the Group and of the consolidated companies, later ratified by the directors of the Group, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The impairment losses on certain assets: the main risk of impairment losses on the Group's assets relates to goodwill acquired in business combinations (see Notes 4-a and 8).

- The assumptions used in the actuarial calculation of "Other Long-Term Employee Benefits" (see Note 4-p).

- The useful life of the property, plant and equipment and other intangible assets (see Notes 4-b, 4-c, 4-d, 9 and 10).

  The years of estimated useful life generally applied in 2013 and 2012 were as follows:

	Years of estimated useful life
Computer software	2-5
Other intangible assets	3-10
Buildings and other structures	16-50
Plant and machinery	3-15
Other items of property, plant and equipment	3-15

Certain intangible assets are amortised on the basis of the expected pattern in which the assets' future economic benefits are expected to be consumed and, consequently, at the end of each year, the Group makes a new estimate, modifying the future amortisation charge if necessary (see Note 9).

Also, the directors consider that certain radio licences acquired in 2009 through a business combination have an indefinite useful life, since there is no foreseeable limit to the period over which these licences will generate net cash inflows because they constitute assets which the Group expects to control on an indefinite basis. The carrying amount of these licences is EUR 16,302 thousand (see Note 9). In this respect, the Group estimates the recoverable amount of these licences on the basis of technical studies and considers that there were no impairment losses in this connection in 2013.

- Provisions and contingent liabilities (see Notes 4-j, 4-l and 18).
- The Group uses the percentage of completion method to recognise revenue from certain television productions (see Note 4-n). This requires a reliable estimate of the revenue from each contract, of the total costs to be incurred in completing the contract and of the stage of completion at the balance sheet date from a technical and economic standpoint.
- At year-end the Group analyses its accounts receivable and, on the basis of its best estimates, quantifies the amount thereof that could be uncollectible (see Notes 4-g and 15).
- As indicated in Note 21, the Group holds certain derivative instruments that are not traded on an active market whose fair value was calculated using valuation techniques widely used in financial circles.

Although these estimates were made on the basis of the best information available at 31 December 2013 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the related consolidated income statements.

6. Risk management policies

Vocento is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. The Corporate Division and the business units coordinate the management and limitation of financial risks through

the policies approved at the highest executive level, in accordance with the established rules, policies and procedures. The identification, assessment and hedging of financial risks are the responsibility of each business unit.

The potential risks relating to the financial instruments used by the Group, and the information thereon, are set forth below:

- Foreign currency risk

  Purchases of certain film production distribution rights made by the Group in US dollars may have an adverse impact on finance costs and loss for the year.

  At 31 December 2013 and 2012, the foreign currency accounts payable and their equivalent euro value were as follows:

	Thousands of US dollars	Thousands of euros
31/12/13	1,196	868
31/12/12	6,362	4,887

  This risk was partially mitigated by the amount receivable of USD 801 thousand at 31 December 2013.

- Interest rate risk

  Interest rate fluctuations change the fair value of assets and liabilities that bear interest at fixed rates and the future flows from assets and liabilities tied to floating interest rates.

  The purpose of interest rate risk management is to achieve a balance in the structure of the borrowings that minimises the aforementioned risks and the cost of the borrowings.

  The structure of the bank loans and credit facilities at 31 December 2013 and 2012, drawing a distinction between fixed and floating interest rate borrowings, is as follows:

	Thousands of euros	
	2013	2012
Fixed interest rate	20,378	28,116
Floating interest rate	149,157	109,967
Total (Note 20)	**169,535**	**138,083**

  The Group partially mitigates the interest rate risk by using financial derivatives (amounting to EUR 4,699 thousand of the total bank borrowings at 31 December 2013) (see Notes 20 and 21).

  In addition, the detail of bank deposits is as follows:

	Thousands of euros	
	2013 (*)	2012 (*)
Fixed interest rate	2,576	5,077
Floating interest rate	-	-
Total (Note 16)	**2,576**	**5,077**

(*) Excluding accrued interest receivable.

In addition, the Group has EUR 31,692 thousand in cash, EUR 1,805 thousand of which are in demand current accounts which earn interest at market rates (see Note 16).

Lastly, current and non-current payables include the following amounts with implicit finance costs:

	Thousands of euros	
	2013	2012
Other non-current payables (Note 23)	**8,366**	**13,193**
Past employee benefits payable	3,048	5,304
Termination benefits payable	5,253	7,229
Other	65	660
Trade and other payables (Note 19)	**5,479**	**12,473**
Past employee benefits payable	2,277	2,302
Termination benefits payable	1,923	2,199
Other	1,279	7,972
Total	**13,845**	**25,666**

- Credit risk

  In view of its business activities, the Group has balances with a very significant number of customers (see Note 15). In addition to the analysis described in Note 4-g, certain Group companies also arrange credit insurance to reduce the risk relating to doubtful debts. Consequently, the Parent's directors consider that there is no risk that any material doubtful debts might arise other than those already recognised in relation to the accounts receivable at 31 December 2013 and 2012.

  Excluding the insurance already arranged by the Group, at 31 December 2013, the total potential credit risk amounted to EUR 99,368 thousand (31 December 2012: EUR 124,482 thousand) (see Note 15).

- Liquidity risk

  The Group's liquidity policy combines its cash surplus position with the arrangement of credit facilities based on its projected cash needs and of the situation of the debt and capital markets.

  Notes 20 and 21 include the repayment schedules of the bank borrowings relating to financing transactions and derivatives, respectively. Note 16 contains disclosures on the cash and cash equivalents held by the Group.

  Also, on 21 February 2014 the Group arranged a syndicated loan with various banks (see Note 41) which enables it to redress the working capital deficiency the Group had at 2013 year-end (see Note 2-a).

7. Profit/Loss from discontinued operations and assets classified as held for sale

No operations were discontinued in 2013.

8. Goodwill

The detail of and changes in "Goodwill" in the consolidated balance sheet in 2013 and 2012 are as follows:

	Thousands of euros						
	Balance at 31/12/11	Write-downs	Other changes	Balance at 31/12/12	Write-downs	Other changes	Balance at 31/12/13
Newspapers -							
Taller de Editores, S.A.	4,225	-	-	4,225	-	-	4,225
La Verdad Multimedia, S.A.	2,349	-	-	2,349	-	-	2,349
Corporación de Medios de Andalucía, S.A.	2,043	-	-	2,043	-	-	2,043
Corporación de Medios de Extremadura, S.A.	1,005	-	-	1,005	-	-	1,005
El Norte de Castilla, S.A.	1,964	-	-	1,964	-	-	1,964
Sociedad Vascongada de Publicaciones, S.A.	3,347	-	-	3,347	-	-	3,347
Federico Doménech, S.A.	71,233	(15,000)	-	56,233	-	-	56,233
El Comercio, S.A.	-	-	-	-	-	127	127
Audiovisual -							
Europroducciones TV, S.A.U. (*)	12,908	-	(12,908)	-	-	-	-
BocaBoca Producciones, S.L.U. (*)	8,077	-	(8,077)	-	-	-	-
Veralia Contenidos Audiovisuales, S.L.U. (*)	-	-	21,028	21,028	(2,500)	-	18,528
Veralia Distribución de Cine, S.A.U. (***)	16,856	-	-	16,856	-	-	16,856
Teledonosti, S.L.	204	-	-	204	-	-	204
Hill Valley, S.L. (*)	43	-	(43)	-	-	-	-
Difusión Asturiana, S.L.	127	-	-	127	-	(127)	-
Las Provincias Televisión, S.A.U.	93	-	-	93	-	-	93
Other -							
Sarenet, S.A.	2,454	-	-	2,454	-	-	2,454
Factoría de Información, S.A.U.	19,146	(19,146)	-	-	-	-	-
Classified advertisements -							
Habitatsoft, S.L.U.	1,597	-	-	1,597	-	-	1,597
Infoempleo, S.L.	9,126	(3,500)	-	5,626	(3,300)	-	2,326
Autocasión Hoy, S.A.	1,983	-	993	2,976	-	-	2,976
Unión Operativa de Autos, S.L.U. (**)	993	-	(993)	-	-	-	-
Total, gross	**159,773**	**(37,646)**	-	**122,127**	**(5,800)**	-	**116,327**

(*) In 2012 Europroducciones TV, S.A.U. and Hill Valley, S.L. underwent a merger by absorption with BocaBoca Producciones, S.L.U., which changed its name to Veralia Contenidos Audiovisuales, S.L.U.

(**) The Group reorganised its business lines related to motor vehicle classified advertising upon the liquidation of Unión Operativa de Autos, S.L.U., whose assets were previously sold to Autocasión Hoy, S.A.

(***) Formerly Tripictures, S.A.U.

The cash-generating units coincide with the companies, except for the cash-generating unit formed by Radio Public, S.L. and Onda Ramblas, S.A.U. In connection with this cash-generating unit, there is goodwill of EUR 16,145 thousand assigned to intangible assets with indefinite useful lives (see Notes 5 and 9).

Analysis of the recoverability of goodwill

As indicated in Note 4-a, at each balance sheet date the Group measures the impairment of goodwill. The summary of the analysis carried out by the directors in relation to the most significant items of goodwill is as follows:

- **Federico Domenech, S.A.**

  The Group calculated the value in use of Federico Domenech, S.A. on the basis of projected cash flows, primarily taking into account the forecast for the print media advertising market and the development of the online business in coming years, considering a standard reporting year as the last year of the forecasts (see Note 4-a), which were discounted at pre-tax rates, calculated as the weighted average cost of capital (WACC), by reference to comparable companies. These discount rates ranged between 12.14% and 14.29% for the various business lines that comprise the cash-generating unit (8.5% and 10% after tax); 0.5% lower than those used in 2012 as a consequence of the market situation. The cash flows from the fifth year onwards were extrapolated using growth rates of between 0.5% and 2%. Given the various business lines that comprise the cash-generating unit (press activity, online publishing...), the directors applied the growth rates they considered to relate to each of these business lines based on both external sources (growth forecasts for the print and online media industry, situation of the competitors, publicly-available information on the industry, etc.) and internal sources (similar companies within the Group, etc.).

  Based on the assumptions considered, in 2013 the Group did not recognise any impairment loss on goodwill relating to Federico Domenech, S.A.

  The key variables used by the directors to calculate the value in use of the business of Federico Domenech, S.A. in accordance with future projections are as follows:

  - Performance of the advertising market: the directors have taken into account a fall in advertising revenue in 2014 and a recovery from 2015 onwards (with growth ranging between 5.3% and 8.7%), although advertising is unlikely to reach the figures obtained in 2007. In addition, a steady increase in the importance of online advertising in the advertising revenue mix is also forecast. In these estimates, the directors considered in-house analyses and market reports.

  - Sales of copies: the fall in the number of copies sold is expected to decrease to an annual rate of approximately -1.7% over the next two years and stabilise at -0.5% in subsequent years. This is offset by the rise in price of the copies sold, thereby maintaining the revenue from copies sold.

  - Performance of operating costs: the estimated operating costs reflect the streamlining plans implemented in 2012.

  In order to determine the sensitivity of value in use to changes in the basic assumptions, the following scenarios have been analysed on an individual basis, without giving rise to any material impairment losses on goodwill allocated to them:

  - Scenario 1: Decrease in advertising growth rate

- Scenario 2: Decrease in revenue from sale of copies

- Scenario 3: 1% increase in discount rate

- **Veralia Contenidos Audiovisuales, S.L.U.**

  In the case of Veralia Contenidos Audiovisuales, S.L.U., the Group calculated the value in use based on five-year cash flow projections basically considering the performance of the audiovisual market and the company's market share, and the increased producer margin, which were discounted at a pre-tax rate, calculated as the weighted average cost of capital (WACC), by reference to comparable companies. This discount rate was calculated at 11.43% (8% after tax), which is 2% lower than that used in 2012 as a consequence of the change in business approach. The cash flows from the fifth year onwards were extrapolated using a growth rate of 2%, which the directors deem to be reasonable in line with the long-term growth of the businesses considered.

  In 2013 there were fewer productions than management expected, due to the current situation in the audiovisual market.

  Based on the assumptions used, and in view of the aforementioned drop in productions, the Group recognised an impairment loss on the goodwill of this cash-generating unit amounting to EUR 2,500 thousand.

  In order to determine the sensitivity of value in use to changes in the basic assumptions, the following scenarios have been analysed on an individual basis, without giving rise to any material impairment losses on goodwill, in addition to those already recognised, allocated to them:

  - Scenario 1: 2% increase in discount rate

  - Scenario 2: Decrease in the perpetual growth rate to 0%

  - Scenario 3: Decrease in expected revenue

  The analysis of the projections involved assumptions of changes in the business' key variables (increase in the discount rate, reduced revenue from content sales, etc.) based on market reports and in-house analyses. In accordance with the directors' estimates, the possible variations in key assumptions would not give rise to material impairment losses in addition to those already recognised.

- **Veralia Distribución de Cine, S.A.U. (formerly Tripictures, S.A.U.)**

  In 2013 Veralia Distribución de Cine, S.A.U. transferred part of its film distribution business to a third party (see Note 9). In this connection, the Group calculated the value in use based on cash flow projections basically considering the expected revenues from the sale of films that it has on various operating platforms until the expiry of these rights in 2017, which were discounted at a pre-tax rate, calculated as the weighted average of the cost of capital (WACC), by reference to comparable companies. This discount rate was calculated at 11.43% (8% after tax), which is 2% lower than that used in 2012 as a consequence of the change in the company's business model.
  Based on the assumptions considered, in 2013 the Group did not recognise any impairment loss on goodwill for this cash-generating unit.

The analysis of the projections involved assumptions of changes in the business' key variables (changes in the discount rate, reduced revenue, etc.) based on market reports and in-house analyses. In accordance with the directors' estimates, the possible variations in key assumptions would not give rise to material impairment losses.

- **Infoempleo, S.L.**

  In the case of Infoempleo, S.L. the Group calculated the value in use based on cash flow projections for the next five years primarily considering the following key variables:

  - Average revenue per user of the employment portal, considering the future performance of the employment market and of the Company's market share.
  - Performance of the advertising market and advertising revenues.
  - Performance of operating costs: the operating cost estimates reflect the rationalisation plans commenced in 2012.

  These cash flows were discounted at a rate before tax, calculated as the weighted average of the cost of capital (WACC), by reference to comparable companies. This discount rate was calculated at 14.29% (10% after tax), which is 0.5% lower than that used in 2012 as a consequence of the market situation. The cash flows from the fifth year onwards were extrapolated using a growth rate of 3%, which the directors consider to be reasonable in line with the long-term growth of the businesses considered.

  Also, in 2013 Infoempleo, S.L. sold its line of business selling software licences and obtained a gain of EUR 1,244 thousand, recognised under "Impairment of and Gains or Losses on Disposal of Property, Plant and Equipment and Intangible Assets" in the consolidated income statement for 2013.

  Therefore, from 2014 onwards its sole line of business is the management of the Internet portals www.infoempleo.com and www.avanzaentucarrera.com.

  Based on the assumptions used, and the sale of the line of business described above, the Group recognised an impairment loss on goodwill relating to Infoempleo, S.L. amounting to EUR 3,300 thousand in 2013.

  The analysis of the projections involved assumptions of changes in the business' key variables based on market reports and in-house analyses. In accordance with the estimates made by the directors, these possible changes in key assumptions would not give rise to any significant impairment losses additional to those recognised in the consolidated income statement for 2013, which are those resulting from the analyses performed.

- **Other cash-generating units**

  The recoverable amount of the other cash-generating units associated with goodwill was measured with reference to the value in use (see Note 4-a). The aforementioned value in

use was calculated on the basis of cash flow projections, representing the best estimates over a five-year period, and using discount rates based on the risks associated with the business line under analysis.

The cash flows of periods subsequent to those covered by the projections were extrapolated using constant growth rates that the directors consider do not exceed the average long-term growth of the industry in which the aforementioned companies operate, ranging from 0.5% to 3% in 2013 and 2012. The pre-tax discount rates used to calculate the value in use range from 12.14% to 14.29% (8.5% and 10% after tax) in 2013 (2012: 12.86% to 15% (9% and 10.5% after tax)).

To calculate the sensitivity of value in use to changes in the key assumptions, the directors analysed the impact the aforementioned changes in key assumptions would have without giving rise to material impairment of goodwill.

vocento

9. Other intangible assets

Following is a summary of the transactions recognised under "Other Intangible Assets" in the consolidated balance sheets in 2013 and 2012:

	Thousands of euros									
	Balance at 31/12/11	Change in the scope of consolidation (Note 2-d)	Additions and charge for the year	Increase (Decrease) due to transfer (Note 10)	Disposals or reductions	Balance at 31/12/12	Additions and charge for the year	Increase (Decrease) due to transfer (Note 10)	Disposals or reductions	Balance at 31/12/13
COST										
Intellectual property	27,621	-	138	-	(135)	27,624	313	185	(571)	27,551
Computer software	55,528	(39)	3,535	241	(2,821)	56,444	3,544	1,048	(4,270)	56,766
Scripts and projects	4,388	-	145	-	(2)	4,531	4	(458)	(26)	4,051
Development expenditure	673	-	102	-	(45)	730	-	-	(65)	665
Film distribution rights	156,555	-	1,397	-	(2,147)	155,805	1,036	-	(2,099)	154,742
Film productions	18,708	-	-	-	-	18,708	-	-	-	18,708
Advances on intangible assets in progress	1,181	-	1,218	(91)	(434)	1,874	572	(1,233)	(280)	933
Total cost	**264,654**	**(39)**	**6,535**	**150**	**(5,584)**	**265,716**	**5,469**	**(458)**	**(7,311)**	**263,416**
ACCUMULATED AMORTISATION										
Intellectual property	(9,424)	-	(16)	-	209	(9,231)	(5)	-	570	(8,666)
Computer software	(44,848)	39	(5,240)	-	2,702	(47,347)	(4,783)	-	4,234	(47,896)
Scripts and projects	(3,778)	-	(66)	-	-	(3,844)	(91)	-	7	(3,928)
Development expenditure	(368)	-	(141)	-	30	(479)	(115)	-	50	(544)
Film distribution rights	(107,573)	-	(8,908)	-	1,994	(114,487)	(6,548)	-	45	(120,990)
Film productions	(18,675)	-	(7)	-	-	(18,682)	(15)	-	-	(18,697)
Total accumulated amortisation	**(184,666)**	**39**	**(14,378)**	-	**4,935**	**(194,070)**	**(11,557)**	-	**4,906**	**(200,721)**
IMPAIRMENT LOSSES	**(17,550)**	-	**(1,592)**	-	**153**	**(18,989)**	**(475)**	-	**104**	**(19,360)**
Total cost, net	**62,438**	-	**(9,435)**	**150**	**(496)**	**52,657**	**(6,563)**	**(458)**	**(2,301)**	**43,335**

The disposals under “Film Distribution Rights” in 2013 arose from the transfer of Veralia Distribución de Cine, S.A.U.'s distribution business to a third party (see Note 8). As a result of this transaction, a loss totalling EUR 2,042 thousand was recognised under “Impairment of and Gains or Losses on Disposal of Property, Plant and Equipment and Intangible Assets” in the accompanying consolidated income statement for 2013.

Fully-amortised intangible assets in use at 31 December 2013 amounted to EUR 131,632 thousand (31 December 2012: EUR 120,330 thousand).

At 31 December 2013, the Group did not have any significant intangible asset purchase commitments.

vocento

10. Property, plant and equipment

Following is a summary of the transactions recognised under "Property, Plant and Equipment" in the consolidated balance sheets in 2013 and 2012:

	Thousands of euros									
	Balance at 31/12/11	Change in the scope of consolidation (Note 2-d)	Additions and charge for the year	Increase (Decrease) due to transfer (Note 9)	Disposals or reductions	Balance at 31/12/12	Additions and charge for the year	Increase (Decrease) due to transfer (Notes 9 & 14)	Disposals or reductions	Balance at 31/12/13
COST										
Land, buildings and other structures	170,465	-	679	108	(291)	170,961	314	514	(176)	171,613
Plant and machinery	240,008	-	495	(108)	(4,222)	236,173	361	(56)	(2,277)	234,201
Other fixtures, tools and furniture	77,257	-	3,772	9	(6,136)	74,902	566	-	(2,755)	72,713
Other items of property, plant and equipment	53,109	(29)	1,898	(150)	(4,183)	50,645	917	712	(3,996)	48,278
Advances and property, plant and equipment in the course of construction	107	-	-	(9)	-	98	-	-	-	98
Total cost	**540,946**	**(29)**	**6,844**	**(150)**	**(14,832)**	**532,779**	**2,158**	**1,170**	**(9,204)**	**526,903**
ACCUMULATED DEPRECIATION										
Buildings and other structures	(50,007)	-	(3,365)	-	40	(53,332)	(3,366)	-	176	(56,522)
Plant and machinery	(172,364)	-	(9,192)	-	3,818	(177,738)	(8,247)	-	1,947	(184,038)
Other fixtures, tools and furniture	(52,898)	-	(4,113)	-	4,950	(52,061)	(3,560)	-	2,381	(53,240)
Other items of property, plant and equipment	(46,884)	29	(2,609)	-	4,131	(45,333)	(2,403)	-	3,772	(43,964)
Total accumulated depreciation	**(322,153)**	**29**	**(19,279)**	-	**12,939**	**(328,464)**	**(17,576)**	-	**8,276**	**(337,764)**
IMPAIRMENT LOSSES	**(6,617)**	-	**(925)**	-	**636**	**(6,906)**	**(368)**	-	**501**	**(6,773)**
Total cost, net	**212,176**	-	**(13,360)**	**(150)**	**(1,257)**	**197,409**	**(15,786)**	**1,170**	**(427)**	**182,366**

At 31 December 2013, "Property, Plant and Equipment" included EUR 16,437 thousand (31 December 2012: EUR 19,104 thousand) of assets held under finance leases (see Note 4-e), which were classified on the basis of their nature. At 31 December 2013, the minimum lease payments in this connection were as follows:

	Thousands of euros
Within one year	3,064
Between two and five years	10,047
After five years	2,487
Total lease payments payable	**15,598**
Finance charges	1,284
Present value of lease payments (Note 20)	14,314
	15,598

The main assets held under finance leases at 31 December 2013 related to the printing presses at the Group's printing plants.

At 31 December 2013, fully depreciated property, plant and equipment in use amounted to EUR 202,083 thousand (31 December 2012: EUR 176,973 thousand).

In 2013 and 2012 no significant investments were made in items of property, plant and equipment.

The disposals in 2013 relate mainly to the disposal of assets that were fully depreciated and no longer in use.

"Plant and Machinery" in the above table includes mainly the value of the Group's printing presses, rotary seals and other machinery and related facilities, while "Other Fixtures, Tools and Furniture" includes, in addition to that mentioned in Note 4-c, the value of the different installations in buildings and printing plants where the Group carries on its activity, as well as office equipment.

"Other Items of Property, Plant and Equipment" in the above table, the carrying amount of which amounted to EUR 4,314 thousand at 31 December 2013, includes various items of computer hardware located at the Group's facilities.

At 31 December 2013 and 2012, the various Group companies had not entered into any material investment commitments.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies adequately cover the related risks.

11. Investments accounted for using the equity method

Following is a summary of the transactions recognised in 2013 and 2012 in the carrying amounts of investments in Group companies accounted for using the equity method (see the Appendix to these notes to the consolidated financial statements):

	Thousands of euros								
	Balance at 31/12/11	Inclusion of profit or loss for the year	Dividends received	Impairment losses	Other changes	Balance at 31/12/12	Inclusion of profit or loss for the year	Other changes (Note 2-d)	Balance at 31/12/13
Audiovisuals -									
Grupo Videomedia, S.A. (Note 2-d)	9,146	(707)	-	(8,439)	-	-	-	-	-
Sociedad de Radio Digital Terrenal, S.A.	41	(21)	-	-	-	20	(12)	-	8
Classified advertisements -									
11870 Información en General, S.L. (Nota 2-d)	2,282	(342)	-	-	351	2,291	(192)	511	2,610
Newspapers -									
Distribuciones Papiro, S.L.	467	138	(158)	-	-	447	98	-	545
Cirpress, S.L.	625	88	(85)	-	-	628	51	-	679
Distrimedios, S.A.	2,872	40	-	-	-	2,912	24	-	2,936
Val Disme, S.L.	3,777	23	-	-	-	3,800	98	-	3,898
	19,210	**(781)**	**(243)**	**(8,439)**	**351**	**10,098**	**67**	**511**	**10,676**

In 2013 and 2012 the Group did not perform any significant transactions with its investees, other than those detailed in Note 2-d.

Also, the detail of the main financial aggregates of the companies accounted for using the equity method at 2013 and 2012 year-end is as follows:

2013

	Thousands of euros			
	Total equity	Total assets	Operating income	Profit (Loss)
Audiovisual				
Sociedad de Radio Digital Terrenal, S.A.	30	38	-	(43)
Classified advertisements				
11870 Información en General, S.L.	(142)	453	681	(542)
Newspapers				
Distribuciones Papiro, S.L.	1,889	4,586	36,586	356
Cirpress, S.L.	2,434	6,005	19,859	226
Distrimedios, S.L.	4,451	24,271	88,931	(97)
Val Disme, S.L.	8,697	21,829	160,200	430

2012

	Thousands of euros			
	Total equity	Total assets	Operating income	Profit (Loss)
Audiovisual				
Sociedad de Radio Digital Terrenal, S.A.	71	80	-	(70)
Videomedia, S.A. (Note 2-d) (*)	3,240	6,150	1,920	(2,315)
Classified advertisements				
11870 Información en General, S.L.	(764)	537	765	(1,282)
Newspapers				
Distribuciones Papiro, S.L.	1,538	4,561	40,149	534
Cirpress, S.L.	2,251	6,132	23,592	335
Distrimedios, S.L.	4,525	25,963	74,401	206
Val Disme, S.L.	8,267	21,304	121,731	100

(*) Data on Videomedia, S.A. (investee of Grupo Videomedia, S.A.)

12. Interests in joint ventures

The detail of the most relevant information on the ownership interests held in Localprint, S.L., Roi Media, S.L. and Kioskoymas, Sociedad Gestora de la Plataforma Tecnológica, S.L., which are jointly controlled with another shareholder and 50%-owned by the Group, is as follows:

	Thousands of euros	
	31/12/13	31/12/12
Revenue	9,301	10,366
Net profit from operations	337	1,092
Non-current assets	19,822	22,443
Current assets	3,494	4,830
Non-current liabilities	6,304	8,379
Current liabilities	5,289	6,576

13. Financial assets

a) Non-current financial assets

The carrying amount of the most representative investments under "Non-current Financial Assets" at 31 December 2013 and 2012 is as follows:

Company name	Thousands of euros		% of ownership at 31/12/13	% of ownership at 31/12/12
	31/12/13	31/12/12		
Edigrup Producciones TV, S.A.	606	606	4.65%	4.65%
Val Telecomunicaciones, S.L.	7,542	7,542	6.78%	6.78%
Dima Distribución Integral, S.L.	807	807	16.13%	16.13%
Other investments	1,721	1,400		
Total	**10,676**	**10,355**		

All of the non-current financial assets are classified under “Available-for-Sale Financial Assets” and are recognised as explained in Note 4-g.

The Group has ownership interests in unlisted companies which are stated at acquisition cost because it was not possible to measure them reliably using any other method.

b) Other non-current financial assets

"Other Non-Current Financial Assets" relates fundamentally to long-term deposits and guarantees given.

14. Inventories

The detail of "Inventories" in the accompanying consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Raw materials	11,020	14,541
Other raw materials	558	569
Spare parts	756	1,565
Goods held for resale and finished goods	954	1,001
Other inventories	476	506
Advances to suppliers	219	154
Total	**13,983**	**18,336**

In 2013 the Group transferred EUR 712 thousand to "Property, Plant and Equipment" that were recognised under "Inventories – Spare Parts" in the consolidated balance sheet at 31 December 2012 (see Note 10).

At 31 December 2013 and 2012, no inventories had been pledged as security for the repayment of debts or any other obligations to third parties.

15. Trade and other receivables

The breakdown of "Current Assets - Trade and Other Receivables" on the asset side of the accompanying consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Trade receivables for sales and services	133,956	139,046
Notes receivable	4,651	9,906
Less sales volume rebates (Note 4-ñ)	(7,451)	(8,044)
Receivable from related companies (Note 35)	3,526	3,909
Other receivables (Note 4-b)	11,675	21,970
Write-downs of trade receivables	(32,234)	(26,477)
	114,123	**140,310**

All unimpaired balances, whether they are past-due or not, mature within an estimated collection period of less than twelve months. The carrying amount of these assets does not differ significantly from their fair value.

At 31 December 2013, the amount of unimpaired balances past due amounted to EUR 21,262 thousand. Of this amount, at the date of preparation of these financial statements, EUR 14,836 thousand had been collected and, of the uncollected amount, EUR 2,702 thousand corresponded to balances receivable from public authorities, which have duly acknowledged the existence of

such debt. In addition, certain Group companies also arrange credit insurance to reduce the risk relating to doubtful debts (see Note 6). The collection of all the uncollected, past-due amounts is being actively managed.

The balance of "Write-downs of Trade Receivables" at 31 December 2013 includes EUR 4,746 thousand relating to the impairment loss recognised in 2013 relating to the Group company Sociedad Gestora de Televisión Net TV, S.A.

16. Cash and cash equivalents

The breakdown of "Current Assets - Cash and Cash Equivalents" in the accompanying consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Other short-term loans	348	356
Short-term deposits (Note 6)	2,682	5,077
Cash	31,692	34,863
	34,722	**40,296**

"Cash and Cash Equivalents" includes basically cash and short-term bank deposits with an initial maturity of three months or less. The bank accounts earn interest at market rates. There are no restrictions on the use of the balances.

The carrying amount of these assets does not differ significantly from their fair value.

17. Equity

Share capital-

At 31 December 2013, the Parent's share capital amounted to EUR 24,994 thousand and consisted of 124,970,306 fully subscribed and paid shares of EUR 0.20 par value each, in which there were no changes with respect to 31 December 2012. The Company's shares are traded on the Spanish Stock Market Interconnection System and on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

The shareholders' exact ownership interest in the share capital is unknown since Vocento's shares are represented by book entries. However, on the basis of information in the public domain available to the Parent, at 31 December 2013, and also at 31 December 2012, the only shareholders with ownership interests of 10% or more were Mezouna, S.A. and Valjarafe, S.L., which owned 11.077% and 10.09%, respectively, of the share capital.

Capital-management objectives, policies and processes

Key to the Group's strategy is its policy of maximum financial prudence. The target capital structure is defined as the required solvency and the objective of maximising the return for the shareholder.

The Group quantifies the target capital structure as the relationship between net borrowings and equity:

	Thousands of euros	
	31/12/13	31/12/12
Cash and cash equivalents (Note 16)	34,722	40,296
Bank borrowings (Note 20)	(170,569)	(157,620)
Other non-current and current payables with a finance cost (Notes 6, 19 and 23) (*)	(13,845)	(25,666)
Other long-term loans and receivables with a finance cost	415	55
Net debt position	(149,277)	(142,935)
Equity	349,902	369,226

(*) At 31 December 2013, "Other Non-current and Current Payables with a Finance Cost" includes EUR 1,209 thousand relating to the transactions performed with the non-controlling interest Federico Domenech, S.A. in prior years (31 December 2012: EUR 7,420 thousand).

The changes in this relationship and the analysis thereof take place on a permanent basis. Prospective estimates of this relationship are a key restrictive factor for the Group's investment strategy and dividend policy.

Reserves-

The detail of reserves at 31 December 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Reserves of the Parent	**328,010**	**330,397**
Legal reserve	4,999	4,999
Reserve for treasury shares	31,474	32,572
To voluntary reserves	291,537	292,826
Revaluation reserve for unrealised assets and unsettled liabilities (Note 21)	**(95)**	**(254)**
Reserves of consolidated companies	**(20,233)**	**29,669**
Reserves of companies accounted for using the equity method (Note 11)	693	(1,638)
Reserves of fully and proportionately consolidated companies	(20,926)	31,307
Total	**307,682**	**359,812**

At 31 December 2013, the Group's restricted reserves amounted to EUR 92,926 thousand (31 December 2012: EUR 92,727 thousand).

Share premium

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

Legal reserve

Under the Consolidated Spanish Public Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2013 and 2012, this reserve had reached the legally stipulated level.

Treasury shares-

The Company holds 3,871,501 treasury shares, equivalent to 3.1% of its share capital, which may be freely transferred.

The changes in treasury shares in 2013 and 2012 were as follows:

	No. of shares	Cost (thousands of euros)
Shares at 31/12/11	**3,812,375**	**33,008**
Purchases	131,955	194
Disposals (*)	(74,229)	(630)
Shares at 31/12/12	**3,870,101**	**32,572**
Purchases	157,499	205
Disposals (*)	(156,099)	(1,303)
Shares at 31/12/13	**3,871,501**	**31,474**

(*) Sales recognised at weighted average cost.

The loss resulting from the sales of treasury shares in 2013 was recognised with a charge of EUR 1,098 thousand to "Reserves".

Pursuant to the Spanish Limited Liability Companies Law, a restricted reserve was recognised for an amount equal to the cost of the treasury shares held. The balance of this reserve will become unrestricted when the circumstances that made it necessary to record it cease to exist.

The average number of treasury shares in 2013 was 3,866,101 (see Note 34).

Dividends-

In 2013 and 2012 the Parent did not distribute any dividends and at 31 December 2013 and 2012 the Parent did not have any amounts payable in this connection.

Equity of non-controlling interests-

The main transactions performed in 2013 and 2012 that affected the equity of non-controlling interests were as follows:

2013

- In addition to the transactions described in Note 2-d, no other significant transactions were performed in 2013 that affected the equity of non-controlling interests.

2012

- In 2012 no significant transactions were performed that might affect the equity of non-controlling interests.

Allocation of loss-

The proposed allocation of the loss for 2013 of Vocento, S.A. (separate financial statements) that its Board of Directors will propose for approval by the shareholders at the Annual General Meeting is as follows:

	Thousands of euros
Basis of allocation:	
Loss for the year	(17,183)
Allocation of loss:	
To retained losses	(17,183)

18. Provisions

The detail of "Provisions" in the accompanying consolidated balance sheets and the changes therein in 2013 and 2012 is as follows:

	Thousands of euros								
	Balance at 31/12/11	Additions	Amounts reversed	Amounts used	Balance at 31/12/12	Additions	Amounts reversed	Amounts used	Balance at 31/12/13
Provisions for pensions (Note 4-j)	1,375	100	(452)	(162)	861	-	(38)	(162)	661
Provisions for share-based payment (Note 4-p)	690	-	(690)	-	-	-	-	-	-
Provisions for litigation and tax (Note 24)	800	1,672	-	(38)	2,434	3,205	(291)	(1,540)	3,808
Provision for dismantling costs	6	-	-	-	6				6
Provisions for litigation relating to the publishing and audio-visual businesses	556	90	-	(209)	437	280	(157)	(90)	470
Other provisions	89	93	(1)	-	181	293	(32)		442
	3,516	**1,955**	**(1,143)**	**(409)**	**3,919**	**3,778**	**(518)**	**(1,792)**	**5,387**

At the end of each reporting period the Group estimates the amount of the liabilities giving rise to the recognition of provisions for tax and litigation and other provisions. Although the Group considers that the cash outflows will take place in the coming years, it cannot predict when the related liabilities will fall due and, therefore, it does not estimate the specific dates of the cash outflows. It considers that the value of the effect of discounting to present value would not be material.

At 31 December 2013, various legal proceedings and claims brought against the consolidated companies arising from the ordinary course of their operations were under way. The Group's legal advisors and its directors consider that the provisions recognised for this purpose are sufficient and that the outcome of these proceedings and claims will not have an additional material effect on the consolidated financial statements for the years in which they are settled (see Note 4-l).

Provisions for share-based payment-

The shareholders at the Annual General Meetings held on 14 April 2010 and 13 April 2011 resolved to approve two incentive plans designed for the Chief Executive Officer, senior executives and executives at Vocento, which each include single variable remuneration equal to 25% of the fixed annual remuneration of each director included in the plan (except for the CEO, who will receive 50% of his fixed remuneration). Of this remuneration, 75% will be cash-settled and the remaining 25% will be settled with Vocento, S.A. shares depending on the achievement of the estimated profit from operations for 2012 and 2013, respectively. All of the variable remuneration of the CEO and the Group's management committee will be settled in shares.

When drafting these plans, the maximum number of shares that could be used to settle both plans was set at 408,001 and 478,379 shares, respectively.

Variable remuneration was set at 25% of the fixed salary of each executive at the time of drafting the plan. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the objective to increase profit from operations is met, adjusted for termination benefits, with a limit of 150% of the total fixed remuneration.

With respect to the valuation and non-fulfilment of the aforementioned plans, at 31 December 2013 the Group had not recognised any provision in the consolidated balance sheet at 31 December 2013 in this connection, since the aforementioned plan had expired and, therefore, no payments in relation to it will be made.

In addition, the shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve a new incentive plan with similar features to those approved in 2010 and 2011. This new plan, addressed to the CEO and main senior executives of Vocento, consists of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO. The binomial valuation method, which is widely used in financial circles, was used to value this portion of the plan and the main assumptions used were as follows:

Main assumptions	2012 Plan
Risk-free interest rate	0.96%
Estimated dividend rate	1.19%
Employee turnover rate	3.00%
Probability of meeting target EBIT	0.00%

On the basis of this valuation, no amounts were provisioned in either 2013 or 2012.

Provisions for pensions and similar obligations-

At 31 December 2013, the Group had externalised all its pension obligations to its employees, in accordance with Royal Decree 1588/1999, of 15 October. The detail of these obligations is as follows:

Defined contribution

The detail of the Group's main defined-contribution obligations is as follows:

- Contribution of an annual fixed amount for the Group's executives, based on previously defined categories. This obligation is instrumented through an insurance policy.

- A percentage of the pensionable salary of each eligible employee is to be contributed to a pension plan for certain group employees. Employees hired after 9 May 2000 are subject to a two-year waiting period before they can decide whether or not to join the pension plan.

In 2013 the expense for all these obligations amounted to EUR 868 thousand (2012: EUR 885 thousand) and is recognised under “Staff Costs” in the accompanying consolidated income statements for 2013 and 2012 (see Note 29).

Other long-term employee benefits

The collective labour agreements of certain Group companies establish the obligation to pay certain long-service bonuses to their employees on completion of 20, 30 and 40 years of service at the company. At 31 December 2013 and 2012, the Group recognised provisions to cover the liability incurred in this connection, which were calculated based on actuarial techniques using, among other assumptions, a technical interest rate of 2.25%, GRM/F95 mortality tables and a long-term salary growth rate of 3.5%, amounting to approximately EUR 308 thousand and EUR 490 thousand, respectively, under “Provisions” on the liability side of the accompanying consolidated balance sheets. In 2013 a net amount of EUR 38 thousand (2012: EUR 201 thousand) was reversed to cover these obligations, with a credit to "Staff Costs" in the accompanying consolidated income statements for 2013 and 2012 (see Note 29).

Contingent liabilities-

The detail of the main contingent liabilities at 31 December 2013 is as follows:

- Claim filed against various media and journalists, including ABC Sevilla, S.L.U, by Antonio Castellano at the Sanlúcar La Mayor Court of First Instance no. 1 to protect the right to honour, personal and family privacy and the individual's image, for an amount of EUR 5,953 thousand to be shared. A cassation appeal was brought following two judgments issued contrary to the claimant's interests. Since the time for bringing legal action has elapsed, it is considered that the risk is negligible.
- Claim filed at Court of First Instance no. 13 of Madrid by The Marketing Room, S.L. in relation to promotional campaigns carried out by Diario ABC, S.L. claiming EUR 1,137 thousand. Ultimately, the order was for an amount of EUR 324 thousand, which has already been paid.
- Claim filed against various newspapers of the Group by Joaquín Alviz Victorio to protect the right to honour, personal and family privacy and the individual's image at the Court of First Instance no. 3, Cadiz (case 954/2007), claiming EUR 7,000 thousand. A decision was issued recently favourable to the Group's interests ordering the claimant to pay costs, which was subsequently upheld at second instance. An appeal was filed and the risk continues to be considered highly remote.
- The judgment handed down on 27 November 2012 by the Third Chamber of the Supreme Court rendered null and void the Decision by the Spanish Cabinet dated 16 July 2010, which allocated to each of the digital terrestrial television service (DTT) concession operators, among them Sociedad Gestora de Televisión Net TV, S.A., a capacity equivalent to a national digital multiplex consisting of four channels. The allocation was performed in compliance with the set of standards which, since 1997, subsequent to the approval of the Spanish National Digital Terrestrial Television Plan, and, particularly, under Law 10/2005 of 14 June, regulated the transition of analogue terrestrial television to DTT, which was completed in 2010 -once the Government had verified that the concession operators had strictly fulfilled all the requirements and obligations imposed on them, essential for the transition to DTT and a condition for obtaining access to the multiplex. The obstacle posed by the judgment of the Spanish Supreme Court was therefore basically formal, because neither the phases of the DTT, nor consequently their completion involving the allocation of a multiplex to each operator, have ever been questioned. On 22 March 2013, the Spanish Cabinet approved a decision to comply with the judgment of the Supreme Court handed down on 27 November 2012, indicating that the channels affected had to cease broadcasting, and linking this process with that of the liberalisation of the digital dividend. Subsequently, on 18 December 2013 the Supreme Court issued a writ of execution enforcing the aforementioned judgment, in which, among other matters addressed, the affected channels were named, including two of those currently owned by Sociedad Gestora de Televisión Net TV, S.A. An appeal was filed against the writ. The aforementioned appeal, together with an appeal filed by the other operators and another by UTECA, has been recently dismissed. Although other legal proceedings will foreseeably instigated, based on the substance of the case, the underlying legislation and any future changes therein, and the content of court decisions, a satisfactory solution for the operators is still possible. In any event, even if the aforementioned decision were not favourable, the impact thereof on the Company would be limited, since there would not be any adverse accounting effect (particularly due to the business model, and the inexistence of any goodwill or value in the asset associated with the operation of the channels awarded to the aforementioned Sociedad Gestora de Televisión Net TV, S.A.), notwithstanding the possibility of claiming the

corresponding compensation.

- Claim filed against Diario ABC, S.L. and various journalists by Diego Pastrana Vieco at the Parla Court of First Instance no. 1 for intrusion into the right to honour, personal and family privacy and the individual's image, for an amount of EUR 600 thousand. A defence has been filed against this claim. In the opinion of the advisers, any order for costs should not exceed EUR 60 thousand, which has already been provided for.
- A judgment handed down at second instance by the Central Economic-Administrative Tribunal in relation to income tax amounting to EUR 1,077 thousand against the current Veralia Contenidos, S.L. is pending appeal for judicial review. Although the payments have been made, the advisers expect this appeal to be successful.
- Enforcement proceedings relating to a tax credit for reinvestment, arising from the income tax audits of 2008 and 2009 at the current La 10 Canal de Televisión, S.L.U. amounting to EUR 826 thousand. The advisers consider that the absence of misconduct or negligence in the error committed by the Company should warrant the non-imposition of a penalty. Pleadings have been filed at the Central Economic Administrative Tribunal (TEAC), with a decision yet to be handed down. A guarantee is not required to sustain the appeal.
- Tax assessments received by Comeresa Prensa, S.L.U. in relation to income tax for 2006 and 2007 of EUR 1,826 thousand and EUR 1,819 thousand respectively, against which an economic-administrative appeal has already been filed at the Central Economic-Administrative Tribunal. In the opinion of the advisers, in the first case, the defects in the investigation phase of the proceedings make it probable that the appeal of Comeresa Prensa, S.L.U. will be upheld, and in the second, the obligatory application of a bilateral adjustment at Vocento S.A. make certain the recovery of the deficiency claimed.
- Judgment of the Extremadura High Court of 18 December 2013, rendering void the resolution of 13 August 2009 of the General Secretariat of the Presidency of the Extremadura Autonomous Community Government, affecting radio broadcasting licences of Badajoz, Mérida and Cáceres; and the order of 7 October 2011 of the Extremadura High Court enforcing the judgment declaring null and void the resolution of 29 January 2008, affecting the radio broadcasting licence of Jaraíz de la Vera. Both proceeding are currently subject to cassation appeals.

19. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Trade payables-		
Payable to related companies (Note 35)	813	1,119
Trade payables	78,141	101,434
Unreceived invoices	15,573	18,646
Trade notes payable to suppliers	7,235	11,954
Other payables and volume rebates (Note 4-ñ)	(662)	(1,011)
	101,100	**132,142**
Other current payables-		
Remuneration payable (Notes 23 and 29)	10,474	30,013
Payable to suppliers of property, plant and equipment (Note 10)	3,092	3,468
Former-employee benefits payable (Notes 4-j, 6 and 23)	2,277	2,302
Current accruals and deferred income	6,221	6,662
Interim dividend payable (Note 17)	-	189
Other	2,630	4,371
	24,694	**47,005**
	125,794	**179,147**

The carrying amount of these liabilities approximates their fair value.

At 31 December 2013, "Remuneration Payable" includes EUR 3,489 thousand relating to termination benefits payable, which includes EUR 1,923 thousand with finance costs for termination benefits arising from Diario ABC, S.L.'s collective redundancy procedure, performed in 2009. t At 31 December 2012, "Remuneration Payable" amounted to EUR 20,906 thousand, of which EUR 17,913 thousand related to the termination benefits payable under the efficiency plan (see Notes 23 and 29). Also, the amount relating to Diario ABC, S.L.'s collective redundancy procedure amounted to EUR 2,199 thousand.

Disclosures on the payment periods to suppliers Additional Provision Three "Disclosure Obligation" provided for in Law 15/2010, of 5 July:

With respect to the disclosures required by Additional Provision Three of Law 15/2010, of 5 July, the detail of the payments made to suppliers in 2013 and 2012, the weighted average period of late payment and the balances payable to suppliers past due by more than the maximum payment period at 31 December 2013 and 2012 is as follows (in thousands of euros):

Amounts paid and payable at year-end	2013		2012	
	Amount	Percentage (*)	Amount	Percentage (*)
Within the maximum payment period	222,545	58.91%	254,378	59.96%
Remainder	155,211	41.09%	169,857	40.04%
Total payments for the year	377,756	100%	424,235	100.00%
Weighted average period of late payment (days)	55	-	54	-
Payments at year-end not made in the maximum payment period	22,611	29.17%	21,948	21.92%

(*) Percentage of total balance at 31 December 2013 and 2012.

This balance refers to those suppliers which because of their nature are trade creditors for the supply of goods and services and, accordingly, includes the figures relating to "Trade Payables" under current liabilities in the consolidated balance sheet.

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

The maximum payment period applicable to Group Companies for 2012 and 2103 under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, is 75 days from 1 January 2012 to 31 December 2012 and 60 days from 1 January 2013 to 31 December 2013.

20. Bank borrowings and other financial liabilities

The detail of the bank borrowings and other financial liabilities at 31 December 2013 and the repayment schedules are as follows:

	Thousands of euros					
		Maturity				
		Current	Non-current			
	Balance at 31/12/13	2014	2015	2016	2017 and subsequent years	Total non-current
Loans and credit facilities payable (Note 6)	153,851	110,240	13,746	20,593	9,270	43,611
Obligations under finance leases (Note 10)	14,314	2,683	2,728	2,106	6,797	11,631
Amounts payable under derivative financial instruments (Note 21)	216	-	97	43	76	216
Factoring and note discounting	1,371	1,371	-	-	-	-
Accrued interest payable	817	817	-	-	-	-
TOTAL	**170,569**	**115,111**	**16,571**	**22,742**	**16,145**	**55,458**

As a result of the arrangement of the syndicated loan described in Note 41, the repayment schedules of bank borrowings have been changed.

Also, the detail of the bank borrowings and other financial liabilities at 31 December 2012 and the repayment schedules are as follows:

	Thousands of euros					
		Maturity				
		Current	Non-current			
	Balance at 31/12/12	2013	2014	2015	2016 and subsequent years	Total non-current
Loans and credit facilities payable (Note 6)	138,083	61,772	36,504	23,320	16,487	76,311
Obligations under finance leases (Note 10)	17,005	2,690	2,684	2,727	8,904	14,315
Amounts payable under derivative financial instruments (Note 21)	503	-	284	98	121	503
Factoring and note discounting	1,174	1,174	-	-	-	-
Accrued interest payable	855	855	-	-	-	-
TOTAL	**157,620**	**66,491**	**39,472**	**26,145**	**25,512**	**91,129**

At 31 December 2013 and 2012, the limit of the Group companies' credit facilities and the amounts drawn down and available were as follows:

	Thousands of euros	
	2013	2012
Amounts drawn down	102,111	66,661
Amounts available	28,814	56,546
Total credit facility limit	**130,925**	**123,207**

The average annual interest rate for 2013 and 2012 on the loans and credit facilities and on the obligations under finance leases was EURIBOR plus the following spreads:

	2013	2012
Loans and credit facilities	6.10% - 1.5%	6.10% - 1.5%
Obligations under finance leases	2.00% - 0.05%	2.00% - 0.05%

The directors consider that the fair value of these loans does not differ significantly from their carrying amount. The sensitivity of the aforementioned fair values to interest rate fluctuations which the Group considers reasonably possible is as follows:

	Thousands of euros			
	Change in interest rates			
	2013		2012	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Change in the value of the borrowings	(424)	424	(345)	345

The Group hedges EUR 4,699 thousand of the risk associated with increases in interest rates using derivative financial instruments (see Notes 6 and 21).

21. Derivative financial instruments

The Group uses derivative financial instruments to hedge the risks, mainly interest rate risk, to which its future activities, transactions and cash flows are exposed. The detail of the balances that reflect the measurement of derivatives in the consolidated balance sheets at 31 December 2013 and 2012 is as follows (see Note 20):

	Thousands of euros			
	31/12/13		31/12/12	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
INTEREST RATE HEDGES				
Cash flow hedges:				
Interest rate swaps	-	25	-	222
Step-up collars	-	191	-	281
	-	**216**	-	**503**

The purpose of the interest-rate derivatives arranged by the Group is to mitigate the effect that interest rate fluctuations may have on any future cash flows from the loans tied to floating interest rates. The detail and maturity of these hedging transactions is as follows:

	Average interest rate arranged		Nominal amount (thousands of euros)		Maturity	
Instrument	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
Interest rate swap	4.42%	4.42%	2,750	7,750	2015	2014
Step-up collars			1,949	2,319	2019	2019
Total			**4,699**	**10,069**		

The effect of the changes in the derivatives in 2013 was recognised with a credit to "Reserves – Revaluation Reserve for Unrealised Assets and Unsettled Liabilities" and "Equity – Of Non-Controlling Interests" for net amounts of EUR 159 thousand and EUR 41 thousand, respectively (a credit of EUR 117 thousand and EUR 53 thousand, respectively, in 2012).

The Group uses a step-up collar to fix the floating-rate interest payments on finance leases within a range spanning from a minimum of 3.95% to a maximum of 5%. The initial cost of the aforementioned financial instrument was zero. The notional amount of the options sold was offset in full by the notional amount of the options purchased, making it a net purchased option. The effectiveness of the step-up collar was measured by offsetting the changes in the flows of the collar against the changes in the flows of the hedged risk through the hypothetical derivative method, thereby fulfilling the conditions required to be considered a hedging instrument.

The Group met the requirements described in Note 4-h on measurement bases in order to classify the financial instruments detailed above as hedges. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective. No ineffective portions were detected in the hedges designated by the Group as such.

The sensitivity of the fair value of the interest-rate hedges to interest rate fluctuations which the Group considers reasonably possible, and the related impact on profit (loss) for the year and equity at 31 December 2013 and 2012, is reflected in the following table:

	Thousands of euros			
	Change in interest rates			
	2013		2012	
Change	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Fair value	13	(13)	29	(29)
Profit (Loss)	-	-	-	-
Equity	13	(13)	29	(29)

The liquidity analysis of the derivative instruments, using net undiscounted flows, is as follows:

2013	2014	2015	2016 and subsequent years
Interest rate swaps	-	25	-
Step-up collars	-	72	119
Total	**-**	**97**	**119**

2012	2014	2015	2016 and subsequent years
Interest rate swaps	196	25	-
Step-up collars	160	55	67
Total	**356**	**80**	**67**

22. Deferred income

The changes in "Deferred Income" on the liability side of the consolidated balance sheets at 31 December 2013 and 2012 were as follows:

	Thousands of euros
	Asset-related grants
Balance at 31 December 2011	**282**
Amount recognised in profit or loss	(143)
Balance at 31 December 2012	**139**
Amount recognised in profit or loss	(124)
Balance at 31 December 2013	**15**

23. Other non-current payables

The detail of "Other Non-Current Payables" at 31 December 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Former-employee benefits payable (see Notes 4-j and 6)	3,048	5,304
Termination benefits payable (Notes 6 and 29)	5,471	7,750
Other payables including finance costs (Notes 2-d and 6)	65	660
Other payables excluding finance costs	24,739	24,442
	33,323	**38,156**

Former-employee benefits payable-

In 2000 various subsidiaries reached agreements with certain of their employees to settle the pension plans at that date in exchange for certain defined-benefit contributions. It was agreed that the contributions would be repaid on the basis of a schedule, discounting the related finance cost.

The repayment schedule including the accrued finance costs is as follows:

Years	Amount (Thousands of euros)
2014	2,277
Total - current (Note 19)	**2,277**
2015	1,871
2016	1,177
Total - non-current	**3,048**

In 2013 the finance costs recognised in this connection totalled EUR 24 thousand, while no amount was recognised in 2012 (see Note 32).

Termination benefits payable-

At 31 December 2013, the amount payable at long term by the Group amounted to EUR 5,471 thousand, which corresponded to the termination benefits agreed upon with Diario ABC, S.L., EUR 5,253 thousand of which relate to the redundancy procedure carried out in 2009 by this company (see Note 19). It was agreed that these termination benefits would be repaid on the basis of a schedule, discounting the related finance cost.

The repayment schedule for these termination benefits is as follows:

Maturity	(Thousands of euros)
2015	1,815
2016	1,512
2017	1,121
2018 and subsequent years	1,023
Total - non-current	**5,471**

Other payables excluding finance costs-

In 2009, all the non-controlling shareholders of Federico Domenech, S.A. entered into an agreement with the Group whereby the put option granted in prior years was postponed under the same terms as those under which it was granted. As a result, the same conditions are applicable for the execution of the put option, although with a two-year delay on the schedule envisaged in the agreement.

This agreement was renewed in 2012 (see Relevant event reported to the CNMV on 10 May 2012), thus giving rise to transactions with the non-controlling shareholders of Federico Domenech, S.A. described in the financial statements for 2012, such that the liability for the potential exercise of the put option at 31 December 2013 amounted to EUR 22,426 thousand.

24. Deferred taxes and income tax expense

Since 1997 Vocento, S.A. and certain of its subsidiaries subject to the Bizkaia Corporation Tax Regulation pay income tax under the Special Consolidated Tax Regime. Vocento, S.A. is the parent of the tax group. Notification of the composition of the tax group for 2013 was filed at the Bizkaia Provincial Department of Economy and Finance on 31 January 2014 (see Appendix). On 20 December 2013, notification of the composition of the tax group composing Comeresa Prensa, S.L.U. as the Parent and various subsidiaries subject to this common legislation for 2013 was filed at the Spanish Ministry of Economy and Finance (see Appendix).

a) Reconciliation of the accounting loss to the tax loss

The table below shows the calculation of the income tax expense for 2013 and 2012:

	Thousands of euros	
	2013	2012
Consolidated loss before tax	**(9,392)**	**(76,530)**
Increases (Decreases) due to permanent differences		
- Results of companies accounted for using the equity method (Note 11)	(67)	781
- Fines and penalties	758	83
- Other gains or losses on financial instruments (Note 2-d)	-	(2,698)
- Other permanent differences	-	(295)
Adjusted accounting loss	**(8,701)**	**(78,659)**
Gross tax calculated using the average tax rate	2,665	24,753
Sundry tax credits	45	127
Adjustment to prior year's income tax payment	(103)	345
Reversal of unrecovered tax assets	(4,709)	-
Reversal of tax assets of Factoría de Información, S.A.U.	-	(4,178)
Offset of unrecognised tax losses	635	-
Tax losses recognised from prior years	-	3,887
Unrecognised tax loss carryforwards	2	-
Other companies	(62)	(620)
Accrued income tax (expense) benefit	**(1,527)**	**24,314**
Provision for 45% tax incentives from Gipuzkoa tax authorities	**-**	**4,768**
Provision for tax (Note 18)	**(661)**	**(1,199)**
Income tax - continuing operations	**(2,188)**	**27,883**

The breakdown of the income tax expense (benefit) for 2013 and 2012 (relating to continuing operations) is as follows:

	Thousands of euros	
	2013	2012
Current tax		
For the year	3,283	28,147
For the year (effect of the tax provision arising from a tax credit of 45% for investments in property, plant and equipment)	-	4,768
For the year (provision for tax)	(661)	(1,199)
From prior years	(103)	345
Deferred tax		
Reversal of unrecovered tax assets	(4,709)	(4,178)
Unrecognised tax losses	**2**	**-**
Income tax - continuing operations	**(2,188)**	**27,883**

In 2011 the tax group, headed by Comeresa Prensa, S.L.U., made sales of certain items of its property, plant and equipment (mainly a plot of land owned by the subsidiary Diario ABC, S.L.), which qualified for the regime for tax credits for reinvestment of extraordinary gains stipulated in Article 42 of the Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

The Group's reinvestment obligation in this connection amounted to EUR 20,185 thousand and pursuant to prevailing Spanish legislation, the price obtained on this transfer must be reinvested between one year prior to the date of transfer of the property and the three following years, i.e. prior to 20 January 2014.

At 2013 year-end, Comeresa Prensa, S.L.U. had already fully complied with the aforementioned reinvestment obligation by acquiring shares of Federico Domenech, S.L. and Kioskoymas, Sociedad Gestora de la Plataforma Tecnológica, S.L. and by acquiring other non-current assets.

b) Deferred tax assets and liabilities

The detail of "Non-Current Assets - Deferred Tax Assets" and "Non-Current Liabilities - Deferred Tax Liabilities" in the accompanying consolidated balance sheets at 31 December 2013 and 2012, and the changes therein is as follows:

	31/12/11	Additions	Reductions	Transfers	31/12/12	Additions	Reductions	Transfers	31/12/13
Deferred tax assets-									
Tax loss carryforwards	109,640	23,698	(5,357)	(2,709)	125,272	11,568	(8,315)	(486)	128,039
Other unused tax credits	51,128	2,312	(16)	273	53,697	2,072	(1,863)	(210)	53,696
Deferred tax assets	13,343	9,446	(5,054)	6,193	23,928	7,354	(9,409)	68	21,941
Total deferred tax assets	**174,111**	**35,456**	**(10,427)**	**3,757**	**202,897**	**20,994**	**(19,587)**	**(628)**	**203,676**
Deferred tax liabilities-	**(38,276)**	**(267)**	**1,060**	**(3,757)**	**(41,240)**	**(209)**	**2,906**	**628**	**(37,915)**

The tax assets and liabilities in the consolidated balance sheet are recognised at their estimated recoverable amount.

The deferred income tax asset relates mainly to timing differences arising from the differences in the timing of recognition for accounting and tax purposes of pension and similar obligations (see Notes 4-j, 18 and 23) and from the tax deductibility of certain items of goodwill (see Notes 8 and 11).

The deferred tax assets indicated above were recognised in the consolidated balance sheet because the Parent's directors considered that, based on their best estimate of the Group's future earnings of the Group's various lines of business, it is probable that these assets will be recovered. The periods in which these deferred tax assets are expected to be offset is as follows:

	Thousands of euros		
	1-6 years	7-15 years	Total
Tax loss carryforwards	47,795	80,244	128,039
Other unused tax credits	9,189	44,507	53,696
Other deferred tax assets	14,357	7,584	21,941
Total deferred tax assets	**71,341**	**132,355**	**203,676**

The detail of the time limits for deduction at 31 December 2013 and 2012 of the tax loss carryforwards recognised in the consolidated balance sheet is as follows:

	Thousands of euros	
	2013	2012
1 to 6 years	749	92
7 to 18 years	110,114	105,012
No time limit for deduction (*)	17,176	20,168
Total	**128,039**	**125,272**

The detail of the time limits for deduction at 31 December 2013 and 2012 of the tax credit carryforwards recognised in the consolidated balance sheet is as follows:

	Thousands of euros	
	2013	2012
1 to 6 years	827	3,544
7 to 18 years	16,527	11,878
No time limit for deduction (*)	36,342	38,275
Total	**53,696**	**53,697**

(*) No time limit for deduction, pursuant to the legislation in force at 31 December 2013, which will change to 15 years from 01/01/14 onwards, in accordance with Provincial Regulation 11/2013, approved by the Provincial Assembly of Bizkaia on 5 December 2013.

The other deferred tax assets recognised in the consolidated balance sheets at 31 December 2013 and 2012 arose mainly due to the temporary differences between the accounting expense and the

related tax deductibility and relate mainly to the provision to the allowance for doubtful debts, the provision for termination benefits and provision for pension plans.

In addition, the detail of the losses for which the Group did not recognise deferred tax assets in the consolidated balance sheet and the related time limits for deduction at 31 December 2013 is as follows:

Last year for deduction	Thousands of euros 2013
2021	5,622
2022	1,979
2023	7,465
2024	7,416
2025	21,744
2026	17,424
2027	5,138
2028	2,093
2029	4,173
2030	257
2031	210
No time limit for deduction (*)	1,038
Total	**74,559**

(*) No time limit for deduction, pursuant to the legislation in force at 31 December 2013, which will change to 15 years from 01/01/14 onwards, in accordance with Provincial Regulation 11/2013, approved by the Provincial Assembly of Bizkaia on 5 December 2013.

c) Years open for review and other information

At 31 December 2013, the Parent and the other Group companies had the last four years open for inspection by the tax authorities for the taxes applicable to them, provided that the statute-of-limitations period is not interrupted as a result of the commencement of a tax inspection.

In this regard, in 2013 tax assessments resulting from tax audits initiated in prior years were issued against several companies of the tax group, the parent of which is Comeresa Prensa, S.L.U. These tax assessments totalled EUR 5,062 thousand for the Group, the detail being as follows: EUR 3,794 thousand of deficiency, EUR 1,130 thousand late payment interest and a EUR 138 thousand penalty. The total impact on the consolidated income statement for 2013 was EUR 1,645 thousand. In 2013 a total of EUR 1,418 thousand was paid in this connection, with EUR 2,197 thousand, relating to the assessments against which appeals have been filed at the Central Economic-Administrative Tribunal, yet to be paid.

Also, income tax audits for 2008 are being carried out at several companies of the tax group headed by Comeresa Prensa, S.L.U. The directors do not expect significant liabilities to arise other than those indicated in Note 18.

Also, in prior years, certain of the Group companies used tax incentives consisting of tax credits equal to 45% of certain investments made in plant, property and equipment. These incentives,

which were provided for in the income tax regulations approved by the Bizkaia and Gipuzkoa tax authorities, were challenged by the European Union authorities.

In 2011, the Bizkaia tax authorities filed an additional tax assessment to that filed in 2007, as a preventative measure. An appeal was filed against this assessment at the High Court of Justice of the Basque Country, which, in its judgment of 30 October 2013, partially upheld the appeal for judicial review, rendering void the corresponding assessments and ordering the Provincial Government of Bizkaia to take the investigation file procedures back to the prior proceeding for hearing submissions from the interested party. To date, the Gipuzkoa tax authorities have not enforced this judgment, against which a cassation appeal has been filed at the Judicial Review Chamber of the Supreme Court. A decision has yet to be handed down on this cassation appeal.

A tax assessment amounting to EUR 2,109 thousand was received from the Gipuzkoa tax authorities in 2012. An appeal was filed against this assessment at the Economic-Administrative Tribunal of Gipuzkoa, although a decision has yet to be handed down on this appeal.

Due to the different interpretations afforded to the tax legislation applicable to the transactions carried out by the Group, there may be contingent tax liabilities that cannot be objectively quantified. However, the Group's directors consider that the likelihood of such contingent liabilities arising is remote and, in any case, the tax liability that might arise would not have a material effect on the consolidated financial statements.

25. Tax matters

The breakdown of "Tax Receivables" and "Tax Payables" on the asset and liability sides, respectively, of the accompanying consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Current assets - Tax receivables-		
Income tax refundable	6,553	6,008
VAT refundable	1,428	5,485
Tax withholdings and pre-payments	1,827	718
Sundry tax receivables	94	388
Accrued social security taxes refundable	45	47
	9,947	**12,646**
Current liabilities - Tax payables-		
VAT payable	3,317	4,353
Tax withholdings payable	9,603	8,772
Income tax payable	998	1,318
Other tax payables	1,003	1,630
Accrued social security taxes payable	3,164	3,450
	18,085	**19,523**

26. Business segment reporting

In 2013, the Group considered new methods to define the segment reporting included in the accompanying consolidated financial statements, which was performed in accordance with IFRS 8, based on the organisational units on which information is submitted to an entity's managing body and chief executive officer so that they may assess the unit's past performance and take decisions on the future allocations of resources.

Therefore, the structure of comparative information on business segments differs from that included in the consolidated financial statements of Vocento for 2012.

Information is presented on the main segments and the "Structure and Other" column includes the data relating to segments which are not broken down individually because they are not considered material, together with adjustments and eliminations on consolidation.

As a result, complete information is provided on the following business segments:

- Newspapers: basically the sale of regional daily newspapers, the ABC daily newspaper and its supplements and magazines, sales of advertising and content, mainly of the various digital press portals, and revenue from printing and distributing press.

- Audio-visual: this encompasses television (national, regional and local DTT), radio and content producers.

- Classifieds: sales of advertising and content, mainly of the various classified advertising portals.

- Other businesses: revenue from B2B and other businesses.

The methods used by the Group to obtain the segment-based financial statements were as follows:

- In general, any assets, liabilities, expenses and income corresponding exclusively or directly to each of the aforementioned business segments were allocated thereto.

- Assets for general use are presented in the "Structure" and "Other" column and are not distributed among segments. However, any costs and income associated with such assets are allocated to segments.

At 31 December 2013, no discontinued operations, defined as the separation from the Group (either through a sale, spin-off, liquidation or similar operation) of an operating line of business or geographical area, had taken place. Similarly, management does not have any intention to perform any such operation in the near future. The Group does not disclose any information on geographical segments since substantially all the consolidated companies' sales are made in Spain. In addition, Group management does not use geographical segmentation as a management strategy within Spain.

The Group does not disclose any information relating to customers since no one individual customer represents more than 10% of revenue.

The detail of the disclosures, by segment, of the Group's business for 2013 and 2012, based on the above-defined criteria above, is presented below:

vocento

BUSINESS SEGMENTS IN 2013
(Thousands of euros)

	PRINTED MEDIA	AUDIOVISUAL	CLASSIFIEDS	OTHER BUSINESS	STRUCTURE	AND OTHER	TOTAL
REVENUE							
External sales	**422,669**	**77,419**	**13,163**	**13,916**	**2,590**	**-**	**529,757**
Sale of copies	214,506	-	-	-	-	-	214,506
Advertising sales	144,268	3,485	10,381	203	(1,867)	-	156,470
Other revenue	63,895	73,934	2,782	13,713	4,457	-	158,781
Inter-segment sales	**5,913**	**590**	**168**	**1,034**	**33,980**	**(41,685)**	-
Sale of copies	149	-	-	-	-	(149)	-
Advertising sales	(2,118)	18	3	-	1,818	279	-
Other revenue	7,882	572	165	1,034	32,162	(41,815)	-
Total sales	**428,582**	**78,009**	**13,331**	**14,950**	**36,570**	**(41,685)**	**529,757**
EXPENSES							
Procurements	85,292	3	222	5,329	922	(919)	90,849
Staff costs	117,680	7,828	7,967	4,338	23,486	(68)	161,231
Depreciation and amortisation charge	17,894	7,896	1,347	1,200	795	1	29,133
Change in operating allowances and other	2,353	6,576	216	27	52	102	9,326
Outside services	183,202	58,618	6,158	1,801	23,017	(40,801)	231,995
Profit (Loss) from operations before impairment losses and gains or losses on disposal of non-current assets	22,161	(2,912)	(2,579)	2,255	(11,702)	-	7,223
Impairment of and gains or losses on disposal of property, plant and equipment and intangible assets	(133)	(2,546)	1,253	172	(2)	-	(1,256)
Segment profit/loss	**22,028**	**(5,458)**	**(1,326)**	**2,427**	**(11,704)**	**-**	**5,967**
Results of investees	271	(12)	(192)	-	-	-	67
Finance income	6,004	1,026	(34)	93	29,791	(36,161)	719
Finance costs	(4,908)	(2,420)	(371)	(7)	(11,414)	8,454	(10,666)
Write-down of goodwill	-	(2,500)	(3,300)	-	-	-	(5,800)
Other impairment losses on financial instruments	(6)	-	-	-	(70,165)	70,160	(11)
Gains or losses on disposal of financial instruments	(18)	350	-	-	-	-	332
Profit before tax	**23,371**	**(9,014)**	**(5,223)**	**2,513**	**(63,492)**	**42,453**	**(9,392)**
Income tax	(10,838)	2,191	1,572	(730)	5,617	-	(2,188)
Profit/(loss) after tax in assets held for sale and discontinued operations	-	-	-	-	-	-	-
Profit/Loss attributable to non-controlling interests	(3,583)	821	(407)	(359)	(22)	(5)	(3,555)
Profit (Loss) attributable to the Parent	**8,950**	**(6,002)**	**(4,058)**	**1,424**	**(57,897)**	**42,448**	**(15,135)**
OTHER INFORMATION							
Depreciation and amortisation charge and expenses other than depreciation and not involving an outflow of cash	20,247	14,472	1,563	1,227	847	103	38,459
Costs incurred in the year in the acquisition of property, plant and equipment and other intangible assets	4,835	1,553	453	423	363	-	7,627
ASSETS							
Investments accounted for using the equity method	8,056	9	2,611	-	-	-	10,676
Current financial assets	3,628	4,102	512	3,834	2,306	(11,352)	3,030
Deferred tax assets	64,022	19,667	8,269	742	110,976	-	203,676
Other assets	561,403	153,717	16,740	7,262	400,574	(616,088)	523,608
Total consolidated assets	**637,109**	**177,495**	**28,132**	**11,838**	**513,856**	**(627,440)**	**740,990**
EQUITY AND LIABILITIES							
Bank borrowings and other financial liabilities	153,655	37,146	8,093	-	278,582	(293,062)	184,414
Deferred tax liabilities	9,762	19,583	-	515	8,054	1	37,915
Other liabilities and equity	473,692	120,766	20,039	11,323	227,220	(334,379)	518,661
Total consolidated liabilities and equity	**637,109**	**177,495**	**28,132**	**11,838**	**513,856**	**(627,440)**	**740,990**

vocento

BUSINESS SEGMENTS IN 2012
(Thousands of euros)

	PRINTED MEDIA	AUDIOVISUAL	CLASSIFIEDS	OTHER BUSINESS	STRUCTURE	OTHER	TOTAL
REVENUE							
External sales	**467,740**	**94,349**	**14,087**	**19,004**	**1,489**	**-**	**596,669**
Sale of copies	233,682	-	-	-	-	-	233,682
Advertising sales	167,644	13,414	10,472	4,298	(3,503)	-	192,325
Other revenue	66,414	80,935	3,615	14,706	4,992	-	170,662
Inter-segment sales	**6,264**	**2,158**	**104**	**1,261**	**42,613**	**(52,400)**	-
Sale of copies	114	0	0	0	0	(114)	-
Advertising sales	(4,147)	481	50	83	3,599	(66)	-
Other revenue	10,297	1,677	54	1,178	39,014	(52,220)	-
Total sales	**474,004**	**96,507**	**14,191**	**20,265**	**44,102**	**(52,400)**	**596,669**
EXPENSES							
Procurements	97,496	5	219	6,736	777	(675)	104,558
Staff costs	136,430	19,171	9,442	6,325	29,499	(44)	200,823
Depreciation and amortisation charge	18,717	10,748	1,872	1,338	982	-	33,657
Change in operating allowances and other	3,821	3,075	281	64	183	131	7,555
Outside services	204,499	73,428	6,869	5,656	30,818	(51,810)	269,460
Profit (Loss) from operations before impairment losses and gains or losses on disposal of non-current assets	13,041	(9,920)	(4,492)	146	(18,159)	-	(19,384)
Impairment of and gains or losses on disposal of property, plant and equipment and intangible assets	(317)	(2,226)	(731)	(469)	(35)	(1)	(3,779)
Segment profit/loss	**12,724**	**(12,146)**	**(5,223)**	**(323)**	**(18,194)**	**(1)**	**(23,163)**
Results of investees	288	(9,168)	(340)	-	-	-	(9,220)
Finance income	1,556	509	8	92	22,035	(23,027)	1,173
Finance costs	(5,443)	(2,261)	(213)	(306)	(4,442)	2,497	(10,168)
Write-down of goodwill	(15,000)	-	(3,500)	(19,146)	-	-	(37,646)
Other impairment losses on financial instruments	(4,454)	-	-	-	(72,109)	79,116	2,553
Gains or losses on disposal of financial instruments	(57)	(2)	-	-	-	-	(59)
Profit before tax	**(10,386)**	**(23,068)**	**(9,268)**	**(19,683)**	**(72,710)**	**58,585**	**(76,530)**
Income tax	2,371	8,700	3,398	(13,972)	27,386	-	27,883
Profit/(loss) after tax in assets held for sale and discontinued operations	-	-	-	-	-	-	-
Profit/Loss attributable to non-controlling interests	(3,658)	47	702	(502)	(601)	(710)	(4,722)
Profit (Loss) attributable to the Parent	**(11,673)**	**(14,321)**	**(5,168)**	**(34,157)**	**(45,925)**	**57,875**	**(53,369)**
OTHER INFORMATION							
Depreciation and amortisation charge and expenses other than depreciation and not involving an outflow of cash	22,538	13,823	2,153	1,402	1,165	131	41,212
Costs incurred in the year in the acquisition of property, plant and equipment and other intangible assets	7,892	2,548	991	1,180	767	-	13,378
ASSETS							
Investments accounted for using the equity method	7,787	20	2,292	(1)	-	-	10,098
Current financial assets	3,383	2,265	2	1,428	2,263	(3,908)	5,433
Deferred tax assets	68,630	19,859	7,527	617	106,262	2	202,897
Other assets	587,547	186,366	22,536	8,822	624,002	(838,731)	590,542
Total consolidated assets	**667,347**	**208,510**	**32,357**	**10,866**	**732,527**	**(842,637)**	**808,970**
EQUITY AND LIABILITIES							
Bank borrowings and other financial liabilities	146,248	37,554	7,070	-	251,778	(259,363)	183,287
Deferred tax liabilities	10,735	21,862	1	509	8,132	1	41,240
Other liabilities and equity	510,364	149,094	25,286	10,357	472,617	(583,275)	584,443
Total consolidated liabilities and equity	**667,347**	**208,510**	**32,357**	**10,866**	**732,527**	**(842,637)**	**808,970**

27. Revenue

The detail of "Revenue" in the accompanying consolidated income statements for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Circulation sales	214,506	233,682
Advertising sales	156,470	192,325
Direct revenue from promotions	19,860	23,753
Revenue from deliveries	4,746	4,978
Other audio-visual-segment revenue	73,933	80,935
Other revenue	59,493	59,622
	529,008	**595,295**

28. Procurements

The detail of "Procurements" in the accompanying consolidated income statements for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Paper	33,803	43,434
Raw materials	5,669	6,399
Newspaper purchases	33,106	36,323
Other materials consumed	18,271	18,402
	90,849	**104,558**

29. Staff costs

The detail of "Staff Costs" in 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Wages and salaries	126,875	143,283
Employer social security costs	30,916	32,960
Termination benefit costs (Note 19)	596	21,925
Other employee benefit costs	2,014	2,939
Contributions to executive incentive plans (Notes 4-p and 18)	-	(968)
Contributions to pension plans and similar obligations (Notes 4-j and 18)	830	684
	161,231	**200,823**

At 31 December 2012, "Termination Benefit Costs" in the table above includes EUR 17,913 thousand relating to the efficiency plan announced by the Group at the end of 2012 (see the Relevant event reported to the CNMV on 19 December 2012), which was initiated prior to 31 December 2012 (see Note 19). It also includes EUR 558 thousand relating to the cessation of the publishing activity of the newspaper Qué in 2012.

The average number of employees employed by the Group, by professional category, in 2013 and 2012 was as follows:

	Average number of employees			
	2013		2012	
	Group companies	Jointly-controlled entities	Group companies	Jointly-controlled entities
Chief Executive Officer	1	-	1	-
Senior executives	9	-	9	-
Executives	182	2	211	2
Middle management	443	3	488	4
Other employees	2,250	24	2,647	26
Total	**2,885**	**29**	**3,356**	**32**

The detail, by gender, of the employees at 31 December 2013 and 2012 is as follows:

	Number of persons			
	31/12/13		31/12/12	
	Men	Women	Men	Women
Chief Executive Officer	1	-	1	-
Senior executives	8	1	7	2
Executives	134	44	164	48
Middle management	308	133	340	141
Other employees	1,286	936	1,465	1,092
Total	**1,737**	**1,114**	**1,977**	**1,283**

At 31 December 2013, the number of independent directors was 11, 1 of whom was a woman and 10 of whom were men.

The average number of employees at the Group with a level of disability of 33% or above, by professional category, in 2013 and 2012 was as follows:

	Average number of employees			
	2013		2012	
	Group companies	Jointly-controlled entities	Group companies	Jointly-controlled entities
Directors	-	-	-	-
Senior executives	-	-	-	-
Executives	1	-	1	-
Middle management	2	-	1	-
Other employees	14	-	16	1
Total	**17**	**-**	**18**	**1**

30. Outside services

The detail of "Outside Services" in the accompanying consolidated income statements for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Editorial services and artistic media	48,408	57,017
Sales	56,314	64,759
Administrative services	19,449	21,743
Print shop and technical media	29,693	37,820
Distribution	62,937	68,371
Sundry	15,194	19,750
	231,995	**269,460**

Recognised mainly under "Sundry" in the table above, the expenses for operating leases in 2013 amounted to EUR 2,975 thousand (2012: EUR 4,579 thousand). These expenses relate mainly to commercial premises leased by Group companies, for which the related leases have been entered into with the lessors. These leases are automatically renewed for one-year periods up to a maximum of four years from the starting date. The Parent's directors consider that, based on the terms and conditions of the leases entered into, with regard to the duration or the possibilities of renewal thereof, it will be possible to recover the net investments at 31 December 2013 made in the facilities during their remaining useful life.

At 2013 and 2012 year-end, the minimum lease payments which the Group had arranged with lessors in accordance with the leases currently in force are not material.

31. Finance income

The detail of “Finance Income” in the accompanying consolidated income statements for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Income from equity investments	62	178
Other interest and similar income	456	747
Exchange gains	201	248
Total	**719**	**1,173**

"Other Interest and Similar Income" includes basically the finance income from deposits (see Note 16) held by the Group companies during the year.

32. Finance costs

The detail of "Finance Costs" in the accompanying consolidated income statements for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Finance costs relating to past-service employee benefits payable (Note 23)	24	-
Interest on bank borrowings (Note 20)	7,628	7,536
Gain on financial derivatives (Note 21)	245	391
Other finance costs	2,769	2,241
Total	**10,666**	**10,168**

33. Acquisition of subsidiaries

The Group did not acquire any new companies in 2013 or 2012.

34. Earnings per share

The reconciliation at 31 December 2013 and 2012 of the number of ordinary shares used in the calculation of earnings per share is as follows:

	2013	2012
Number of shares (Note 17)	124,970,306	124,970,306
Average number of treasury shares (Note 17)	(3,866,101)	(3,865,120)
Total	**121,104,205**	**121,105,186**

The basic earnings per share from continuing operations in 2013 and 2012 are as follows:

	2013	2012
Net loss for the year attributable to the Parent (thousands of euros)	(15,135)	(53,369)
Number of shares (thousands of shares)	121,104	121,105
Basic loss per share (euros)	**(0.125)**	**(0.4407)**

The basic earnings per share from discontinued operations in 2013 and 2012 are as follows:

	2013	2012
Net profit/(loss) (thousands of euros)	-	-
Number of shares (thousands of shares)	121,104	121,105
Basic earnings/(loss) per share (euros)	**-**	**-**

At 31 December 2013 and 2012, basic earnings per share coincided with diluted earnings per share since the terms and conditions established in the executive incentive plan were not complied with at year-end (see Note 18). Also, at 31 December 2013 and 2012 Vocento, S.A., the Parent of the Group, had not issued any financial instruments or other items, other than those discussed in Note 18, which entitle the holder to receive ordinary shares of the Company.

35. Balances and transactions with other related parties

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet at 31 December 2013, and of the transactions (in addition to the dividends received – see Note 11) performed with such companies in 2013 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

	Balances		Transactions			
			Income		Expenses	
	Receivable (Note 15)	Payable (Note 19)	Operating	Finance	Operating	Finance
Cipress, S.L.	516	123	6,409	-	770	-
Sector MD, S.L.	22	170	109	-	857	-
Distribuidores Papiro, S.L.	775	114	7,776	-	1,389	-
Distrimedios, S.L.	741	113	15,771	-	4,677	-
Val Disme, S.L.	1,450	273	15,732	-	2,977	-
Grupo Videomedia, S.A.	-	-	8	-	-	-
11870 Información en General, S.L.	22	20	3	-	3	-
TOTAL	**3,526**	**813**	**45,808**	-	**10,673**	-

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet at 31 December 2012, and of the transactions (in addition to the dividends received – see Note 11) performed with such companies in 2012 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

	Balances		Transactions			
			Income		Expenses	
	Receivable (Note 15)	Payable (Note 19)	Operating	Finance	Operating	Finance

Cipress, S.L.	543	132	6,833	-	791	-
Sector MD, S.L.	19	225	101	-	870	-
Distribuidores Papiro, S.L.	789	96	7,781	-	1,187	-
Distrimedios, S.L.	843	355	16,118	-	3,660	-
Val Disme, S.L.	1,688	294	18,164	-	3,319	-
Grupo Videomedia, S.A.	6	-	20	-	-	-
Imagen y Servicios, S.A.	-	-	1	-	-	-
11870 Información en General, S.L.	21	17	21	-	9	-
TOTAL	**3,909**	**1,119**	**49,039**	-	**9,836**	-

The principal balances and transactions with companies accounted for using the equity method relate to the sale and distribution of copies of newspapers and supplements performed under normal market conditions. Since the aforementioned balances are trade balances, they are not interest-bearing and, in general, they will be paid at short term. At 31 December 2013 and 2012, the Group companies had not granted any credit facilities or loans to related parties.

36. Remuneration of directors

In 2013 and 2012 the consolidated companies paid the following remuneration to the Group's Board members:

	Thousands of euros	
	2013	2012
Fixed and variable remuneration	625	942
Board and committee meeting attendance fees	752	948
Profit-sharing payment	-	11
Contributions to pension plans, life insurance and other	5	12
Total	**1,382**	**1,913**

No advances, loans, credit facilities or guarantees were granted to the directors in 2013 or 2012. The life insurance payments made in 2013 in relation to the policies whose coverage affects directors amounted to EUR 5 thousand in 2013 and 2012, respectively. In 2013 no contributions were made to the pension plans of members of the Board, while the contributions made in 2012 in this connection amounted to EUR 10 thousand.

The detail, by Board member, of the remuneration of the directors in 2013 and 2012 is as follows:

vocento

REMUNERATION OF DIRECTORS
(Thousands of euros)

2013	Attendance fees			Profit-sharing payment		Contributions to pension plans, life insurance and other		Other remuneration	Other remuneration of directors	Remuneration of directors for senior executive functions		TOTAL
	Vocento, S.A.									Fixed	Variable	
	Board of Directors	Committees	Subsidiaries	Vocento, S.A.	Subsidiaries	Vocento, S.A.	Subsidiaries	Vocento, S.A.	Subsidiaries	Vocento, S.A.	Vocento, S.A.	
DIRECTORS AT 31 DECEMBER 2013												
Mezouna (Santiago Ybarra Churruca)	28	24	-	-	-	-	-	-	-	-	-	**52**
Valjarafe, S.L. (Soledad Luca de Tena García Conde)	28	56	-	-	-	-	-	-	-	-	-	**84**
Energay de Inversiones, S.L. (Enrique Ybarra Ybarra)	56	64	-	-	-	-	-	120	-	-	-	**240**
Onchena, S.L. (Alvaro Ybarra Zubiría)	28	32	-	-	-	-	-	-	-	-	-	**60**
Casgo, S.A. (Jaime Castellanos Borrego)	24	-	-	-	-	-	-	-	-	-	-	**24**
Miguel Antoñanzas Alvear	24	56	-	-	-	-	-	-	-	-	-	**80**
Fernando Azaola Arteche	28	24	-	-	-	-	-	-	-	-	-	**52**
Rodrigo Echenique Gordillo	20	52	-	-	-	-	-	-	-	-	-	**72**
Lima, S.L. (Juan Urrutia Ybarra)	28	48	-	-	-	-	-	-	-	-	-	**76**
Gonzalo Soto Aguirre	28	48	-	-	-	-	-	-	-	-	-	**76**
Santigo Bergareche Busquet	-	4	-	-	-	-	-	-	-	-	-	**4**
Luis Enríquez Nistal	-	-	-	-	-	5	-	-	-	505	-	**510**
Total directors at 31 December 2013	**292**	**408**	**-**	**-**	**-**	**5**	**-**	**120**	**-**	**505**	**-**	**1,330**
DIRECTORS REMOVED DURING THE YEAR												
Bycomels Prensa,S.L. (Santigo Bergareche Busquet)	24	28	-	-	-	-	-	-	-	-	-	**52**
Total directors removed during the year	**24**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**52**
TOTAL REMUNERATION OF DIRECTORS	**316**	**436**	**-**	**-**	**-**	**5**	**-**	**120**	**-**	**505**	**-**	**1,382**

REMUNERATION OF DIRECTORS
(Thousands of euros)

2012	Attendance fees			Profit-sharing payment		Contributions to pension plans, life insurance and other		Other remuneration	Other remuneration of directors	Remuneration of directors for senior executive functions		TOTAL
	Vocento, S.A.									Fixed	Variable	
	Board of Directors	Committees	Subsidiaries	Vocento, S.A.	Subsidiaries	Vocento, S.A.	Subsidiaries	Vocento, S.A.	Subsidiaries	Vocento, S.A.	Vocento, S.A.	
DIRECTORS AT 31 December 2012												
Mezouna (Santiago Ybarra Churruca)	24	12	-	-	-	-	-	-	-	-	-	**36**
Bycomels Prensa, S.L. (Santigo Bergareche Busquet)	40	20	-	-	-	-	-	-	-	-	-	**60**
Valjarafe, S.L. (Soledad Luca de Tena García Conde)	32	32	-	-	-	-	-	-	-	-	-	**64**
Energay de Inversiones, S.L. (Enrique Ybarra Ybarra)	64	32	-	-	-	-	-	80	-	-	-	**176**
Onchena, S.L. (Alvaro Ybarra Zubiria)	32	16	-	-	-	-	-	-	-	-	-	**48**
Casgo, S.A. (Jaime Castellanos Borrego)	28		-	-	-	-	-	-	-	-	-	**28**
Miguel Antoñanzas Alvear	32	28	-	-	-	-	-	-	-	-	-	**60**
Fernando Azaola Arteche	20	12	-	-	-	-	-	-	-	-	-	**32**
Rodrigo Echenique Gordillo	32	32	-	-	-	-	-	-	-	-	-	**64**
Lima, S.L. (D. Juan Urrutia Ybarra)	40	40	-	-	-	-	-	-	-	-	-	**80**
Gonzalo Soto Aguirre	40	44	-	-	-	-	-	-	-	-	-	**84**
Luis Enriquez Nistal	28	16	4	-	-	1		-	-	531	68	**648**
Total directors at 31 December 2012	**412**	**284**	**4**	**-**	**-**	**1**	**-**	**80**	**-**	**531**	**68**	**1,380**
DIRECTORS REMOVED DURING THE YEAR												
Santiago de Ybarra y Churruca	8	-	7	-	-	-	-	-	-	-	-	**15**
José María Bergareche Busquet	8	-	4	-	11	-	-	-	-	-	-	**23**
Enrique de Ybarra e Ybarra	8	4	2	-	-	-	-	-	-	-	-	**14**
Mezouna (Ignacio María Ybarra Aznar)	8	28	-	-	-	-	-	-	-	-	-	**36**
Victor Urrutia y Vallejo	8	16	1	-	-	-	-	-	-	-	-	**25**
Claudio Aguirre Pemán	8	8	-	-	-	-	-	-	-	-	-	**16**
Catalina Luca de Tena García-Conde	8	-	3	-	-	-	11	-	263	-	-	**285**
Soledad Luca de Tena García-Conde	8	20	6	-	-	-	-	-	-	-	-	**34**
Alvaro Ybarra Zubiria	8	28	-	-	-	-	-	-	-	-	-	**36**
Onchena, S.L. (José Manuel Alsedo Solís)	8	-	-	-	-	-	-	-	-	-	-	**8**
Diego del Alcazar Silvela	16	16	1	-	-	-	-	-	-	-	-	**33**
Eolo Media, S.L.U. (Fernando de Yarza López-Madrazo)	8	-	-	-	-	-	-	-	-	-	-	**8**
Total directors removed during the year	**104**	**120**	**24**	**-**	**11**	**-**	**11**	**-**	**263**	**-**	**-**	**533**
TOTAL REMUNERATION OF DIRECTORS	**516**	**404**	**28**	**-**	**11**	**1**	**11**	**80**	**263**	**531**	**68**	**1,913**

37. Remuneration of senior executives

The number of general managers and deputy general managers making up the Parent's Management Committee at 2013 and 2012 year-end was eleven, excluding those who are also members of the Board of Directors.

In 2013 the staff costs (cash remuneration, remuneration in kind, social security, etc.) relating to the general managers and deputy general managers making up the Parent's Management Committee in 2012 and 2012, amounted to EUR 2,337 thousand and EUR 2,684 thousand, respectively. In this respect, there were no termination benefit costs recognised in 2013 or 2012.

Senior management contracts include a clause establishing the termination benefit to be paid in the event of unjustified dismissal, which varies from the amount set in employment law to up to two years' gross annual salary. The contracts of lower level executives only exceptionally include clauses of this type and provide for a termination benefit of one year's gross salary.

In addition to the incentive plans described in Note 18, in 2013 the Board of Directors of the Parent approved the implementation of a long-term incentives plan addressed to the CEO and certain senior executives of the Parent.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 25% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for 2015. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the objective to increase profit from operations is achieved, with a limit of EUR 1.3 million.

With respect to the valuation and estimated non-achievement of the aforementioned plan, the Group has not recognised any provision in this connection in the consolidated balance sheet at 31 December 2013.

38. Other disclosures concerning the Board of Directors

As required by Spanish corporate and commercial law, following is a detail of the significant ownership interests of the members of the Board of Directors of the Parent in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of both the Parent and the Group, of which the Parent was notified, indicating the positions or functions discharged thereat:

Directors:

Owner	Investee	Line of business	Percentage of ownership interest	Functions
Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.21%	-

Related parties:

Related parties	Relationship with Director	Investee	Percentage of ownership interest	Functions
Santiago Bergareche Busquet	Representative of director Bycomels Prensa, S.L. (1)	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
Jorge Bergareche Busquet	Director of Bycomels Prensa, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
José María Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2780%	Deputy Chairman
Eduardo Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2042%	Director
Juan Luis Bergareche Busquet	Chairman Director of Bycomels Prensa, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.2780%	-
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.6084%	Chairman
		Diario ABC, S.L.	0.0002%	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's brother	Sociedad Vascongada de Publicaciones, S.A.	0.64%	-
Alvaro Ybarra Zubiría	Representative of Onchena, S.L.	Mediaset	0.00499%	-
		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Mariano Angel Ybarra Zubiria	Brother of Alvaro Ybarra Zubiría (representative of Onchena, S.L.)	Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Luis Maria Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	Director
Maria Dolores Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Floral Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Soledad Luca de Tena García-Conde	Representative and joint director of Valjarafe, S.L.	Diario ABC, S.L.	0.0002%	Deputy Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.0841%	-
		Estudios de Política Exterior, S.A.	5.93%	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sister	Diario ABC, S.L.	0.0002%	Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.1076%	-
		Ediciones Luca de Tena, S.L.	95%	Sole Director

(1) Until 12 November 2013

Also, set forth below are the activities additional to those stated in the foregoing table performed by the directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of the Parent:

Directors:

Name	Activity performed	Type of arrangement	Company through which the activity is performed	Positions or functions at the company concerned
Lima, S.L.				
Prensa Malagueña, S.A. (1)	Newspaper publishing	Independent professional	-	Director
Luis Enriquez Nistal				
Diario ABC, S.L.	Newspaper publishing	Independent professional	-	Director
Sociedad Gestora de Televisión NET TV, S.A.	Television	Independent professional	-	Chairman
Diario El Correo, S.A.U.	Newspaper publishing	Independent professional	-	Director
Federico Domenech, S.A.	Newspaper publishing	Independent professional	-	Director
Comeresa Prensa, S.L.U.	Holding company	Independent professional	-	Joint director
Corporación de Nuevos Medios Digitales, S.L.U.	Holding company	Independent professional	-	Joint director
Corporación de Medios de Comunicación, S.L.U.	Holding company	Independent professional	-	Joint director
Comeresa Pais Vasco, S.L.U.	Holding company	Independent professional	-	Joint director
Radio Publi, S.L.	Radio	Independent professional	-	Chairman and CEO

(1) Ceased to hold the position of director on 10 June 2013

Related parties:

Related parties	Relationship with Director	Company in which the positions or functions are exercised	Positions or functions at the company concerned
Enrique de Ybarra e Ybarra	Representative of Energa y de Inversiones, S.L.	Diario El Correo, S.A.U.	Director
		Sociedad Vascongada de Publicaciones, S.A.	Director
		Corporación de Medios de Andalucía, S.A. (1)	Director
		Editorial Cantabria, S.A.	Director
		Diario ABC. S.L.	Director
Víctor Urrutia Ybarra	Brother of the representative of Lima, S.L.	Nueva Rioja, S.A.	Director
Jose Urrutia Ybarra (2)		Prensa Malagueña, S.A.	Representative of Lima, S.L.
Juan Urrutia Ybarra	Representative of Lima, S.L.	Diario El Correo, S.A.U.	Director
Jorge Bergareche Busquet	Brother of Santiago Bergareche Busquet (representative of Bycomels Prensa, S.L.)	Diario El Correo, S.A.U.	Director
		Corporación de Medios de Andalucía, S.A.	Director
José María Bergareche Busquet		Diario El Correo, S.A.U.	Director
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Diario El Correo, S.A.U.	Chairman
		El Norte de Castilla, S.A.	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's brother	Diario El Correo, S.A.U.	Director
		Estudios de Política Exterior, S.A.	Director
Soledad Luca de Tena García-Conde	Representative and joint director of Valjarafe, S.L.	Radio Publi, S.L.	Director
		Diario El Correo, S.A.U.	Director
		Federico Doménech, S.A.	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sister	ABC Sevilla, S.L.U.	Joint director

(1) Ceased to hold the position on 26 February 2013
(2) Ceased to hold the position on 10 June 2013

39. Guarantee commitments to third parties

At 31 December 2013 and 2012, the detail of the main guarantees provided by the Group, by type, is as follows:

	Thousands of euros	
	2013	2012
Operation of public digital terrestrial radio broadcasting service (Notes 3 and 18)	255	328
Operation of digital television service and obligations acquired	1,074	1,074
Other	11,336	9,694
Total	**12,665**	**11,096**

The Parent's directors estimate that any liabilities additional to the provisions recognised at 31 December 2013 for such purpose which might arise as a result of the guarantees received would not be material.

40. Fees paid to auditors

The fees for the services provided to the various companies composing the Group by the principal auditor, by other entities related to it and by other auditors in 2013 and 2012 were as follows:

	Thousands of euros	
	2013	2012
Audit services (*)	628	724
Other assurance services provided by the auditor	242	246
Total audit and related services	**870**	**970**
Other services provided by the auditor (**)	238	362
Other services provided by entities related to the auditor	-	-
Total	**1,108**	**1,332**

(*) This amount includes EUR 40 thousand in connection with auditing expenses for 2013 that were rebilled by Deloitte, S.L.

(**) This amount includes EUR 98 thousand in connection with expenses rebilled by Deloitte, S.L. in 2013 to Diario ABC, S.L. for the organisation of events.

41. Events after the reporting period

On 21 February 2014, the Parent arranged a long-term syndicated financing transaction for EUR 175,275 thousand, the funds from which will be used to repay existing bilateral credit lines and to fund the Group's general cash requirements.

The financing consists of two tranches, with the following amounts and maturities:

a) Tranche A is divided into:

(i) Sub tranche A1: non-current commercial loan of EUR 75,000 thousand maturing in October 2018 and

(ii) Sub tranche A2: five-year bullet commercial loan of EUR 55,000 thousand.

b) Tranche B: four-year revolving credit line of up to EUR 45,275 thousand.

The financing, which substitutes existing bilateral credit lines, contributes towards strengthening the financial structure of Vocento, S.A. and its Group, since it extends maturities and unifies management, and is in line with the objective of maintaining a differentiated financial position.

Nine leading banks, with which Vocento, S.A. and its Group habitually deal, took part in the provision of this financing.

42. Authorisation for issue of the consolidated financial statements

The consolidated financial statements for 2013 were authorised for issue by the directors of Vocento, S.A. on 27 February 2014.

43. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

vocento

APPENDIX
Page 1

SUBSIDIARIES OF THE CORPORATE GROUP
OF WHICH VOCENTO, S.A. IS THE PARENT

Company	Other notes						Location	Line of business	Percentage of ownership			Thousands of euros						
									Ownership interest					Profit (Loss) for the year (1)				
	(2)	(3)	(4)	(5)	(6)	(7)			Direct	Indirect	Control	Paid-in capital	Reserves and other equity items	Profit (Loss) from operations	Profit (Loss) before tax from continuing operations	Profit (Loss) for the year	Other equity items	Interim dividend
GROUP:																		
Printed media																		
Diario El Correo, S.A.U.		✓		✓			Bilbao	Daily press, local press website and online edition	-	100.00%	100.00%	8,000	38,580	13,781	15,422	10,981	-	(8,847)
Sociedad Vascongada de Publicaciones, S.A.		✓		✓			San Sebastián	Daily press, local press website and online edition	-	75.81%	75.81%	4,799	37,179	11,058	12,730	8,751	-	(6,476)
Editorial Cantabria, S.A.					✓		Santander	Daily press, local press website and online edition	-	90.70%	90.70%	2,308	4,478	2,740	2,576	1,460	-	-
Nueva Rioja, S.A.							Logroño	Daily press, local press website and online edition	-	58.98%	58.98%	1,000	5,832	(35)	176	123	-	-
La Verdad Multimedia, S.A.					✓		Murcia	Daily press, local press website and online edition	-	97.88%	97.88%	3,333	10,277	(289)	(94)	(56)	-	-
Corporación de Medios de Andalucía, S.A.					✓		Granada	Daily press, local press website and online edition	-	98.74%	98.74%	3,333	11,198	850	1,161	774	-	-
Corporación de Medios de Extremadura, S.A.					✓		Badajoz	Daily press	-	97.96%	97.96%	408	21	(736)	(907)	(823)	-	-
Prensa Malagueña, S.A.					✓		Málaga	Daily press	-	88.11%	88.11%	4,950	15,556	254	638	366	-	-
El Norte de Castilla, S.A.					✓		Valladolid	Daily press, local press website and online edition	-	77.60%	77.60%	2,168	14,368	1,004	1,475	1,028	-	-
El Comercio, S.A.							Gijón	Daily press, local press website and online edition	-	51.46%	51.46%	105	6,780	(57)	(4)	-	-	-
Corporación de Medios de Cádiz, S.L.U.					✓		Cádiz	Daily press, local press website and online edition	-	100.00%	100.00%	650	1,771	(857)	(1,021)	(486)	-	-
Federico Domenech, S.A.					✓		Valencia	Daily press, local press website and online edition	-	78.23%	78.23%	458	17,723	(139)	(602)	(348)	-	-
Diario ABC, S.L.					✓		Madrid	Daily press, local press website and online edition	-	99.99%	99.99%	6,276	20,387	(7,704)	(12,295)	(13,908)	-	-
ABC Sevilla, S.L.U.					✓		Seville	Editorial	-	99.99%	100.00%	600	3,291	183	(2,803)	(4,274)	15	-
Ediciones Digitales Hoy, S.L.U.					✓		Badajoz	Local press website and online edition	-	97.96%	100.00%	100	35	70	64	25	-	-
Diario Sur Digital, S.L.					✓		Málaga	Local press website and online edition	-	88.11%	100.00%	350	10	39	39	35	-	-
Bilbao Editorial Producciones, S.L.U.		✓		✓			Bizkaia	Graphic arts	-	100.00%	100.00%	12,000	10,964	(735)	(779)	(549)	-	-
Sociedad Vascongada de Producciones, S.L.U.		✓		✓			San Sebastián	Graphic arts	-	100.00%	100.00%	3,000	4,705	135	217	156	-	-
Printolid, S.L.U.							Valladolid	Graphic arts	-	100.00%	100.00%	3,009	6,972	144	24	17	(126)	-
Giradaprint Impresión, S.L.							Málaga	Graphic arts	-	65.00%	65.00%	1,500	(114)	(7)	(150)	(150)	-	-
Localprint, S.L.							Alicante	Graphic arts	-	50.00%	50.00%	10,000	1,655	286	64	45	-	-
Rotomadrid, S.L.							Madrid	Graphic arts	-	61.23%	61.23%	1,000	20,311	2,249	2,057	1,440	-	-
Andaluprint, S.L.U.					✓		Seville	Graphic arts	-	99.99%	100.00%	411	5,970	(2,062)	(2,062)	(1,452)	-	-
Beralan, S.L.		✓					Gipuzkoa	Distribution	-	50.49%	50.49%	218	4,113	581	794	587	-	(301)
Banatu, S.L.		✓					Gipuzkoa	Distribution	-	50.49%	99.99%	5	998	187	187	135	-	-
CM Norte, S.L.U.		✓		✓			Bilbao	Advertising	-	100.00%	100.00%	88	(83)	5	12	9	-	-
CM Gipuzkoa, S.L.U.		✓		✓			San Sebastián	Advertising	-	75.81%	100.00%	100	144	39	25	17	-	-
Comercializadora Multimedia de Cantabria, S.L.					✓		Santander	Advertising	-	90.70%	100.00%	60	(1)	(1)	-	-	-	-
Rioja Medios, Compra de Medios de Publicidad, S.A.U.							Logroño	Advertising	-	58.98%	100.00%	61	21	29	32	23	-	-
Comercializadora de Medios Andalucía, S.L.U.					✓		Granada	Advertising	-	98.74%	100.00%	300	125	2	3	2	-	-
CM Extremadura Publicidad Multimedia, S.L.U.					✓		Badajoz	Advertising	-	97.96%	100.00%	150	(11)	11	10	(31)	-	-
Corporación de Medios del Sur, S.L.					✓		Málaga	Advertising	-	88.11%	100.00%	5	75	(4)	(4)	(3)	-	-
Comercializadora de Medios de Castilla y León, S.L.U.					✓		Valladolid	Advertising	-	77.60%	100.00%	60	15	-	-	-	-	-
Comercializadora de Medios de Asturias, S.L.							Gijón	Advertising	-	51.45%	99.99%	30	(9)	-	12	8	-	-
Arte Final J.P. Safori, S.A.					✓		Málaga	Foreign weekly press	-	88.11%	100.00%	60	(16)	-	-	-	-	-
La Voz de Avilés, S.L.							Avilés	Daily press	-	43.70%	84.92%	52	(4)	(1)	-	-	-	-
Zabalik 2.000, S.L.U.		✓		✓			San Sebastián	Operation and commercialisation of content	-	75.81%	100.00%	3	147	(5)	(1)	-	-	-
Fiesta Alegre, S.L.U.					✓		Valencia	Property development and rental	-	78.23%	100.00%	8,489	919	(8)	194	136	-	-
El Norte de Castilla Multimedia, S.L.U.					✓		Valladolid	Holding company	-	77.60%	100.00%	1,987	(472)	-	-	-	-	-
Servicios Redaccionales Bilbainos, S.L.U.		✓		✓			Bilbao	Free press	-	100.00%	100.00%	550	(3)	4	10	7	-	-
Servicios de impresión del Oeste, S.L. (Corp. de Medios de Extremadura, S.A. UTE, Ley 18/1982, de 26 de Mayo)						✓	Badajoz	Production of editorial supplements	-	48.98%	50.00%	-	-	-	-	-	-	-
Corporación de Medios de Alicante, S.L.					✓		Alicante	Commercial and editorial support services	-	86.83%	100.00%	4	-	-	-	-	-	-
Taller de Editores, S.A.					✓		Madrid	Supplement editing	-	79.39%	79.39%	1,763	10,513	1,235	1,435	1,002	-	-
Inversor Ediciones, S.L.							Madrid	Economic magazine publishing	-	60.26%	75.91%	96	803	63	76	53	-	-
Taller de Editores Motor, S.L.U.			✓		✓		Madrid	Magazine publishing	-	79.39%	100.00%	58	(55)	-	-	-	-	-
Audiovisual																		
Alava Televisión, S.L.		✓		✓			Vitoria	Radio broadcasting and local television	-	99.36%	99.36%	763	(601)	(48)	(48)	(51)	-	-
Teledonosti, S.L.		✓					San Sebastián	Local television	-	50.06%	66.04%	1,250	61	(56)	(34)	(22)	-	-
Rioja Televisión, S.A.							Logroño	Radio broadcasting and autonomous community TV	-	54.41%	92.26%	1,204	(520)	10	18	12	-	-
La Verdad Radio y Televisión, S.A.					✓		Murcia	Radio broadcasting and local television	-	75.08%	76.71%	1,040	(465)	(32)	(32)	(22)	-	-
Canal Cultural Badajoz, S.A.U.					✓		Badajoz	Local television	-	97.96%	100.00%	67	277	(6)	(6)	(7)	-	-
El Comercio Televisión, Servicios Audiovisuales, S.L.							Gijón	Local television	-	51.46%	100.00%	700	(337)	(3)	(6)	(4)	-	-
Las Provincias Televisión, S.A.U.					✓		Valencia	Local television	-	78.23%	100.00%	1,300	(382)	(102)	(81)	(57)	-	-
Sociedad Gestora de Televisión Onda 6, S.A.U.					✓		Madrid	Digital television	-	100.00%	100.00%	7,710	(3,832)	131	337	249	-	-

vocento

SUBSIDIARIES OF THE CORPORATE GROUP
OF WHICH VOCENTO, S.A. IS THE PARENT

Company	Other notes						Location	Line of business	Percentage of ownership			Thousands of euros						
									Ownership interest				Reserves and other equity items	Profit (Loss) for the year (1)			Other equity items	Interim dividend
	(2)	(3)	(4)	(5)	(6)	(7)			Direct	Indirect	Control	Paid-in capital		Profit (Loss) from	Profit (Loss) before tax from	Profit (Loss) for the year		
Sociedad Gestora de Televisión NET TV, S.A.							Madrid	Digital television	-	55.00%	55.00%	6,030	6,558	5,257	5,651	3,946	-	(3,782)
Avista Televisión de Andalucía, S.A.U.					✓		Seville	Digital television	-	100.00%	100.00%	1,800	(1,096)	(650)	(722)	(613)	-	-
La 10 Canal de Televisión, S.L.U.					✓		Madrid	Digital television	-	100.00%	100.00%	1,000	15,299	(1,288)	3,043	3,503	-	-
Radio Publi, S.L.					✓		Madrid	National radio broadcasting	-	84.20%	84.20%	32,671	(7,004)	(1,303)	(3,253)	(2,817)	-	-
Onda Ramblas, S.A.U.					✓		Barcelona	National radio broadcasting	-	84.20%	100.00%	60	2,243	(355)	(351)	(249)	-	-
Ona Rambla Radio, S.L.							Andorra	National radio broadcasting	-	84.20%	100.00%	30	-	-	-	-	-	-
Radio El Correo, S.L.U.		✓	✓	✓			Bilbao	Local radio broadcasting	-	100.00%	100.00%	6	(3)	15	15	9	-	-
Cartera de Medios, S.A.U.					✓		Badajoz	Local radio broadcasting	-	97.96%	100.00%	550	(120)	14	14	9	-	-
Radio Utrera La Voz de la Campiña, S.L.U.					✓		Seville	Local radio broadcasting	-	99.99%	100.00%	139	86	(159)	(158)	(120)	-	-
Radio Gaditana 2005, S.L.U.					✓		Cádiz	Local radio broadcasting	-	100.00%	100.00%	13	79	(2)	(2)	(1)	-	-
Veralia Corporación de Productoras de Cine y Televisión, S.L.							Madrid	Holding company	-	69.99%	69.99%	58,282	29,821	(83)	(48,273)	(47,782)	44	-
Proviradio, S.L.U.					✓		Valencia	Local radio broadcasting	-	78.23%	100.00%	270	238	-	-	(3)	-	-
Radio LP, S.L.U.					✓		Valencia	Local radio broadcasting	-	78.23%	100.00%	243	31	(21)	(11)	(8)	-	-
E-Media Punto Radio, S.A.U.					✓		Madrid	Digital radio	-	100.00%	100.00%	60	(20)	57	52	52	-	-
Corporación de Medios Radiofónicos Digitales, S.A.U.		✓		✓			Bizkaia	Digital radio	100.00%	-	100.00%	5,560	(2,629)	(15)	118	85	-	-
Europroduzione, S.R.L.							Italia	Film and TV programme production	-	69.99%	100.00%	810	906	(725)	(765)	(782)	-	-
Europroducciones TV Portugal - Produçoes Audiovisuais, Lda.							Portugal	Film and TV programme production	-	69.99%	100.00%	5	17	-	-	(8)	-	-
Veralia Contenidos Audiovisuales, S.L.U.							Madrid	Film and TV programme production	-	69.99%	100.00%	1,000	7,730	(3,482)	(3,613)	(2,533)	-	-
Veralia Distribución de Cine, S.A.U.							Madrid	Distribution of film productions	-	69.99%	100.00%	1,082	7,459	(376)	(297)	(207)	-	-
Editorial Cantabria de Radiotelevisión, S.A.U.					✓		Santander	Radio broadcasting	-	90.70%	100.00%	650	(214)	(6)	68	47	-	-
Classified advertisements																		
Desarrollo de Clasificados, S.L.U.					✓		Madrid	Holding company for classified advertisements	-	100.00%	100.00%	1,500	24,394	(349)	(2,999)	(5,099)	-	-
Infoempleo, S.L.							Madrid	Employment search services and consulting	-	51.00%	51.00%	1,269	(157)	1,189	1,134	795	-	-
Autocasión Hoy, S.A.							Madrid	Online magazine and car sales classified advertisements	-	60.00%	60.00%	77	2,102	70	64	45	-	-
Habitatsoft, S.L.U.					✓		Barcelona	Property listings and classified advertisements for services	-	100.00%	100.00%	3	2,618	(2,082)	(2,120)	(1,484)	-	-
Contact Center Venta Interactiva, S.L.U.					✓		Madrid	Sale of classified advertisements	-	100.00%	100.00%	4	400	(149)	(149)	(104)	-	-
Others																		
Sarenet, S.A.		✓		✓			Bizkaia	Internet operator	-	80.00%	80.00%	1,000	3,013	2,439	2,523	1,793	-	(1,578)
Factoría de Información, S.A.U.							Madrid	Free press	100.00%	-	100.00%	301	172	41	43	43	-	-
Structure																		
Comercial Multimedia Vocento, S.A.U.					✓		Madrid	Advertising	-	100.00%	100.00%	600	(1,291)	(96)	333	332	-	-
Distribuciones COMECOSA, S.L.U.		✓		✓			Bizkaia	Holding	-	100.00%	100.00%	451	15,753	(77)	573	506	-	-
Radio Tele Basconia, S.L.U.		✓		✓			Bilbao	Radio broadcasting	-	100.00%	100.00%	301	4,884	-	184	133	-	-
Comeresa Prensa, S.L.U.					✓		Madrid	Holding company	100.00%	-	100.00%	403,069	187,114	(5,425)	(58,318)	(59,710)	-	-
Comeresa Pais Vasco, S.L.U.		✓		✓			Bizkaia	Holding company	100.00%	-	100.00%	9,686	88,774	(4)	25,134	24,258	-	-
Corporación de Medios Internacionales de Prensa, S.A. U.		✓		✓			Bizkaia	Holding company	100.00%	-	100.00%	60	63,574	-	2,267	2,267	-	-
Corporación de Medios de Comunicación, S.L.U.		✓		✓			Bizkaia	Holding company	100.00%	-	100.00%	12,064	51,779	(10)	2,588	2,446	-	-
Comeco Impresión, S.L.U.		✓		✓			Bizkaia	Holding company	-	100.00%	100.00%	9,249	54,627	(7)	(11,582)	(11,535)	-	-
CSC Madrid, S.L.U.					✓		Madrid	Corporate administrative services	-	100.00%	100.00%	66	180	265	252	177	-	-
Corporación de Nuevos Medios Digitales, S.L.U.					✓		Madrid	Holding company	-	100.00%	100.00%	1,500	56,275	(20)	(4,200)	(12,068)	-	-
Roi Media, S.L.							Madrid	Advertising	-	50.00%	50.00%	155	31	89	90	61	-	-
Agencia Colpisa, S.L.U.					✓		Madrid	News agency	-	100.00%	100.00%	92	101	53	63	68	-	-
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.						✓	Madrid	Digital kiosk	-	50.00%	50.00%	53	(239)	(38)	(38)	(38)	-	-

ASSOCIATES OF THE CORPORATE GROUP OF WHICH VOCENTO, S.A. IS THE PARENT

Company	Other notes						Location	Line of business	% of ownership		Thousands of euros				
	(2)	(3)	(4)	(5)	(6)	(7)			Direct	Indirect	Share capital	Reserves and other equity items	Profit (Loss) for the year (1)	Other equity items	Interim dividend
ASSOCIATES:															
Audiovisual															
Sociedad de Radio Digital Terrenal, S.A.							Barcelona	Digital radio	-	25.26%	72	-	(43)	-	-
Classified advertisements															
11870 Información en general, S.L.						✓	Madrid	Classified advertisements	-	37.33%	538	(138)	(542)	-	-
Other businesses															
Distribuciones Papiro, S.L.							Salamanca	Distribution	-	26.35%	37	1,496	356	-	-
Cirpress, S.L.							Asturias	Distribution	-	27.88%	12	2,196	226	-	-
Distrimedios, S.L.	✓						Cádiz	Distribution	-	22.50%	100	4,425	(97)	23	-
Val Disme, S.L.	✓						Valencia	Distribution	-	22.75%	144	8,123	430	-	-

(1) Estimated and/or pending approval by the shareholders at the respective Annual General Meetings and before the distribution of dividends. None of the companies have profit or losses from discontinued operations.

(2) Companies which, if subject to mandatory audit of their financial statements, have not been audited by Deloitte. (Val Disme is audited by Luis Caruana & Asociados and Distrimedios by KPMG)
The remaining companies subject to mandatory audit of their financial statements have been audited by Deloitte.

(3) Subsidiaries subject to provincial income tax legislation.

(4) Inactive at the present date.

(5) Companies comprising the Basque Country consolidated Tax Group.

(6) Companies comprising the consolidated Tax Group whose parent is Comeresa Prensa, S.L.U.

(7) Company in a situation of mandatory dissolution pursuant to the Consolidated Spanish Companies Law or the Spanish Limited Liability Companies Law where the necessary steps have been taken or will be taken shortly (merger, capital increase, etc.) to restore the net worth equilibrium.

vocento

VOCENTO, S.A. and Subsidiaries

Consolidated management report 2013

(i) VOCENTO AND THE ECONOMIC ENVIRONMENT

Towards the end of 2013, the Spanish economy emerged from recession, with quarterly GDP growth of 0.1% in the third quarter, and +0.2% in the fourth quarter, according to the INE. The recovery of internal demand (with a rise in household consumption, a recovery in investment and gentler declines in public spending) led to an improvement in GDP, and it has been gradually replacing external demand as the growth driver. In addition, there was a slowdown in job destruction in the last part of the year, while various indicators (e.g. Markit PMI, the ESI indicators from the European Commission) point to an improvement in business and consumer confidence.

The macroeconomic outlook for 2014 is for a year of low growth, although this forecast is not free of risks (such as restrictions of credit to companies and households, in an environment of high private sector debt, and further fiscal adjustment measures). The Funcas consensus is for a rise in GDP of +0.9% in 2014, with private consumption forecast to rise by +0.6%. This improvement in the economy has been reflected in the advertising market, which according to data from i2p improved over the course of 2013 (4Q13 -1.7% vs. 2013 -10.1%). Growth of +1.5% is expected in 2014, after three years of contraction.

During this long recession, VOCENTO has focused mainly on three objectives: 1) maintaining the strength and leadership of its brands, leveraging this competitive advantage to grow in new digital businesses, 2) optimizing the cost structure, and 3) protecting the Group's financial position.

The strength of the brands has supported the launch of a series of innovative commercial products and combined offline-online actions, making the most of VOCENTO's media portfolio, including Tarifa Única 3.0, which provides advertisers with a differentiating level of coverage. In addition, new sources of revenues have been developed, including Oferplan.com and Kiosko y Más, which have been possible thanks to the power of VOCENTO's brands and the group's solid positioning on the Internet.

The Efficiency Plan (see Relevant Fact of 19 December 2012) played a major part in achieving cost targets in 2013, thanks to its focus on restructuring and on internal efficiencies, and these results are clearly visible in the results for the year.

Finally, VOCENTO has also been able to carry out the restructuring associated with the Efficiency Plan without increasing its levels of debt, thanks to the divestment of non-core assets, including Sarenet, enabling the group to meet its targets (the cash entry for the sale of Sarenet will be booked in early 2014).

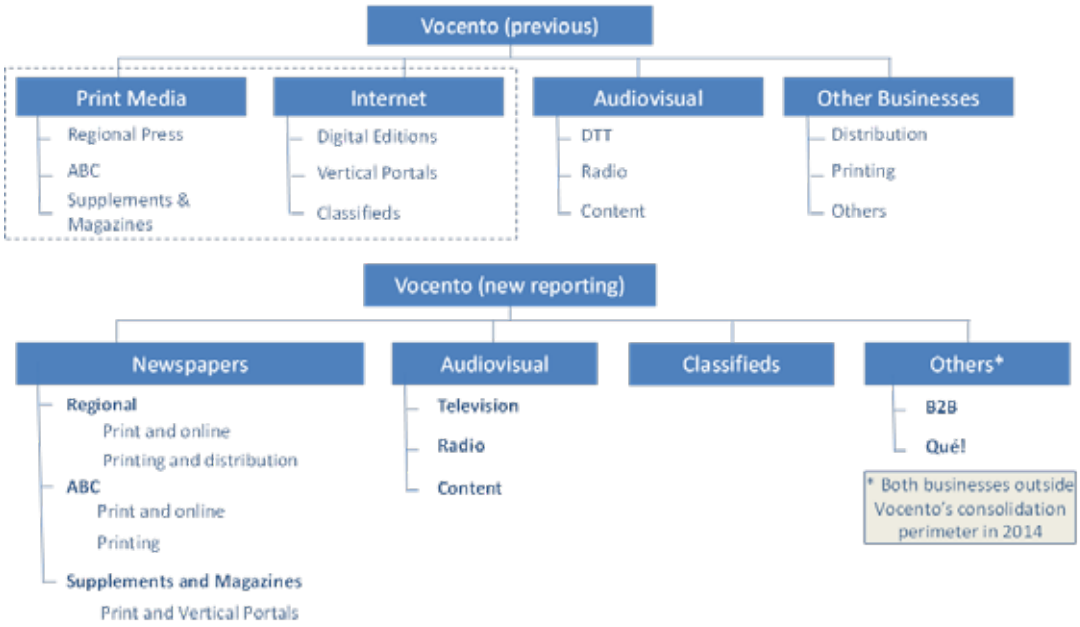
(ii) PERFORMANCE OF VOCENTO'S BUSINESSES

VOCENTO is a multimedia group, whose parent company is VOCENTO, S.A., and it is dedicated to the various different areas that compose the media business.

In 2013, VOCENTO management carried out a change in the way in which management information is presented, in order to better assess the risks and returns of the company. New lines of activity have been defined: Newspapers, Audiovisual, Classifieds and Others, replacing the previous reporting segments of Print Media, Audiovisual, Internet and Other Businesses. This structure will also be used when reporting to the market. It includes all the newspapers, the digital editions, radio, digital television and other areas where VOCENTO is present, and which are allocated to the corresponding business segment. The comments and comparative information provided in this Management Report are based on these new segments.

The following chart summarises the changes to the reporting segments. The "Others" segment includes the B2B business, Sarenet, whose sale was agreed at the end of 2013 (see Relevant Fact of 30 December 2013) and also Qué!, whose offline operations were closed in June 2012 (Relevant Fact of 28 June 2012), with the online business sold in September 2013. All these businesses are excluded from the consolidation perimeter in 2014.

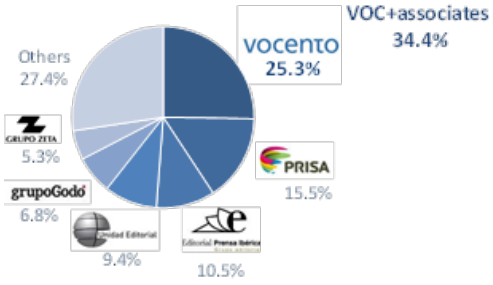
The changes are as follows:



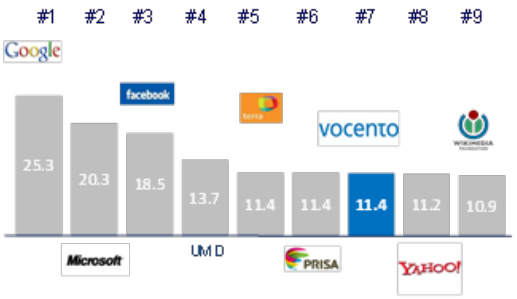
Newspapers (including online and offline activity)

VOCENTO has consolidated its undisputed leadership of the general press sector by circulation, with circulation share of 25.3% (34.4% including the circulation of associates under Tarifa Única 3.0), or almost 10 percentage points more than the next media group, as well as by readership (with around 2.6 million readers according to the 3rd EGM survey of 2013) and also by the number of Internet users (around 11 million unique monthly readers according to comScore in December 2013).

Share of ordinary circulation[1]



Internet audience ranking[2]

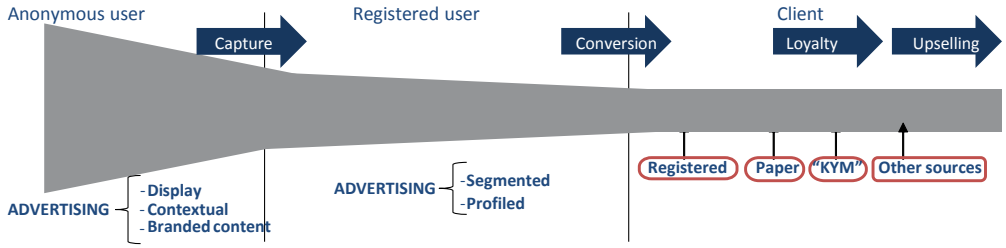


The current transformation of ways of consuming news, and the continuous emergence of new technologies, is leading to increasing access to content on mobile devices. This provides VOCENTO with a two-fold opportunity to access new audiences, while maintaining its offline audiences, and also to develop new complementary business models.

[1] *Source: OJD. Data not audited. Ordinary circulation is kiosk sales and individual subscriptions.*
[2] *Source: comScore December 2013.*

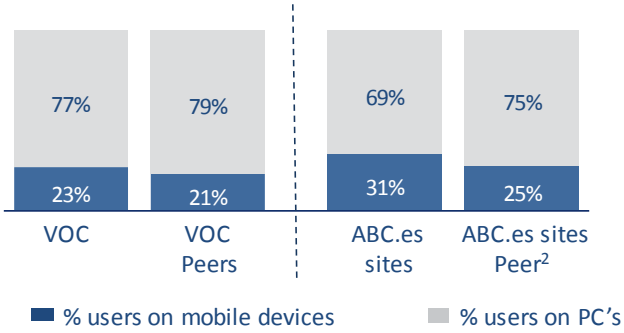
In this context, VOCENTO is working on a number of different strategic initiatives, which aim to: a) deepen the understanding of the user and improve engagement (using Big Data to capture, store, search, share, analyse and visualize large volumes of data), and b) manage a multi-screen publication strategy with 'mobile first' as the main driver, as Internet access is increasingly made from mobile devices and tablets. According to the Information Society 2013 study of the Telefónica Foundation, more than 60% of the Spanish population have mobile broadband access and 8 of every 10 mobile handsets sold are smartphones.

User behaviour and digital transformation



This is also being reflected in the profile of consumers in the media sector, where there is an increasing proportion of access from mobile devices (such as tablets and mobile telephones). VOCENTO is ahead of its peers here, both at the group level and in particular for the ABC websites.

Higher proportion of mobile users at VOC than at peers[3]



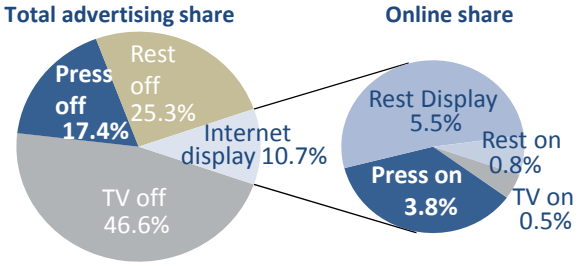
Advertisers are also responding to this trend. According to i2p, in 2013 advertising spend on the Internet represented 10.7% of the total, or around 380.5 million euros. It should be noted that:

i. The press is absorbing a large part of online advertising: of the 380.5 million euros, 36% was allocated to the press.
ii. The press has maintained its share of advertising spend as part of the total advertising market compared to 2012: the share of total advertising that went to the press in 2013 was 21.3%, 17.4% to offline and 3.8% to the online press.
iii. Advertising spend on the online press increased by +5.7% in 2013.

[3] *Source: comScore MMX Multiplatform, BETA reporting. Vocento peers are Prisa and UMD (Unidad Editorial, Zeta and Prensa Ibérica). Peers to ABC.es webstes are El País websites and El Mundo.es websites.*

El sector de prensa estabiliza cuota por inversión online[4]

Desglose inversión publicitaria (%) offline y online



Online+offline share	2012	2013	Var p.p.
TV	45.7%	47.1%	1.3 p.p
Press	**21.7%**	**21.3%**	**(0.4 p.p.)**
Radio, Cinema…	27.2%	26.1%	(1.1 p.p.)
Rest Display	5.4%	5.5%	0.1 p.p.

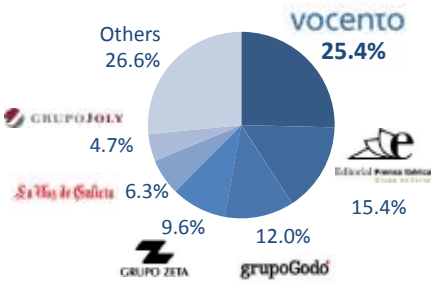
Regional Newspapers

This segment consists of 11 regional titles and their 11 local portals, the regional Printing business, the Distribution activity, and other businesses such as local advertising sales and other subsidiaries.

VOCENTO is the undisputed leader of the regional press markets of Spain due to the deep roots and excellent positioning of its 11 regional newspapers: El Correo, El Diario Vasco, El Diario Montañés, El Norte de Castilla, La Verdad, Ideal, Las Provincias, Sur, El Comercio, Hoy and La Rioja. The strength of these titles, some of which are over 100 hundred years old, their high level of local recognition and their strong links to their regions have turned them into clear references in their areas.

VOCENTO's regional newspapers maintained their leadership in terms of circulation in 2013, with market share in the regional press of 25.4%[5], ahead of the second largest regional media group on 15.4%.

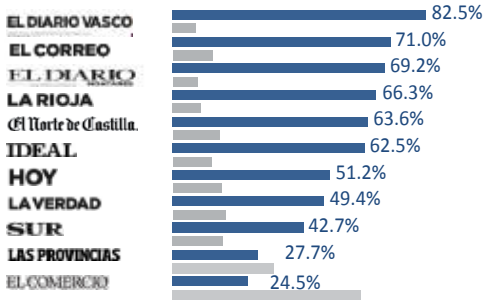
Share of regional press circulation market 2013



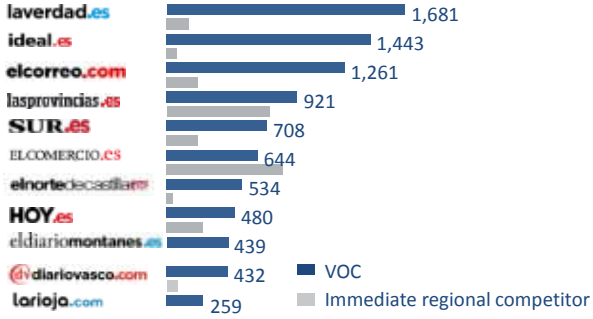
In terms of the readership for regional newspapers, VOCENTO remains the leader both in the offline market (with over 2 million readers, 0.7[6] million readers more than the number two regional media group), and also online, with a readership of close to 9[7] million unique monthly users. Every one of the eleven portals is the audience leader in their markets, except for El Comercio Digital.

[4] *Source: i2p. Online advertising does not include search engines.*
[5] *Source: OJD January-December 2013. Unaudited data*
[6] *Source: EGM 3rd accumulated survey 2013.*
[7] *Source: comScore December 2013. Total readership is aggregated from the eleven Local Portals.*

Market share of each title per region[8] (%)



Readership of local portals (million u.m.u.)[9]



In 2013, the strategic focus of VOCENTO to maintain the leadership of its newspapers and their profitability has been on:

i. **Product improvements and adapting content to new media,** leading to increased loyalty of existing subscribers and access to new audiences. Major contributors in this process are the central newsroom of Colpisa, which supplies fully edited and designed news sections to Group titles, and also the merger of print and online news teams, enabling resources to be freed up to increase the newspapers' focus on local content.

ii. **Developing new sources of revenues linked to e-commerce,** spearheaded by the Kiosko y Más platform as a paid platform with enriched audiovisual content and by Oferplan.com, which allows discount offers to be marketed to readers of VOCENTO's digital and print editions.

iii. **Improving the share of the advertising market in press and Internet,** based on optimizing the coverage of the newspapers with strategic agreements (e.g. joint advertising sales with the supplement of La Vanguardia and press partnerships with La Voz de Galicia, Heraldo de Aragón, Diario de Navarra), and developing the 3.0 advertising rate for nationwide advertising, which have improved the commercial positioning with advertisers.

iv. **Implementing the cost control measures and obtaining the savings targeted in the Efficiency Plan,** and hence continuing to adapt to economic conditions. These measures have enabled operating margins to be maintained and operational gearing to be increased, which will be reflected when the cycle recovers.

For 2014, the main target remains to maintain the leading position of our newspapers, on all devices, to invest in the quality of our content to differentiate from the market, and to access new audiences and revenue streams. These revenues include e-commerce initiatives such as Ticketing and Guapabox, as well as developing advertising strategies aimed at improving revenues from digital advertising revenues (which also improves control over online advertising rates). We will also continue to progress in digital transformation, to improve the positioning and perception of our titles, based on a redesign of the digital editions and on the development of hyperlocal sections and content, and we will carefully analyse the potential for the sale of selected digital content.

In terms of profitability, VOCENTO continues to optimize its processes and resources, without affecting the quality of the editorial product.

National Newspaper- ABC

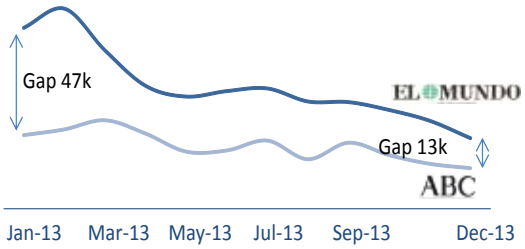
ABC is VOCENTO's national daily newspaper and is now more than 110 years old. ABC has focused its efforts on maintaining its position as a leading national newspaper and has invested in strengthening its position in different areas of the media: ABC press + ABC on Kiosko y Más (with an improvement of its editorial content) + ABC.es, with all the support that has come from the agreement with COPE (see the Radio section). This combination has enabled the development of editorial synergies and the attraction of new audiences, and it has brought the profitability target closer. This combination of media vehicles enables both the development of editorial synergies and also access to new 'digital' audiences, which will lead to profitability and rising EBITDA.

[8] *Source: OJD January-December 2013. Unaudited data. Share of competitor in grey.*

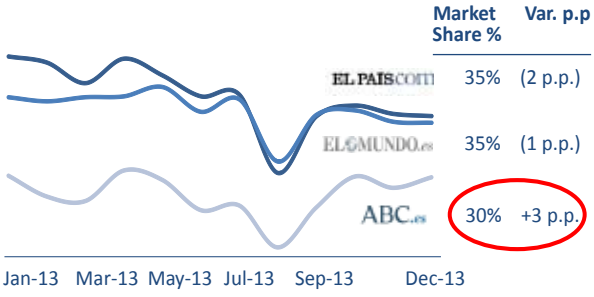
[9] *Source: comScore December 2013. Share of competitor in grey.*

Moreover, ABC has continued to narrow the gap in terms of ordinary circulation (kiosk sales and individual subscriptions) to its most immediate competitor, being close to number two rankin in January 2014 with the gap being narrowed to 1,900 copies and compared to 13,000 copies distance as of December 2013. Likewise, abc.es continues to increase its online market share and strengthen its positions, with 6.4 million unique monthly users.

Ordinary circulation, ABC vs. El Mundo (thousand copies)



ABC.es unique monthly users vs. peers (m.u.m.u[10])



In 2013, ABC achieved the following:

i. **Improved its editorial offering,** with renowned journalists joining the newspaper, while also improving digital content with new sections and content adapted for smartphones and tablets.

ii. **Developed new revenue sources,** including Oferplan and new applications and content for mobile platforms including Kiosko y Más. These initiatives were supported by commercial agreements with distributors (e.g. the integration of ABC.es on Microsoft Windows 8 via Bing Daily). Oferplan and Kiosko y Más have made an increased contribution, in line with the positive experience of the Regional Press. In addition, a new online sales platform for tickets to shows and events has been launched from ABC.es, with the support of Entradas.com. Finally, digital sales are being made from the archive and photograph library, with exclusive and historic ABC content.

iii. **Focused on increasing its share of the advertising market,** maintaining prices for the print versions and attracting advertising spend as it migrates online.

iv. In terms of operating expenses, the **Efficiency Plan** represents a continuation of measures implemented by the company, including: a) the reduction of unprofitable circulation, with an increase in the margin on circulation sales, b) savings in paper and control of pagination, and c) savings in distribution and control of promotions, maintaining the quality of promotions but adapting them to economic conditions.

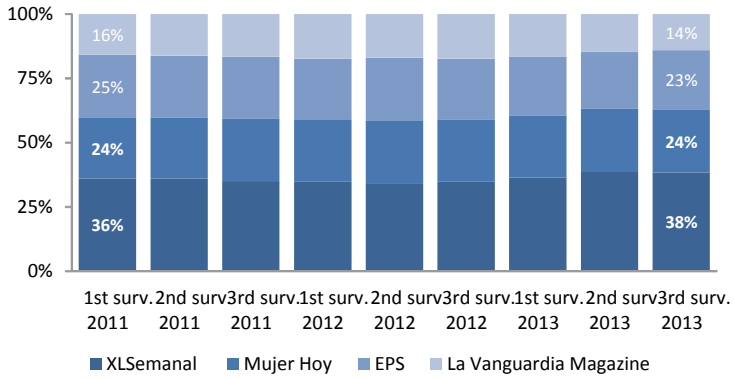
In 2014, ABC is continuing with the measures adopted last year, which enabled it to achieve positive EBITDA in 2013. The target now is to increase profitability based on the following actions: i) improving circulation revenues by increasing cover prices (as carried out in January 2014, with a cover price increase on Monday-Friday from €1.3 to €1.4, and on Sundays from €2.5 to €2.8), ii) maintaining the focus on high quality circulation and closing the gap to the most immediate competitor, while optimizing promotions, iii) continuing to develop new lines of revenues, such as ABC on Kiosko y Más, targeting the profitable growth of user numbers on the platform, d) improving the offering for mobile devices, including both editorial content and products such as Oferplan, and finally e) continuing with savings measures, enabling current levels of positive EBITDA to be maintained.

Supplements and Magazines

VOCENTO publishes the two most read supplements in the ranking of supplements in Spain: XL Semanal and Mujer Hoy. XL Semanal is the most read Sunday supplement in Spain, and according to the latest figures from EGM, Mujer Hoy is now in second place. The quality of the journalists at XL Semanal and its rigorous commitment to information are a major part of its success and for its differentiation from its main competitors.

[10] *Source: comScore.*

Readership share of the main supplements in Spain[11]



Mujer Hoy is the second most read supplement and is the leading women's supplement in its category in an increasingly competitive market. In addition, Hoy Corazón has no competition in the supplement market and is devoted to celebrity news, with a high level of appreciation from its readers.

The Magazines and Supplements of VOCENTO have a combined readership of 4.4 million readers, with XL Semanal the clear leader in its sector (2.5 million readers, more than 1 million readers more than its most immediate competitor; source: EGM 3rd accumulated survey 2013), while Mujer Hoy has 1.7 million readers. The supplements are distributed with all Vocento newspapers at the weekend and with other prestigious regional newspapers.

In the financial information segment, Inversión y Finanzas is the leading weekly finance magazine by kiosk sales, and covers stock market and financial news with accuracy and professionalism.

In 2013, the high level of market share of the supplements was complemented by measures to diversify revenues with new businesses, including: i) a new events area, with the active participation of Mujer Hoy and Inversión y Finanzas, ii) the launch of new e-commerce businesses such as Guapabox, iii) the strengthening of the online positioning, which is strategic at VOCENTO, as reflected in the portals Mujerhoy and Finanzas, with readership of 0.7 million and 0.5 million unique users respectively (source: comScore December 2013), and iv) a continuing focus on luxury advertisers with the monthly magazines Código Único and Mujer Hoy Moda.

In 2014, the aim is to increase new sources of revenues by building on recent initiatives and increasing activity in various areas, while remaining focused on costs without reducing the quality of content.

Printing and Distribution

The Print Media activity is supported by Printing and Distribution businesses.

In the printing area, the company remains focused on improving profitability by making the most of its technical resources, enabling it to improve print quality while reducing unit costs.

In the Distribution business, again to improve processes and margins, VOCENTO is looking to achieve savings by automating manual tasks, implementing point-to-point control of the distribution of newspapers and optimizing the structure and points of sale based on financial criteria.

Audiovisual

VOCENTO has a presence in the audiovisual market, with a national television license, regional television licenses, a network of radio licences, shareholdings in content producers and the management of a catalogue of film rights.

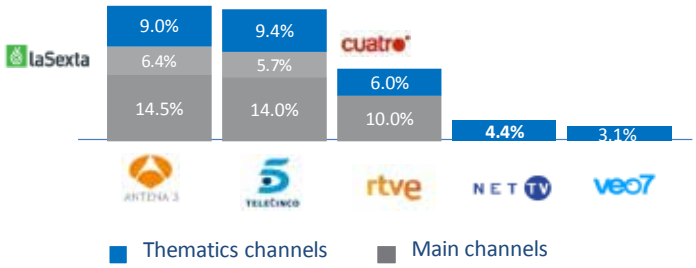
Television

VOCENTO via its 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV"), in which Grupo Intereconomía has a 25% stake and The Walt Disney Company Iberia, S.L. has a 20% stake, is one of four private companies to have a national DTT license, which broadcasts four free-to-air television channels.

[11] *Source: EGM accumulated surveys. Share calculated using overlapping readerships.*

With NET TV, VOCENTO, has made a solid commitment to profitable, niche television, with international partners and global leaders in entertainment. The combined channels had an audience share of 4.4%[12] in December 2013. This positioning in the television area enables VOCENTO to reduce its exposure to the economic cycle and to a possible far-reaching transformation of the sector (such as competition from new technological platforms for distributing audiovisual content) while also complying with the Company's overall goal of profitability.

Audience share by family of channels in December 2013 (%)



We have carried out an analysis of regulatory developments, following the ruling of the Third Chamber of the Supreme Court on 27 November 2012 annulling the Cabinet agreement of 16 July 2010, which allocated to each of the licensees of the digital terrestrial television (DTT) service, including SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A., capacity equivalent to one nationwide multiplex consisting of four channels.

This allocation was carried out as part of the application of the regulatory package, including the National Plan for Digital Terrestrial Television approved in 1997 and in particular Law 10/2005, of 14 June, that governed the transition from analogue terrestrial television to DTT. The transition took place in 2010, following the Government's verification that all the licensees complied fully with the requirements and obligations imposed on them as part of the DTT switchover and could hence be awarded the multiplex. The issue raised by the Supreme Court ruling is of a legalistic nature, as the implementation of DTT itself, and the award of one multiplex to each operator as the culmination of this process, have never been questioned. On 22 March 2013, the Cabinet approved an agreement to comply with ruling of the Supreme Court of 27 November 2012, indicating that the affected channels should cease broadcasting, associating this process with the liberalization of the digital dividend. Subsequently, on 18 December 2013, the Supreme Court issued a writ of execution for its ruling, in which it refers to the affected channels, including two of the channels currently owned by SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A. An appeal was filed against this writ, but this appeal, and appeals from the other operators and UTECA, have recently been rejected. It is likely that other legal alternatives will be pursed, based on the merits of the case, the origin and development of the regulations, and the content of the legal rulings, and it is still possible that there will be a solution that is satisfactory for the operators.

Nevertheless, even if a positive solution is not reached, the impact for the Company would be limited, with no negative impact on the accounts (in particular because of the business model and because there is no goodwill or value in the assets linked to the broadcasting of the channels allocated to SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A.), while due compensation may also be demanded.

Radio

In response to the challenging economic and advertising environment, and as part of the Efficiency Plan at VOCENTO (see Relevant Fact of 19 December 2012), an alliance was agreed with Cadena COPE which was authorized by the Comisión Nacional de Competencia (CNC) on 15 March 2013.

The integration process and the implementation of the project have been successfully completed, with the positive impacts of the agreement reflected in results from the second quarter of 2013.

The alliance between the two media groups has taken the form of a strategic agreement between Cadena COPE and ABC that aims to strengthen their shared editorial approach and defend the same values.

The agreement represents the merger of the broadcasters owned by Vocento, as part of ABC Punto Radio, with the broadcasters of the Cadena COPE network. In addition, the news broadcasts of Cadena COPE are being introduced with the slogan "with the force of ABC," associating the COPE broadcasts with ABC. Vocento appoints the News

[12] *Source:Kantar Media December 2013. Not including pay-DTT channels.*

Coordinator and the presenter of the midday broadcast. The programming, presenters and content of Cadena COPE receive a special emphasis in the pages of ABC.

The strategic alliance also includes the presence of ABC journalists and contributors on the main news and opinion programmes of Cadena COPE , while the editorial teams work together on issues of common interest. To facilitate this, an Editiorial Committee comprising of representatives from the two groups has been established.

Likewise, the two groups have integrated the radio portals COPE, Cadena 100 and Rock FM on the ABC website to strengthen both media in the competitive online market for information and news.

Audiovisual Production and Distribution-Veralia

The presence of VOCENTO in the audiovisual production sector (the production of entertainment and drama programmes and the distribution of films) is based on Veralia Contenidos, a holding company for audiovisual production companies, which includes BocaBoca Producciones, Europroducciones (with a presence in Italy through its subsidiary Europroduzione Italia), Hill Valley and Veralia Cine, which has a catalogue of 244 films.

- The Veralia production companies currently have various formats in development, preproduction, production, and broadcasting, including "21 días", "Guinness," and "Conexión Samanta" and the mini-series "Volare"which has beaten decade-long audience records in Italy, as well as the end-of-year gala on TVE which achieved a share of 25%.

  The current television market is being impacted not only by the advertising crisis but also by the high level of volatility in audiences and the reduction in the number of players, which has increased the pressure on both demand and on the price of the productions, affecting both revenues and production margins of the entire audiovisual production sector, including Vocento's business in this area.

  Veralia has responded by, among other measures, internationalising its productions. The "21 días" format has been successfully adapted in the Netherlands, Italy and France, and more recently in Canada and Chile. In addition, Veralia has continued to purchase the rights of internationally successful programmes, based on agreements with major content producers which enable their possible introduction in the Spanish market, improving Veralia's positioning with the main broadcasters.

  On the cost side, following an additional deterioration in the market in the first half of 2013, Veralia has implemented a restructuring plan to reduce central costs and improve margins in this challenging environment. At the same time, and to improve Veralia's position in the market, senior management have been replaced.

- In the film distribution area, Veralia Cine, in 2013 Vocento and some minority shareholders of Veralia reached an agreement that releases Vocento of its obligations to acquire new films for 13 million euros in the coming years, and allowing it to focus on managing the existing film catalogue. This change in business model will reduce volatility in the film distribution area and improve profitability, as the rights of the existing catalogue have already been fully paid. In addition, the movies will be marketed at the Television and DVD windows, which are the least volatile of the film distribution windows.

Classifieds

The nationwide Classifieds network of VOCENTO is unique in the Spanish media sector, thanks to its specialist team and its customer-focused service culture. These characteristics are supported by ABC.es and the network of regional brands, providing a nationwide service that is characterised by its content as well as by its understanding of the segment. VOCENTO is present in the three main markets for Internet classified advertising: in real estate with pisos.com (top#3 in its category), employment with Infoempleo.com (top#2) and automotive with autocasion.com (top#4).

In 2013, as part of the sale of non-core assets to finance the Efficiency Plan, the company divested the part of the Infoempleo business which consists of selling software licenses for human resources managers.

Finally, the directories portal 11870.com has an audience of close to 647 thousand unique users and is the most important portal for recommendations of websites and businesses in Spain.

Others

This segment includes the B2B business Sarenet, which provides Internet, voice and data services to companies and which was sold at the end of 2013, with the transaction subject to the approval of competition authorities (see Relevant Fact of 30 December 2013), and Qué!, which was closed in June 2012 (see Relevant Fact of 28 June 2012) because of its losses in difficult market conditions.

Both businesses will be excluded from Vocento's consolidation perimeter in 2014.

(iii) HIGHLIGHTS OF THE FINANCIAL PERFORMANCE OF THE BUSINESSES

- **The decrease in advertising has slowed for the fourth consecutive quarter**
- **ABC: positive EBITDA, 4Q13 advertising +2.7%, and improved market share in circulation and online**
- **EBITDA supported by the Efficiency Plan, "loss-making businesses" now positive**
- **Positive cash generation in 2013, excluding the Efficiency Plan**
- **5-year syndicated loan of €175m signed, extending maturities**

Vocento has strengthened its competitive positioning, in advertising and in its operations

i. Continued outperformance to the advertising market, both in the offline business (regional newspapers and ABC -13.4% vs. -14.8%[13] for the market) and online (Local Portals+ABC.es +2,3% vs. -2.5%[1] for the market).
ii. The decrease in advertising at VOCENTO's brands (offline+online) has continued to slow: 4Q13 -3.2% vs. 3Q13 -11.5%[14]. ABC recorded advertising growth in 4Q13 vs. 4Q12 of +2.7%.
iii. 36% of the market's online advertising spend is allocated to the press, according to i2p, enabling the press to maintain its share of advertising at 21% in 2013.
iv. Vocento's revenue profile moves towards digital: Internet advertising and e-commerce revenues in 2013 represent 22.1% of total advertising and e-commerce revenues (+4.9 p.p. vs. 2012).
v. In circulation, ABC slash to position number two ordinary circulation ranking[15] in January 2014.

Stabilisation of EBITDA in 2013 thanks to implementation of the Efficiency Plan, despite market conditions

i. Cost savings based on the measures of the Efficiency Plan are as forecast. Total comparable costs declined by -11.7%[16] in 2013, with personnel expenses down -10.2%[17].
ii. Positive EBITDA of loss-making businesses (ABC, radio, DTT and Qué!) of 3,070 thousand euros in 2013 vs. -18,773 thousand euros in 2011.
iii. Newspapers: ABC Perimeter reaches EBITDA breakeven in 2013. All regional titles report positive EBITDA, except HOY, which is undergoing restructuring.
iv. Audiovisual: the area remains profitable despite weakness in the Content area and the provision of -4,746 thousand euros in Television for a major part of the debt of Intereconomía.

	Comparable EBITDA			Advertising
IFRS thousand euros	**2013**	**2012**	**Var Abs**	**Var Abs**
Newspapers	40,939	43,798	(2,859)	(21,347)
Audiovisual	5,212	6,899	(1,687)	(10,392)
Classified	(1,268)	(1,916)	647	(138)
Other	3,474	2,287	1,187	(4,179)
Corporate	(11,406)	(12,562)	1,156	200
Total	**36,951**	**38,506**	**(1,556)**	**(35,855)**

Net financial debt levels at end 2013 are lower than at end 2012, including the Sarenet sale

[13] *Source for market: i2p 2013.*
[14] *Sum of ABC and Regional brands.*
[15] *Source: OJD ordinary circulation (kiosk sales and individual subscriptions) January 2014.*
[16] *Excluding restructuring costs in 2013 of -596 thousand euros and in 2012 of -21,925 thousand euros and one-offs of 2,309 thousand euros in 2012.*
[17] *Excluding restructuring costs in 2013 of -596 thousand euros and in 2012 of -21,925 thousand euros.*

i. Positive cash generation, excluding payments linked to the Efficiency Plan and asset sales.
ii. The cash exit in 2013 as a result of the Efficiency Plan totals -17,534 thousand euros, financed by the sale of non-core assets for a total of 20,754 thousand euros.
iii. Vocento has signed €175m 5-year syndicated loan to replace bilateral credit lines, extend maturities and unify debt management.

(iv) SHAREHOLDER REMUNERATION

As disclosed to the CNMV in a Relevant Fact on 30 July 2008, at the Extraordinary General Meeting shareholders of VOCENTO approved the distribution of reserves in kind of 14,878,258 shares of Telecinco, equivalent to 6.0% of its share capital, and a distribution of reserves in cash of 6,585 thousand euros, which represented advance payment of the dividend corresponding to 2008 and 2009 and a modification of the dividend policy informed to the market (75% pay out).

In 2013 and 2012 the Parent Company did not pay out any dividends

(v) TREASURY SHARES

As of 31 December 2013, treasury stock represented 3.10% of the share capital of the Company (3,871,501 shares) on the balance sheet, reducing shareholder equity by 31,474 thousand euros.

(vi) SHARE PRICE PERFORMANCE

VOCENTO shares ended 2013 at 1.51 euros, corresponding to market capitalization of 188.7 million euros on 31 December 2013. The average traded volume in the year was 56,411 shares per day. VOCENTO shares are listed on the stock markets of Barcelona, Bilbao and Valencia.

(vii) SHARE-BASED PAYMENT

The shareholders at the Annual General Meetings held on 14 April 2010 and 13 April 2011, resolved to approve two incentive plans designed for the Chief Executive Officer, senior executives and executives at Vocento, which each include single variable remuneration equal to 25% of the fixed remuneration of each director included in the plan (except for the CEO, who is to receive an amount equal to 50% of his fixed remuneration). Of this remuneration, 75% was set to be cash-settled and the remaining 25% to be settled with shares of Vocento, S.A. depending on the extent to which the estimated profit from operations for 2012 and 2013, respectively, is achieved. All of the variable remuneration of the CEO and the Group's management committee will be settled in shares.

When drafting these two plans, the maximum number of shares that could be used to settle them was set at 408,001 and 478,379 shares, respectively.

Variable remuneration was set at 25% of the fixed salary of each executive at the time of drafting the plan. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the objective to increase profit from operations is met, adjusted for termination benefits, with a limit of 150% of the total fixed remuneration.

On the basis of the valuation and non-fulfilment of the objectives established in the aforementioned plans, the Company has not recognised any provision in this connection in the balance sheet at 31 December 2013, as the aforementioned Plan has expired and, therefore, no payments in this connection will be made.

In addition, the shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve a new incentive plan with similar features to those approved in 2010 and 2011. This new plan, addressed to the CEO and senior executives of the Company and the Group, consists of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO. The binomial valuation method, which is widely used in financial circles, was used to value the plan and the main assumptions used were as follows:

Main assumptions	2012 plan
Risk-free interest rate	0.96%
Estimated dividend rate	1.19%
Employee turnover rate	3.00%
Probability of meeting the target EBIT/EBITDA	0.00%

Considering this valuation, no amount was provisioned in 2013 or 2012.

In addition to the incentive plans in 2013 the Company's Board of Directors resolved to approve a long-term incentive plan for the CEO and certain senior executives of the Company and the Group.

The plan will include a single variable remuneration equal to between 25% and 50% of the fixed annual remuneration of each director included in the plan and which will be entirely cash settled. The remuneration will depend on the extent to which the forecast profit from operations for 2015 is achieved. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations objective is met, with a limit of EUR 1.3 million.

On the basis of the valuation and estimated non-fulfilment of the objective established in the aforementioned plan, the Company has not recognised any provision in this connection in the balance sheet at 31 December 2013.

(viii) RESEARCH AND DEVELOPMENT ACTIVITIES

In 2013, the Group did not make any significant investments in Research and Development activities.

(ix) DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge the risks, mainly interest rate risk, to which its future activities, transactions and cash flows are exposed. The detail of the balances that reflect the measurement of derivatives in the consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros			
	31/12/13		31/12/12	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
INTEREST RATE HEDGES				
Cash flow hedges:				
Interest rate swaps	-	25	-	222
Step-up collars	-	191	-	281
	-	**216**	-	**503**

The purpose of the interest-rate derivatives arranged by the Group is to mitigate the effect that interest rate fluctuations may have on any future cash flows from the loans tied to floating interest rates. The detail and maturity of these hedging transactions is as follows:

	Average interest rate arranged		Nominal amount (thousands of euros)		Maturity	
Instrument	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
Interest rate swap	4.42%	4.42%	2,750	7,750	2015	2014
Step-up collars			1,949	2,319	2019	2019
Total			**4,699**	**10,069**		

The effect of the changes in the derivatives in 2013 was recognised with a credit to "Reserves – Revaluation Reserve for Unrealised Assets and Unsettled Liabilities" and "Equity – Of Non-Controlling Interests" for net amounts of EUR 159 thousand and EUR 41 thousand, respectively (a credit of EUR 117 thousand and EUR 53 thousand, respectively, in 2012).

The Group uses a step-up collar to fix the floating-rate interest payments on finance leases within a range spanning from a minimum of 3.95% to a maximum of 5%. The initial cost of the aforementioned financial instrument was zero. The notional amount of the options sold was offset in full by the notional amount of the options purchased, making it a net purchased option. The effectiveness of the step-up collar was measured by offsetting the changes in the flows of the collar against the changes in the flows of the hedged risk through the hypothetical derivative method, thereby fulfilling the conditions required to be considered a hedging instrument.

The Group met the requirements described in Note 4-h on measurement bases in order to classify the financial instruments detailed above as hedges. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective. No ineffective portions were detected in the hedges designated by the Group as such.

The sensitivity of the fair value of the interest-rate hedges to interest rate fluctuations which the Group considers reasonably possible, and the related impact on profit (loss) for the year and equity at 31 December 2013 and 2012, is reflected in the following table:

	Thousands of euros			
	Change in interest rates			
	2013		2012	
Change	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Fair value	13	(13)	29	(29)
Profit (Loss)	-	-	-	-
Equity	13	(13)	29	(29)

The liquidity analysis of the derivative instruments, using net undiscounted flows, is as follows:

2013	2014	2015	2016 and subsequent years
Interest rate swaps	-	25	-
Step-up collars	-	72	119
Total	**-**	**97**	**119**

2012	2014	2015	2016 and subsequent years
Interest rate swaps	196	25	-
Step-up collars	160	55	67
Total	**356**	**80**	**67**

(x) BALANCES AND TRANSACTIONS WITH OTHER RELATED PARTIES

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet at 31 December 2013, and of the transactions (in addition to the

dividends received – see Note 11 performed with such companies in 2013 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

	Balances		Transactions			
	Receivable (Note 15)	Payable (Note 19)	Income		Expenses	
			Operating	Finance	Operating	Finance
Cipress, S.L.	516	123	6,409	-	770	-
Sector MD, S.L.	22	170	109	-	857	-
Distribuidores Papiro, S.L.	775	114	7,776	-	1,389	-
Distrimedios, S.L.	741	113	15,771	-	4,677	-
Val Disme, S.L.	1,450	273	15,732	-	2,977	-
Grupo Videomedia, S.A.	-	-	8	-	-	-
11870 Información en General, S.L.	22	20	3	-	3	-
TOTAL	**3,526**	**813**	**45,808**	-	**10,673**	-

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet at 31 December 2012, and of the transactions (in addition to the dividends received – see Note 11) performed with such companies in 2012 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

	Balances		Transactions			
	Receivable (Note 15)	Payable (Note 19)	Income		Expenses	
			Operating	Finance	Operating	Finance
Cipress, S.L.	543	132	6,833	-	791	-
Sector MD, S.L.	19	225	101	-	870	-
Distribuidores Papiro, S.L.	789	96	7,781	-	1,187	-
Distrimedios, S.L.	843	355	16,118	-	3,660	-
Val Disme, S.L.	1,688	294	18,164	-	3,319	-
Grupo Videomedia, S.A.	6	-	20	-	-	-
Imagen y Servicios, S.A.	-	-	1	-	-	-
11870 Información en General, S.L.	21	17	21	-	9	-
TOTAL	**3,909**	**1,119**	**49,039**	-	**9,836**	-

The principal balances and transactions with companies accounted for using the equity method relate to the sale and distribution of copies of newspapers and supplements performed under normal market conditions. Since the aforementioned balances are trade balances, they are not interest-bearing and, in general, they will be paid at short term. At 31 December 2013 and 2012, the Group companies had not granted any credit facilities or loans to related parties.

(xi) EVENTS AFTER THE REPORTING PERIOD

On 21 February 2014, the Parent arranged a long-term syndicated financing transaction for EUR 175,275 thousand, the funds from which will be used to repay existing bilateral credit lines and to fund the Group's general cash requirements.

The financing consists of two tranches, with the following amounts and maturities:

a) Tranche A is divided into:

   (i) Sub tranche A1: non-current commercial loan of EUR 75,000 thousand maturing in October 2018 and

   (ii) Sub tranche A2: five-year bullet commercial loan of EUR 55,000 thousand.

b) Tranche B: four-year revolving credit line of up to EUR 45,275 thousand.

The financing, which substitutes existing bilateral credit lines, contributes towards strengthening the financial structure of Vocento, S.A. and its Group, since it extends maturities and unifies management, and is in line with the objective of maintaining a differentiated financial position.

Nine leading banks, with which Vocento, S.A. and its Group habitually deal, took part in the provision of this financing.

(xii) OUTLOOK

Ongoing uncertainties about the scope of the economic recovery in Spain, and the impact on the advertising market and on circulation, will be critical to the future performance of the Group's revenues.

To respond to these uncertainties and to the transformation of the media sector from a business based on different media vehicles to a business based on brands, because of changing habits in media consumption, VOCENTO is committed to certain key goals: innovation, profitability, and the protection of cash, as ways of creating value for shareholders.

Vocento has two levers for growth: on the revenue side, the Group is focused on digital innovation (new sources of revenues and new premium advertising formats) and on strengthening its commercial strategy. The main vehicles for achieving these goals are its leading brands.

The second lever is the active management of costs, which is a continuous process of adapting to market conditions. Major cost controls and cost cuts have enabled the Company to stabilise EBITDA and position itself to benefit from operational gearing when the economic cycle recovers.

Finally, the maintenance of a financial position that differentiates the Group from the sector remains a leading objective for the Group, as this gives it the flexibility to continue to respond to the cycle and implement any measures that are needed.

The foundations of VOCENTO are its brands, which represent a permanent reminder of the Group's responsibilities and its commitment to employees, readers, Internet users, listeners and advertisers.

(xiii) ANNUAL REPORT ON CORPORATE GOVERNANCE

Annual Report on Corporate Governance consists of 53 pages. It is attached to the Consolidated Management Report in accordance with Article 538 of the Law on Corporations. In addition, the report is available on the website of the CNMV, www.cnmv.es.

(xiv) ANNUAL REPORT OF ACTIVITIES

The Annual Report of Activities from the Audit and Compliance Committee consists of 17 pages and is attached to the Consolidated Management Report, in accordance with Article 18.9 of the Rules of the Board of Directors.

APPENDIX

The Directors of VOCENTO, S.A. formulated on 27 February 2014 the annual consolidated accounts of VOCENTO, S.A. and its subsidiaries and the corresponding management report, resulting in the following documents: consolidated balance sheet, consolidated profit and loss account, consolidated statement of revenues and expenses, changes to consolidated shareholder equity and a consolidated cashflow statement, each in one page and numbered from 1 to 5, the annual report in 85 pages numbered from 6 to 90, and an appendix of 3 pages, and a management report of 16 pages, including as point 11 the annual report on corporate governance and as point 12 the annual report on activities of the Audit and Compliance Committee. These documents can be found on paper with the letterhead of the company, numbered and written on one side only, as well as the current appendix, signed by each and every one of the members of the Board of Directors who has formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Madrid, 27 February 2014

ENERGAY DE INVERSIONES, S.L. (represented by Don Enrique Ybarra Ybarra)	**DON GONZALO SOTO AGUIRRE**
LIMA, S.L. (represented by Don Juan Urrutia Ybarra)	**DON LUIS ENRÍQUEZ NISTAL**
DON MIGUEL ANTOÑANZAS ALVEAR	**DON FERNANDO AZAOLA ARTECHE**
DON RODRIGO ECHENIQUE GORDILLO	**DON SANTIAGO BERGARECHE BUSQUET**
CASGO, S.A. (represented by Don Jaime Castellanos Borrego)	**MEZOUNA, S.L.** (represented by Don Santiago Ybarra Churruca)
ONCHENA, S.L. (represented by Don Álvaro Ybarra Zubiría)	**VALJARAFE, S.L. (**represented by Doña Soledad Luca de Tena García Conde)
DON CARLOS PAZOS CAMPOS (Secretary, non-Director)	

vocento

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of VOCENTO, S.A. state that, to the best of their knowledge, the annual consolidated accounts of VOCENTO, S.A., corresponding to the year 2013 and prepared in accordance with applicable accounting principles, offer a fair view of the shareholder equity, financial situation and results of VOCENTO, S.A, and of the overall picture of the companies included in the consolidated accounts, and that the Management Report includes an accurate analysis of the performance, results and position of VOCENTO, S.A. and of the overall picture of the companies included in the consolidated accounts, as well as the description of the main risks and uncertainties that they face.

Madrid, 27 February 2014

ENERGAY DE INVERSIONES, S.L. (represented by Don Enrique Ybarra Ybarra)	**DON GONZALO SOTO AGUIRRE**
LIMA, S.L. (represented by Don Juan Urrutia Ybarra)	**DON LUIS ENRÍQUEZ NISTAL**
DON MIGUEL ANTOÑANZAS ALVEAR	**DON FERNANDO AZAOLA ARTECHE**
DON RODRIGO ECHENIQUE GORDILLO	**DON SANTIAGO BERGARECHE BUSQUET**
CASGO, S.A. (represented by Don Jaime Castellanos Borrego)	**MEZOUNA, S.L.** (represented by Don Santiago Ybarra Churruca)
ONCHENA, S.L. (represented by Don Álvaro Ybarra Zubiría)	**VALJARAFE, S.L. (**represented by Doña Soledad Luca de Tena García Conde)
DON CARLOS PAZOS CAMPOS (Secretary, non-Director)	

Vocento, S.A.

Financial Statements and Directors' Report for 2013, together with Auditors' Report

Juan Ignacio Luca de Tena, 7. 28027 Madrid T +34 91 743 81 04 - F +34 91 742 63 52

Deloitte.

Deloitte, S.L.
Ercilla, 24
48011 Bilbao
España

Tel.: +34 944 44 70 00
Fax: +34 944 70 08 23
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
Vocento, S.A.:

We have audited the financial statements of Vocento, S.A. (Parent of the "Vocento" Group of companies), which comprise the balance sheet at 31 December 2013 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2-a to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying financial statements for 2013 present fairly, in all material respects, the equity and financial position of Vocento, S.A. at 31 December 2013, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

Without qualifying our audit opinion, we draw attention to Note 2-b to the accompanying financial statements, which indicates that the separate financial statements are presented in compliance with current Spanish corporate law. However, the transactions of Vocento, S.A. and the Group companies are managed on a consolidated basis, irrespective of the individual allocation of the related effect on equity and of the results relating thereto. Consequently, the accompanying financial statements of Vocento, S.A. do not reflect the financial and equity changes resulting from the application of consolidation methods to the investments in Group companies and associates or to the transactions performed by Vocento, S.A. and these companies. These changes are reflected in the consolidated financial statements for 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, on which we have issued our auditors' report on this same date, in which we expressed an unqualified opinion. The balances of the main consolidated headings applying International Financial Reporting Standards are detailed in Note 2-b to the accompanying financial statements.

The accompanying directors' report for 2013 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2013. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Luis Jiménez Guerrero
27 February 2014

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 95ª C.I.F.: B-79104469
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A.

BALANCE SHEET AT 31 DECEMBER 2013 (Notes 1, 2 and 4)
(Thousands of euros)

ASSETS	Notes	31/12/13	31/12/12 (*)	EQUITY AND LIABILITIES	Notes	31/12/13	31/12/12 (*)
NON-CURRENT ASSETS		**779,029**	**784,085**	**EQUITY**	**10**	**324,806**	**341,989**
Intangible assets	**5**	**339**	**506**	**Shareholders' equity**		**324,806**	**341,989**
Computer software		339	485	**Share capital**		**24,994**	**24,994**
Other intangible assets		-	21	Registered share capital		24,994	24,994
Property, plant and equipment	**6**	**1,336**	**1,512**	**Reserves**		**414,605**	**415,703**
Land and buildings		1,225	1,321	Legal		4,999	4,999
Plant and other items of property, plant and equipment		111	191	Other reserves		409,606	410,704
Non-current investments in Group companies and associates		**727,362**	**728,063**	**Treasury shares**		**(31,474)**	**(32,572)**
Equity instruments	**7**	721,681	722,781	**Retained losses**		**(66,136)**	**(20,582)**
Non-current loans to Group companies and associates	**8**	5,681	5,282	**Loss for the year**		**(17,183)**	**(45,554)**
Non-current financial assets		**2**	**3**				
Other financial assets		2	3	**NON-CURRENT LIABILITIES**		**388,344**	**425,071**
Deferred tax assets	**12**	**49,990**	**54,001**	**Non-current payables**		**12,500**	**30,459**
				Bank borrowings	**11**	12,500	30,459
				Non-current payables to Group companies and associates	**8**	**344,640**	**363,130**
				Deferred tax liabilities	**12**	**31,204**	**31,482**
CURRENT ASSETS		**12,052**	**13,099**	**CURRENT LIABILITIES**		**77,931**	**30,124**
Inventories		**32**	**16**	**Current payables**		**72,639**	**22,890**
Advances to suppliers		32	16	Bank borrowings	**11**	72,624	22,876
Trade and other receivables		**1,909**	**1,484**	Other financial liabilities		15	14
Trade receivables for sales and services		579	321	**Current payables to Group companies and associates**	**8**	**628**	**478**
Trade receivables from Group companies and associates	**8**	202	217	**Trade and other payables**		**4,664**	**6,756**
Sundry accounts receivable		302	349	Payable to suppliers		119	299
Current tax assets	**12**	578	288	Payable to suppliers - Group companies and associates	**8**	392	281
Other accounts receivable from public authorities	**12**	248	309	Sundry accounts payable		1,364	1,313
Current investments in Group companies and associates	**8**	**9,528**	**10,698**	Remuneration payable	**14-b**	93	2,158
Loans to Group companies		9,528	10,698	Other accounts payable to public authorities	**12**	2,696	2,705
Current prepayments and accrued income		**42**	**25**				
Cash and cash equivalents	**9**	**541**	**876**				
Cash		541	876				
TOTAL ASSETS		**791,081**	**797,184**	**TOTAL EQUITY AND LIABILITIES**		**791,081**	**797,184**

(*) Presented for comparison purposes only (Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the balance sheet for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A.

INCOME STATEMENT FOR 2013 (Notes 1, 2 and 4)

(Thousands of euros)

	Notes	2013	2012 (*)
Continuing operations:			
Revenue	**8 & 14-a**	**1,091**	**1,453**
Services		1,091	1,453
Staff costs	**14-b**	**(2,712)**	**(4,789)**
Wages, salaries and similar expenses		(1,798)	(3,648)
Employee benefit costs		(914)	(1,141)
Other operating expenses	**8 & 14-c**	**(4,427)**	**(4,890)**
Outside services		(4,404)	(4,911)
Taxes other than income tax		(23)	21
Depreciation and amortisation charge	**5 & 6**	**(371)**	**(406)**
LOSS FROM OPERATIONS		**(6,419)**	**(8,632)**
Finance income		**52**	**99**
From marketable securities and other financial instruments		52	99
Finance and similar costs		**(15,882)**	**(14,927)**
On debts to Group companies and associates	**8**	(12,306)	(12,087)
On debts to third parties	**11**	(3,576)	(2,839)
Exchange differences		-	(1)
Impairment and gains and losses on disposals of financial instruments	**7**	**(1,100)**	**(39,829)**
FINANCIAL LOSS		**(16,930)**	**(54,657)**
LOSS BEFORE TAX		**(23,349)**	**(63,289)**
Income tax	**12**	**6,166**	**17,735**
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(17,183)**	**(45,554)**
LOSS FOR THE YEAR		**(17,183)**	**(45,554)**

(*) Presented for comparison purposes only (Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the income statement for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2013 (Notes 1, 2 and 4)
(Thousands of euros)

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

	2013	2012
LOSS PER INCOME STATEMENT (I)	**(17,183)**	**(45,554)**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	-	-
TRANSFERS TO PROFIT OR LOSS (III)	-	-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	**(17,183)**	**(45,554)**

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

	Share capital	Legal reserve	Treasury shares	Reserve for treasury shares	Merger reserve	Reserve for share-based payments	Other reserves	Retained losses	Loss for the year	TOTAL
2011 (*) ENDING BALANCE	**24,994**	**4,999**	**(33,008)**	**33,008**	**69,395**	**278**	**308,848**	**(3,553)**	**(17,029)**	**387,932**
Total recognised income and expense	-	-	-	-	-	-	-	-	(45,554)	**(45,554)**
Allocation of 2011 loss										
To prior years' losses	-	-	-	-	-	-	-	(17,029)	17,029	-
Treasury share transactions	-	-	436	(436)	-	-	(111)	-	-	**(111)**
Other changes	-	-	-	-	-	(278)	-	-	-	**(278)**
2012 (*) ENDING BALANCE	**24,994**	**4,999**	**(32,572)**	**32,572**	**69,395**	**-**	**308,737**	**(20,582)**	**(45,554)**	**341,989**
Total recognised income and expense	-	-	-	-	-	-	-	-	(17,183)	**(17,183)**
Allocation of 2012 loss										-
To prior years' losses	-	-	-	-	-	-	-	(45,554)	45,554	-
Treasury share transactions (Note 10)	-	-	1,098	(1,098)	-	-	-	-	-	-
2013 ENDING BALANCE	**24,994**	**4,999**	**(31,474)**	**31,474**	**69,395**	**-**	**308,737**	**(66,136)**	**(17,183)**	**324,806**

(*) Presented for comparison purposes only (Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the statement of changes in equity for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A.

STATEMENT OF CASH FLOWS FOR 2013 (Notes 1, 2 and 4)

(Thousands of euros)

	Notes	2013	2012 (*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**(12,989)**	**(15,351)**
Loss for the year before tax		(23,349)	(63,289)
Adjustments for:			
- Depreciation and amortisation charge	**5 & 6**	371	406
- Impairment losses	**7**	1,100	39,829
- Changes in provisions		-	(690)
- Ingresos financieros y dividendos		(52)	(99)
- Finance costs	**8 & 11**	15,882	14,927
- Other income or expenses		-	1,441
Changes in working capital			
- Inventories		(16)	8
- Trade and other receivables		(135)	831
- Other current assets		(11)	6,431
- Trade and other payables		(2,092)	(166)
- Other current liabilities		-	(97)
- Other non-current assets and liabilities		1	(357)
Other cash flows from operating activities			
- Interest paid	**8 and 11**	(15,766)	(14,625)
- Interest received		52	99
- Income tax (paid)/recovered	**12**	11,026	-
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(328)**	**(63,697)**
Payments due to investment			
- Group companies and associates	**7**	(300)	(66,200)
- Intangible assets	**5**	(26)	(504)
- Property, plant and equipment	**6**	(2)	(8)
Proceeds from disposal			
- Other financial assets		-	3,009
- Intangible assets		-	6
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**12,982**	**63,377**
Proceeds and payments relating to equity instruments			
- Purchase of treasury shares	**10**	(200)	(194)
- Disposal of treasury shares		200	83
Proceeds and payments relating to financial liability instruments			
- Proceeds from issue of bank borrowings	**11**	31,673	25,298
- Proceeds from issue of borrowings from Group companies and associates		300	
- Repayment of borrowings from Group companies and associates	**8**	(18,992)	38,347
- Repayment of other borrowings		1	(157)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		**(335)**	**(15,671)**
Cash and cash equivalents at beginning of year		**876**	**16,547**
Cash and cash equivalents at end of year		**541**	**876**

(*) Presented for comparison purposes only (Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the statement of cash flows for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

Vocento, S.A.

Notes to the financial statements for 2013

1. Company activities

Vocento, S.A. was incorporated for an indefinite period of time on 28 June 1945. Its company objects, per its bylaws, are the publication, distribution and sale of unitary publications, whether periodical or otherwise, dealing with general, cultural, sports, artistic and any other information, the printing of such publications and the operation of printing workshops and, in general, any other activity related to the publishing and graphic arts industry; the setting-up, use and operation of radio and television stations and any other facilities for the broadcasting, production and promotion of audiovisual media, as well as the production, publishing and distribution of disks, cassettes, recorded tapes, films, programmes and any other devices or means of communication of any type; the ownership, acquisition, sale and performance of acts of administration and disposal by any means of shares, interests, securities and investments in companies engaging in any of the aforementioned business activities, and, in general, in any other activity directly or indirectly related to the aforementioned business activities which is not prohibited by the legislation currently in force.

All the activities making up the aforementioned company objects can be carried on both in Spain and abroad, and may be carried on, either totally or partially, indirectly through the ownership of shares or other equity interests in companies with identical or similar company objects (see Note 7).

At the Annual General Meeting held on 17 March 2001, the shareholders resolved to change the Company's name from Bilbao Editorial, S.A. to Grupo Correo de Comunicación, S.A.

On 26 November 2001, as a result of the merger by absorption of Prensa Española, S.A., the shareholders at the Extraordinary General Meeting resolved to change the Company's name to Grupo Correo Prensa Española, S.A. On 17 December 2002, it was resolved to transfer the assets and liabilities of Prensa Española de Locales, S.L.U. en bloc to the sole shareholder, Grupo Correo Prensa Española, S.A., with the subsequent dissolution of the former. Lastly, at the Annual General Meeting held on 29 May 2003, the shareholders resolved to change the Company's name to Vocento, S.A. (the "Company").

The business activity of the Company is the control of the ownership interests held by it as the Parent of a group of companies ("the Group") (see Note 7 and the Appendix) and it is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements of the Vocento Group for 2013 were formally prepared by its directors at the Board of Directors Meeting held on 27 February 2014. The consolidated financial statements for 2012 were approved by the shareholders at the Annual General Meeting of Vocento, S.A. on 16 April 2013, and were filed at the Madrid Mercantile Registry.

The Company's registered office is in Madrid, at calle Juan Ignacio Luca de Tena, no. 7, and its tax domicile is in Bilbao, at calle Pintor Losada, no. 7.

In view of the activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

2. Basis of presentation of the financial statements

a) Regulatory financial reporting framework applicable to the Company-

These financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of the Spanish Commercial Code and all other Spanish corporate law, the Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, the mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, and all other applicable Spanish accounting legislation.

b) Fair presentation-

The financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2013. These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2012 were approved by the shareholders at the Annual General Meeting held on 16 April 2013.

The 2013 financial statements refer only to the Company taken individually. As head of the Group, Vocento, S.A. files consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). According to the consolidated financial statements prepared in accordance with EU-IFRSs, consolidated equity amounted to EUR 349,902 thousand, the loss for the year attributable to the Parent was EUR 15,135 thousand and total assets in the consolidated balance sheet at 31 December 2013 amounted to EUR 740,990 thousand.

c) Non-obligatory accounting principles applied-

No non-obligatory accounting principles were applied. Also, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

d) Key issues in relation to the measurement and estimation of operative and financial uncertainty-

In preparing the financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The useful life of intangible assets and property, plant and equipment (see Notes 4-a, 4-b, 5 and 6).
- The assessment of possible impairment losses on certain assets, such as investments in Group companies and associates (see Notes 4-e and 7).
- The calculation of provisions (Note 4-i).
- The recoverability of tax losses and tax credits from prior years (see Notes 4-f and 12).

In addition, each year, whenever there are indications of impairment (see Notes 4-c, 4-e, 5, 6 and 7), the Company tests the related assets for impairment and consequently estimates their recoverable amount.

Although these estimates were made on the basis of the best information available at 2013 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

The accompanying balance sheet at 31 December 2013 discloses a working capital deficiency of EUR 65,879 thousand. In this connection, on 21 February 2014, the Parent arranged a long-term syndicated loan (Note 18).

Similarly, the Company arranged loan agreements with Group companies on the basis of the percentage of borrowings incurred in the syndicated financing, in the same terms and conditions established in the syndicated loan.

In this new context, bank borrowings of approximately EUR 64.6 million and classified as short-term at 2013 year-end were refinanced in 2014 and now mature at long-term. Therefore, at 31 December 2013 the directors consider that no short-term liquidity problems exist.

e) Comparative information-

The information relating to 2012 contained in these notes to the financial statements is presented, for comparison purposes, with the information for 2013.

f) Changes in accounting policies-

In 2013 there were no significant changes in accounting policies with respect to those applied in 2012.

g) Correction of errors-

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2012.

3. Allocation of loss

The proposed allocation of loss for the year that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows (in thousands of euros):

	2013
Basis of allocation:	
Loss for the year	(17,183)
Allocation of loss:	
To prior years' losses	(17,183)
Total	**(17,183)**

4. Accounting policies

The principal accounting policies used by the Company in preparing its financial statements, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Intangible assets-

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Computer software:

The Company recognises under "Computer Software" the costs incurred in the acquisition and development of computer programs. Computer software maintenance costs are recognised with a charge to the income statement for the year in which they are incurred. Computer software is amortised on a straight-line basis over four years.

b) Property, plant and equipment-

Property, plant and equipment are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in Note 4-c.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

For non-current assets that necessarily take a period of more than twelve months to get ready for their intended use, the capitalised costs include such borrowing costs as might have been incurred before the assets are ready for their intended use and which have been charged by the supplier or relate to loans or other specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the assets, wherever the amount is material. At 31 December 2013, no amount had been recognised in this connection.

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Average estimated useful life (years)
Buildings	30
Plant and machinery	6.6
Other fixtures, tools and furniture	10
Other items of property, plant and equipment	5

At 31 December 2013, the Company did not have any land, buildings or other structures held either to earn rentals or for capital appreciation.

c) Impairment of intangible assets and property, plant and equipment-

At the end of each reporting period (for goodwill and intangible assets with indefinite useful lives) or whenever there are indications of impairment (for other assets), the Company tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

The recoverable amounts are calculated for each cash-generating unit, although in the case of property, plant and equipment, wherever possible, the impairment tests are performed individually for each asset.

Each year management prepares for each cash-generating unit a business plan by market and line of business, generally covering a period of five years. The main components of this plan are as follows:

- Earnings projections
- Investment and working capital projections

Other variables affecting the calculation of the recoverable amount are:

- The discount rate to be used, which is taken to be the weighted average cost of capital, the main variables with an effect on its calculation being borrowing costs and the risks specific to the assets.

- The cash flow growth rate used to extrapolate the cash flow projections to beyond the period covered by the budgets or forecasts.

The projections are prepared on the basis of past experience and of the best estimates available, which are consistent with the information obtained from external sources.

If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs to sell; value in use; and zero.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

d) Leases-

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Lease income and expenses from operating leases are recognised in income on an accrual basis.

Also, the acquisition cost of the leased asset is presented in the balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

vocento

e) Financial instruments-

Financial assets

Classification -

The financial assets held by the Company are classified in the following categories:

a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

b) Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers (see Note 7).

c) Available-for-sale financial assets: these include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial recognition -

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

In the case of equity investments in Group companies affording control over the subsidiary, since 1 January 2010 the fees paid to legal advisers and other professionals relating to the acquisition of the investment have been recognised directly in profit or loss.

Subsequent measurement -

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

In the estimates of the value in use of the Company's investments in Group companies, the cash flows were discounted using a pre-tax rate of between 11.43% and 14.23% (8% and 10% after tax) and growth rates of between 0% and 3% for periods subsequent to those covered by the projections. In general, the discount rates reduced 0.5% with respect to 2012, primarily as a consequence of the current market situation.

Lastly, available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become (permanently) impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the net profit or loss for the year. In this regard, (permanent) impairment is deemed to exist if the market value of the asset has fallen by more than 40%, or if there has been a prolonged fall in market value over a period of 18 months without the value having recovered.

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement.

Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments. Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost. The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

Disclosures on the payment periods to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July:

With respect to the disclosures required by Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July, the detail of the payments made to suppliers in 2013, the weighted average period of late payment and the balances payable to suppliers past due by more than the maximum payment period at 31 December 2013 is as follows:

	Amounts paid and payable at the 2013 year-end		Amounts paid and payable at the 2012 year-end	
	Amount (Thousands of euros)	Percentage (*)	Amount (Thousands of euros)	Percentage (*)
Within the maximum payment period	2,423	81.03%	2,626	76.44%
Remainder	2,843	18.97%	3,115	23.56%
Total payments made in the year	5,266	100%	5,741	100.00%
Weighted average period of late payment (in days)	66	-	63	-
Payments at year-end not made in the maximum payment period	305	16.27%	190	18.25%

(*) Percentage of total balance at year-end.

These amounts relate to suppliers that because of their nature are trade creditors for the supply of goods and services and, therefore, they include the figures relating to "Trade and Other Payables - Payable to Suppliers", "Trade and Other Payables - Sundry Accounts Payable" and "Trade and Other Payables - Payable to Suppliers - Group Companies and Associates" under "Current Liabilities" in the balance sheet.

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

The maximum payment period applicable to the Company under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, is 85 days in the period between the entry into force of the Law and 31 December 2011, 75 days from 1 January 2012 to 31 December 2012 and 60 days from 1 January 2013 to 31 December 2013.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

Information on the nature and level of risk of financial instruments

The Company's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit ratings. Additionally, most of its accounts receivable are from companies controlled by the Company.

b) Liquidity risk:

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the credit and financing facilities detailed in Note 11.

c) Market risk (including interest rate, foreign currency and other price risks):

The Company's bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows since the borrowings are tied to floating interest rates. However the Company considers that there are no significant risks in this connection.

The Company does not carry out significant transactions in foreign currency and at 31 December 2013 did not have any significant balances in foreign currency.

f) Income tax-

Since 1997, the Company has filed consolidated tax returns with certain Group companies specified in the Appendix, which entails the joint calculation of the taxable profit (tax loss) of the Group and the tax credits and tax relief (see Note 12).

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss). Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised. Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

g) Revenue and expense recognition-

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

h) Long-term employee benefits payable-

The contributions to be made to defined contribution plans give rise to a liability for long-term employee benefits payable when unpaid contributions are accrued at the reporting date. The liability will be measured at year-end at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party.

In this respect, and in addition to the incentive plans described in Note 4-k, in 2013 the Company's Board of Directors resolved to approve a long-term incentive plan for the CEO and certain senior executives of the Company and the Group.

The plan will include a single variable remuneration equal to between 25% and 50% of the fixed annual remuneration of each director included in the plan and which will be entirely cash settled. The remuneration will depend on the extent to which the forecast profit from operations for 2015 is achieved. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations objective is met, with a limit of EUR 1.3 million.

On the basis of the valuation and estimated non-fulfilment of the objective established in the aforementioned plan, the Company has not recognised any provision in this connection in the balance sheet at 31 December 2013.

i) Provisions and contingencies-

When preparing the financial statements the directors of Vocento, S.A. made a distinction between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the Company's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

j) Termination benefits-

Under current labour legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken (see Note 14-b).

k) Share-based payment-

The Company accrues these future payments, recognising the expense under "Staff Costs" in the income statement, as described below (see Note 14-b):

- For the portion to be settled in cash, the Company recognises the present value of the obligations, which is calculated by applying an actuarial method in the vesting period of the plan, and credits this amount to "Long-Term Provisions – Other Provisions" in the accompanying balance sheet at 31 December 2013.

- For the portion to be settled through the delivery of the Company's treasury shares, the Group recognises the amount of the share-based remuneration in the vesting period on the value of the plan at the grant date thereof, and credits this amount to "Reserves – Reserves For Share-Based Payments".

The shareholders at the Annual General Meetings held on 14 April 2010 and 13 April 2011, resolved to approve two incentive plans designed for the Chief Executive Officer, senior executives and executives at Vocento, which each include single variable remuneration equal to 25% of the fixed remuneration of each director included in the plan (except for the CEO, who is to receive an amount equal to 50% of his fixed remuneration). Of this remuneration, 75% was set to be cash-settled and the remaining 25% to be settled with shares of Vocento, S.A. depending on the extent to which the estimated profit from operations for 2012 and 2013, respectively, is achieved. All of the variable remuneration of the CEO and the Group's management committee will be settled in shares.

When drafting these two plans, the maximum number of shares that could be used to settle them was set at 408,001 and 478,379 shares, respectively.

Variable remuneration was set at 25% of the fixed salary of each executive at the time of drafting the plan. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the objective to increase profit from operations is met, adjusted for termination benefits, with a limit of 150% of the total fixed remuneration.

On the basis of the valuation and non-fulfilment of the objectives established in the aforementioned plans, the Company has not recognised any provision in this connection in the balance sheet at 31 December 2013, as the aforementioned Plan has expired and, therefore, no payments in this connection will be made.

In addition, the shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve a new incentive plan with similar features to those approved in 2010 and 2011. This new plan, addressed to the CEO and senior executives of the Company and the Group, consists of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO. The binomial valuation method, which is widely used in financial circles, was used to value the plan and the main assumptions used were as follows:

Main assumptions	2012 plan
Risk-free interest rate	0.96%
Estimated dividend rate	1.19%
Employee turnover rate	3.00%
Probability of meeting the target EBIT/EBITDA	0.00%

Considering this valuation, no amount was provisioned in 2013 or 2012.

l) Transactions with Group companies and associates-

The Company performs all its transactions with Group companies and associates on an arm's length basis (see Note 8). Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

m) Current/Non-current classification-

In the balance sheet the Company classifies assets and liabilities as current and non-current. In this connection, current assets and liabilities are those that meet the following conditions:

- An entity shall classify an asset as current when it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; it holds the asset primarily for the purpose of trading; it expects to realise the asset within twelve months after the reporting period; or the asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

- An entity shall classify a liability as current when it expects to settle the liability in its normal operating cycle, it holds the liability primarily for the purpose of trading; the liability is due to be settled within twelve months after the reporting period; or it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

5. Intangible assets

The transactions recognised under "Intangible Assets" in the years ended 31 December 2013 and 2012 are summarised as follows:

	Thousands of euros							
	Balance at 31/12/11	Additions/ (Charge for the year)	(Disposals)	Balance at 31/12/12	Additions/ (Charge for the year)	Transfers	(Disposals)	Balance at 31/12/13
Cost:								
Computer software	2,385	483	(31)	2,837	26	21	(1,204)	1,680
Advances and other intangible assets in progress	-	21	-	21	-	(21)	-	-
Total cost	**2,385**	**504**	**(31)**	**2,858**	**26**	**-**	**(1,204)**	**1,680**
Accumulated amortisation:								
Computer software	(2,179)	(198)	25	(2,352)	(193)	-	1,204	(1,341)
Total accumulated amortisation	**(2,179)**	**(198)**	**25**	**(2,352)**	**(193)**	**-**	**1,204**	**(1,341)**
Total net	**206**	**306**	**(6)**	**506**	**(167)**	**-**	**-**	**339**

In 2013 the disposals under "Computer Software" relate to fully amortised items.

At 31 December 2013, the cost of the Company's fully amortised intangible assets in use amounted to EUR 964 thousand.

At 31 December 2013, commitments to invest in intangible assets were not material.

6. Property, plant and equipment

The transactions recognised at 31 December 2013 and 2012 in the various property, plant and equipment accounts and the related accumulated depreciation are summarised as follows:

	Thousands of euros					
	Balance at 31/12/11	Additions/ (Charge for the year)	Balance at 31/12/12	Additions/ (Charge for the year)	(Disposals)	Balance at 31/12/13
Cost:						
Land and buildings	2,492	-	2,492	-	-	2,492
Plant and machinery	540	-	540	-	-	540
Other fixtures, tools and furniture	1,926	1	1,927	1	-	1,928
Other property, plant and equipment-						
Transport equipment and other items of property, plant and equipment	398	-	398	-	(275)	123
Computer hardware	248	7	255	1	(185)	71
Total cost	**5,604**	**8**	**5,612**	2	**(460)**	**5,154**
Accumulated depreciation:						
Buildings	(1,074)	(97)	(1,171)	(96)	-	(1,267)
Plant and machinery	(540)	-	(540)	-	-	(540)
Other fixtures, tools and furniture	(1,647)	(99)	(1,746)	(77)	-	(1,823)
Other property, plant and equipment-						
Transport equipment and other items of property, plant and equipment	(390)	(8)	(398)	(1)	275	(124)
Computer hardware	(241)	(4)	(245)	(4)	185	(64)
Total accumulated depreciation	**(3,892)**	**(208)**	**(4,100)**	**(178)**	**460**	**(3,818)**
Total net	**1,712**	**(200)**	**1,512**	**(176)**	-	**1,336**

In 2013 the disposals under "Other Property, Plant and Equipment" relate to fully depreciated items of property, plant and equipment.

The building in Zamudio in which the Company's offices are situated, whose cost is recorded under "Property, Plant and Equipment – Land and Buildings", was built on land owned by Bilbao Editorial Producciones, S.L.U. (Group company – see Note 7), pursuant to a surface rights agreement in exchange for a consideration that can be reviewed annually. This consideration amounted to EUR 23 thousand in 2013 and the term of the agreement is 99 years from 1 June 1998, the date on which the building was delivered. On termination of the agreement, the buildings within the plot will become the property of Bilbao Editorial Producciones, S.L.U. for no consideration. At 31 December 2013, the carrying amount of this item of property, plant and equipment was EUR 1,208 thousand.

At 31 December 2013, the cost of the Company's fully depreciated items of property plant and equipment in use amounted to EUR 1,964 thousand (31 December 2012: EUR 2,274 thousand).

At 31 December 2013, the Company's property, plant and equipment were adequately covered by the related insurance policies.

At 31 December 2013, commitments to invest in items of property, plant and equipment were not material.

7. Non-current investments in Group companies and associates

The detail of and the transactions recognised under "Non-Current Investments in Group Companies and Associates" on the asset side of the accompanying balance sheets at 31 December 2013 and 2012 are as follows:

	Thousands of euros				
	Balance at 31/12/11	Additions/ (Charge for the year)	Balance at 31/12/12	Additions/ (Charge for the year)	Balance at 31/12/13
Equity investments in Group companies and associates	697,210	25,571	722,781	(1,100)	721,681

In 2013, no transactions with equity instruments were performed with Group companies.

The Company recognised an impairment loss of EUR 1,100 thousand on its equity investment in Corporación de Medios Radiofónicos Digitales, S.A.U. with a charge to "Impairment and Gains and Losses on Financial Instruments" in the income statement for 2013 due to accumulated losses at the investee.

The detail of the most important information relating to investments in Group companies and associates at 31 December 2013 and 2012 is summarised as follows (see Appendix):

2013:

	Thousands of euros					
	Carrying amount					
	Cost	Impairment loss recognised in the year	Accumulated impairment losses	Share capital (*)	Other equity items (*)	2013 profit (loss) (*)
Group companies (Note 10 and Appendix)-						
Corporación de Medios Internacionales de Prensa, S.A.U.	95,725	-	(32,948)	60	63,574	2,267
Corporación de Medios de Comunicación, S.L.U. (**)	49,192	-		12,064	51,779	2,446
Factoría de Información, S.A.U. (**)	170,491	-	(170,491)	301	172	43
Corporación de Medios Radiofónicos Digitales, S.A.U. (***)	5,409	(1,100)	(2,452)	5,560	(2,629)	85
Comeresa Prensa, S.L.U. (**)	597,069	-		403,069	187,114	(59,710)
Comeresa País Vasco, S.L.U. (**)	9,686	-		9,686	88,774	24,258
	927,572	**(1,100)**	**(205,891)**			

(*) This information refers to the separate unconsolidated financial statements of the respective companies at 31 December 2013.
(**) Companies audited by Deloitte.
(**) Companies reviewed by Deloitte.

2012:

	Thousands of euros					
	Carrying amount					
	Cost	Impairment loss recognised in the year	Accumulated impairment losses	Share capital (*)	Other equity items (*)	2012 profit (loss) (*)
Group companies (Note 10 and Appendix)-						
Corporación de Medios Internacionales de Prensa, S.A.U.	95,725	-	(32,948)	60	63,519	55
Corporación de Medios de Comunicación, S.L.U. (**)	49,192	-	-	12,064	47,479	4,300
Factoría de Información, S.A.U. (**)	170,491	(39,829)	(170,491)	301	17,602	(17,429)
Corporación de Medios Radiofónicos Digitales, S.A.U. (**)	5,409	-	(1,352)	5,560	(2,613)	(16)
Comeresa Prensa, S.L.U. (**)	597,069	-	-	403,069	207,499	(20,386)
Comeresa País Vasco, S.L.U. (**)	9,686	-	-	9,686	77,172	11,602
	927,572	**(39,829)**	**(204,791)**			

8. Related party balances and transactions

The detail of the transactions with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are performed on an arm's length basis (see Note 4-l) and are recognised under the related headings in the accompanying income statements for 2013 and 2012, and of the balances with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are recognised under the related headings in the accompanying balance sheets at 31 December 2013 and 2012, is as follows:

2013:

Company	Thousands of euros								
	Balances						Transactions		
	Non-current		Current						
	Loans to Group companies and associates	Payables to Group companies and associates	Trade receivables from Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Payable to suppliers - Group companies and associates	Revenue from the rendering of services (Note 14-a)	Other operating expenses (Note 14-c)	Finance costs on debts to Group companies and associates
Comeresa Prensa, S.L.U.	-	344,138	113	-	-	17	515	261	12,306
Diario El Correo, S.A.U.	-	135	-	4,350	-	61	-	137	-
Comeresa País Vasco, S.L.U.	-	-	-	876	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	2,948	-	59	2	-	-
Sarenet, S.A.	456	-	-	735	-	-	-	9	-
Bilbao Editorial Producciones, S.L.U.	4,125	115	-	-	316	1	11	23	-
Diario ABC, S.L.	-	-	-	-	-	93	-	688	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	33	300	-	-	-	-
Other companies	-	252	89	586	12	161	338	55	-
Total	**5,681**	**344,640**	**202**	**9,528**	**628**	**392**	**866**	**1,173**	**12,306**

2012:

Company	Thousands of euros								
	Balances						Transactions		
	Non-current		Current						
	Loans to Group companies and associates	Payables to Group companies and associates	Trade receivables from Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Payable to suppliers - Group companies and associates	Revenue from the rendering of services (Note 14-a)	Other operating expenses (Note 14-c)	Finance costs on debts to Group companies and associates
Comeresa Prensa, S.L.U.	-	363,130	-	-	-	1	551	447	12,087
Diario El Correo, S.A.U.	-	-	-	4,322	-	1	14	75	-
Comeresa País Vasco, S.L.U.	-	-	-	138	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	4,977	-	6	4	5	-
Sarenet, S.A.	357	-	-	745	-	-	-	1	-
Bilbao Editorial Producciones, S.L.U.	4,125	-	-	(112)	-	29	5	22	-
Diario ABC, S.L.	-	-	-	-	-	192	5	687	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	800	-	-	-	6	-	-	-	-
Other companies	-	-	217	628	472	52	609	52	-
Total	**5,282**	**363,130**	**217**	**10,698**	**478**	**281**	**1,188**	**1,289**	**12,087**

The current accounts payable to Group companies and associates included under “Current Payables to Group Companies and Associates”, the current accounts receivable included under "Current Investments in Group Companies and Associates - Loans to Group Companies" and an amount of EUR 4,581 thousand relating to non-current accounts receivable recognised under "Non-Current Investments in Group Companies and Associates - Non-Current Loans to Group Companies and Associates" in the accompanying balance sheet at 31 December 2013 arose basically as a result of the amounts allocated by the Parent, Vocento, S.A., to its subsidiaries in connection with the settlement of the consolidated income tax return (see Note 12). These balances were classified in the balance sheet as current or non-current based on their expected maturity date.

“Non-Current Payables” at 31 December 2013 includes the current account balance held with Comeresa Prensa, S.L.U. The related current account agreements are renewed automatically for periods of one year unless the parties expressly waive the agreement. The Company’s directors consider that the balance will not be called in the short term. The accounts receivable generate a return calculated on the basis of average 3-month Euribor for each calendar quarter plus a spread of the weighted average of the spreads received from third parties by the companies considered to be Group holding companies as the return on their financial instruments; whereas the accounts payable incur interest costs of average 3-month Euribor for each calendar quarter plus a spread of the spreads applied by third parties to financing instruments of companies considered to be Group holding companies.

The expenses incurred on the aforementioned current account amounted to EUR 12,306 thousand in 2013 and are recognised under “Finance and Similar Costs – On Debts to Group Companies and Associates” in the accompanying income statement for 2013.

9. Cash and cash equivalents

“Cash and Cash Equivalents” includes the Company's cash and short-term bank deposits with an initial maturity of three months or less. The bank demand deposits earn interest at market rates. There are no restrictions on the use of these balances. The carrying amount of these assets approximates their fair value.

10. Equity and shareholders’ equity

Registered share capital-

At 31 December 2013, the share capital of Vocento, S.A. amounted to EUR 24,994 thousand and consisted of 124,970,306 fully subscribed and paid book-entry shares of EUR 0.2 par value each. The Company is listed on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges and on the Spanish computerised trading system (Spanish stock market interconnection system) since 8 November 2006.

The shareholders' exact ownership interest in the share capital is unknown since Vocento's shares are represented by book entries. However, on the basis of information in the public domain available to the Company, at 31 December 2013, the only shareholders with ownership interests of 10% or more were Mezouna, S.A. and Valjarafe, S.L., which owned 11.077% and 10.090%, respectively, of the share capital.

Legal reserve-

Under Article 224 of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve had reached the stipulated level at 31 December 2013. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. At 31 December 2013, this reserve had reached the legally required minimum.

Treasury shares-

The Company holds 3,871,501 treasury shares, equivalent to 3.1% of its share capital, which may be freely transferred.

The transactions carried out with treasury shares in 2013 were as follows:

	No. of shares	Cost (Thousands of euros)
Shares at 31/12/11	**3,812,375**	**33,008**
Purchases	131,955	194
Disposals (*)	(74,229)	(630)
Shares at 31/12/12	**3,870,101**	**32,572**
Purchases	157,499	205
Disposals (*)	(156,099)	(1,303)
Shares at 31/12/13	**3,871,501**	**31,474**

(*) Sales recognised at weighted average cost.

The loss resulting from the sales of treasury shares in 2013 was recognised with a charge of EUR 1,098 thousand to "Reserves".

Pursuant to the Spanish Limited Liability Companies Law, a restricted reserve was recognised for an amount equal to the cost of the treasury shares held. The balance of this reserve will become unrestricted when the circumstances making such recognition necessary cease to exist.

At the date of preparation of these financial statements, the Board of Directors had not taken any decision regarding the ultimate use of the aforementioned treasury shares.

The average number of treasury shares in 2013 was 3,866,101 shares.

11. Bank borrowings

The breakdown of “Non-Current Payables – Bank Borrowings" and “Current Payables – Bank Borrowings" in the accompanying balance sheets at 31 December 2013 and 2012 is as follows:

	Maturity	Interest rate	Thousands of euros				
			Limit granted	Balance drawn down at 31/12/13		Balance drawn down at 31/12/12	
				Non-current	Current	Non-current	Current
Credit facilities-							
Banco Bilbao Vizcaya Argentaria, S.A.	24.25 million in 2014 and 12.5 million in 2015	EURIBOR+ spread (*)	45,000	12,500	24,250	23,859	-
Kutxabank	2014		15,000	-	13,101	6,600	-
Bankia	2014		10,000	-	6,305	-	5,716
Banesto	2014		10,000	-	8,838	-	7,002
Banco Santander, S.A.	2014		20,000	-	16,632	-	9,856
Banco Popular	2014	5.50%	5,000	-	3,080	-	
Interest payable					418		302
			105,000	**12,500**	**72,624**	**30,459**	**22,876**

(*) The spread on the credit facilities ranges from 2.25% to 4.50%

The credit facilities in the foregoing table were guaranteed personally by the Company. In addition, at 31 December 2013, EUR 20,293 thousand were available for drawdown.

The financial expenses incurred in 2013 and 2012, relating to the borrowings in the table above amounted to EUR 3,576 and EUR 2,839 thousand, respectively, and are recognised under “Finance and Similar Costs – On Debts to Third Parties” in the accompanying income statement.

As a result of the arrangement of the syndicated loan described in Note 18, the bank borrowings repayment schedules have been modified.

12. Tax matters

Vocento, S.A. files consolidated income tax returns under the Special Consolidated Tax Regime, as provided for in Article 71 et seq of Vizcaya Income Tax Regulation 3/1996, of 26 June, in force until 31 December 2013. The Appendix includes the companies belonging to this group. Notification of the composition of the tax group for 2013 was filed at the Bizkaia Provincial Government's Department of Economy and Finance on 31 January 2014.

Although Vocento, S.A., the Parent of tax group 03/97/B, will file the consolidated income tax return for the tax group, the various companies forming the Group will also file individual income tax returns for information purposes.

As a result of the Company’s taxation under the Special Consolidated Tax Regime, in order to calculate the individual income tax expense, the eliminations of the gains or losses from transactions performed in 2013 among the companies forming part of tax group 03/97/B, and, as applicable, the items eliminated in prior years, have to be taken into consideration. The limits and requirements of tax group 03/97/B are taken into consideration when calculating the tax assets and credits.

As a result of filing consolidated income tax returns, the debit or credit positions arising from the estimate of the tax charge in 2013 are recognised in group accounts.

On 5 December 2013, the Bizkaia Provincial Government approved Income Tax Regulation 11/2013, effective for tax periods beginning on or after 1 January 2014.

Current tax receivables and payables

The detail of Vocento, S.A.'s current tax receivables from and payables to public authorities recognised on the asset and liability sides, respectively, of the balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros			
	31/12/13		31/12/12	
	Current assets	Current liabilities	Current assets	Current liabilities
VAT	248	-	286	-
Current tax assets	578	-	288	-
Sundry tax receivables	-	-	23	-
Accrued social security taxes payable	-	14	-	25
Tax withholdings payable	-	2,682	-	2,680
	826	**2,696**	**597**	**2,705**

Deferred tax assets and deferred tax liabilities

The detail and changes in income tax assets and deferred tax assets and liabilities is as follows:

2013:

	Thousands of euros					
	Balance at 31/12/12	Adjustment to prior year's income tax settlement	Reversals	Amounts taken	Other changes	Balance at 31/12/13
Unused tax credits and tax relief	31,703	33	(1,030)	-	-	30,706
Tax loss carryforwards	19,428	(85)	(2,449)	(442)	(278)	16,174
Deferred tax assets	2,870	240	-	-	-	3,110
Total deferred tax assets	**54,001**	**188**	**(3,479)**	**(442)**	**(278)**	**49,990**
Deferred tax liabilities	(31,482)	-	-	-	(278)	(31,204)
Total deferred tax liabilities	**(31,482)**	**-**	**-**	**-**	**(278)**	**(31,204)**

2012:

	Thousands of euros				
	Balance at 31/12/11	Additions	Adjustment to prior year's income tax settlement	Reversals	Balance at 31/12/12
Unused tax credits and tax relief	31,687	-	16	-	31,703
Tax loss carryforwards	11,302	10,250	(2,124)	-	19,428
Deferred tax assets	3,176	12	-	(318)	2,870
Total deferred tax assets	**46,165**	**10,262**	**(2,108)**	**(318)**	**54,001**
Deferred tax liabilities	(31,482)	-	-	-	(31,482)
Total deferred tax liabilities	**(31,482)**	**-**	**-**	**-**	**(31,482)**

The Company had no unrecognised deferred tax assets or liabilities at 31 December 2013.

In accordance with the tax regulations in force at 31 December 2013, the tax credits detailed above do not have any time limit for offset. However, the new Income Tax Regulation 11/2013 establishes a 15-year deadline for offsetting tax losses and tax credits, beginning on or after 1 January 2014.

In this respect, and taking into account the new tax offsetting deadline provided for in Income Tax Regulation 11/2013, deferred tax assets indicated above were recognised because the Company's directors considered that, based on the best estimates of the Company's future earnings, it is probable that these assets will be recovered.

Reconciliation of the accounting loss to the tax loss

The reconciliation of the accounting loss to the tax loss for income tax purposes is as follows:

	Thousands of euros	
	2013	2012
Accounting loss (before tax)	**(23,349)**	**(63,289)**
Permanent differences:		
- Impairment losses on tax group equity instruments	1,100	-
- Non-deductible representation costs	347	-
- Other	-	7
Temporary differences:		
- Group insurance payable (Note 14-b)	-	(168)
- Incentive plan (Notes 4-k and 14-b)	-	(968)
- Other non-deductible expenses and non-computable income	-	45
Tax loss prior to offset	**(21,902)**	**(64,373)**
Offset of tax group prior years' tax losses	**(8,745)**	**-**
Tax loss	**(30,647)**	**(64,373)**

In respect of the gains (EUR 74,264 thousand in 2009, EUR 3,837 thousand in 2010 and EUR 1 thousand in 2011) obtained on certain sales (mainly the gains arising from the transfer of the ownership interest in Gestevisión Telecinco, S.A. in prior years) the Company availed itself of the Extraordinary Gains Reinvestment Regime stipulated in Article 22 of the Bizkaia Income Tax Regulation, of 26 June (as amended by Bizkaia Income Tax Regulation 5/2009, of 23 June). Pursuant to this regime, 60% of the gains obtained on the transfer of the ownership interests (2009) and also 100% of the gain obtained on the transfer of intangible assets or property, plant and equipment (2010 and 2011) is not included in the tax base provided that the income obtained is reinvested. In accordance with current legislation, the amount obtained on the aforementioned transfers must be reinvested within the period between one year prior to the date of delivery of the items transferred and the three following years.

At 31 December 2013, the Company and the tax group of which it is the head had complied with the reinvestment obligation assumed in the aforementioned transactions through the increase of the cost of the investment in Factoría de Información, S.A.U. (performed in 2010 and 2012), the subscription of a capital increase of Comeresa Prensa, S.L.U. (performed in 2012) and the investments made in other companies in which the Company holds an ownership interest and in other non-current assets (mainly machinery acquired in 2010).

Also as the Parent of the tax group, the Company recognises receivables and payables relating to the income tax generated by the various companies in the tax group which at 31 December 2013 amounted to EUR 9,528 thousand and EUR 329 thousand, respectively (see Note 8).

Reconciliation of the accounting loss to the income tax expense

The reconciliation of the accounting loss to the income tax expense for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Accounting loss (before tax)	**(23,349)**	**(63,289)**
Permanent differences	1,447	7
Adjusted accounting loss	**(21,902)**	**(63,282)**
Tax charge at 28%	**(6,133)**	**(17,719)**
Settlement of income tax for 2012	(33)	(16)
Total income tax expense (income)	**(6,166)**	**(17,735)**

Tax recognised in equity

In 2013 no deferred tax was recognised in equity.

Breakdown of income tax expense (income)

The detail of the income tax expense (income) for 2013 and 2012 is as follows (for continuing operations):

	Thousands of euros	
	2013	2012
Current tax	(6,133)	(18,025)
Deferred tax	-	306
Adjustment to prior year's settlement	(33)	(16)
Total tax expense (income)	**(6,166)**	**(17,735)**

Years open for review and other disclosures

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired, unless such period is interrupted by a tax inspection. At 2013 year-end the Company had all years since 2009 open for review for income tax and all years since 2010 open for review for the other taxes applicable to it.

Additionally, in prior years certain companies in the tax group of which Vocento, S.A. is the Parent took tax credits arising from specific investments made in property, plant and equipment. These tax incentives, which are provided for in the income tax regulations approved by the various Bizkaia tax authorities and consist of tax credits amounting to 45% of the investments made, were challenged by the European Union authorities.

In 2011 the Bizkaia tax authorities filed an additional tax assessment to that filed in 2007, as a preventative measure. An appeal was filed against this assessment at the High Court of Justice of the Basque Country, which, in its judgment of 30 October 2013, partially upheld the appeal for judicial review, rendering void the corresponding assessments and ordering the Provincial Government of Bizkaia to take the investigation file procedures back to the prior proceeding for hearing submissions from the interested party. To date, the Gipuzkoa tax authorities have not enforced this judgment, against which a cassation appeal has been filed at the Judicial Review Chamber of the Supreme Court. A decision has yet to be handed down on this cassation appeal.

A tax assessment amounting to EUR 2,109 thousand was received from the Gipuzkoa tax authorities in 2012. An appeal was filed against this assessment at the Economic-Administrative Tribunal of Gipuzkoa, although a decision has yet to be handed down on this appeal.

Lastly, due to the different interpretations afforded to the tax legislation applicable to the transactions carried out by Vocento, S.A., there may be contingent tax liabilities that cannot be objectively quantified. However, the Company's directors consider that the likelihood of such contingent liabilities arising is remote and, in any event, the tax liability that might arise would not have a material effect on the financial statements.

13. Guarantees

The detail of the guarantees provided by the Company is as follows:

	Thousands of euros	
	2013	2012
Guarantees - other Group companies	4,648	2,756
Other	113	88
Total	**4,761**	**2,844**

14. Income and expenses

a) Revenue

The detail of "Revenue" in the accompanying income statements for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Income from other services (Note 8)	236	600
Other sundry income	235	250
Income from expenses passed on (Note 8)	620	603
Total	**1,091**	**1,453**

b) Staff costs

The detail, by item, of "Staff Costs" in the accompanying income statements for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Wages and salaries	2,130	2,895
Termination benefits (Note 4-j)	(332)	1,719
Employer social security costs	157	204
Incentive plan (Notes 4-k and 12)	-	(968)
Other employee benefit costs	757	939
Total	**2,712**	**4,789**

At 31 December 2012, "Termination Benefits" in the table above includes EUR 1,719 thousand relating to the termination of several workers included in the efficiency plan announced by the Group at the end of 2012, which was initiated prior to 2013 year-end. These benefits were paid in full in 2013, with no amount outstanding in this connection in the balance sheet at 31 December 2013.

In 2103 and 2012 no contributions were made to the pension plan since the Company decided to suspend them and link them to the fulfilment of certain targets.

The average number of employees at the Company in 2013 and 2012, by professional category, was as follows:

Professional category	2013	2012
Chief Executive Officer	1	1
Executives	6	10
Other employees	6	7
Total	**13**	**18**

Also, the headcount at the end of 2013 and 2012, by gender and category, was as follows:

Professional category	2013		2012	
	Men	Women	Men	Women
Chief Executive Officer	1	-	1	-
Executives	5	-	9	1
Middle management	-	-	-	-
Other	4	1	4	3
Total	**10**	**1**	**14**	**4**

At 31 December 2013, the number of independent directors was 11, 1 of whom was a woman and 10 of whom were men.

c) Other operating expenses

The breakdown, by type, of "Other Operating Expenses" at the end of 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Editorial services	69	30
Print shops	17	14
Administrative services	3,329	3,230
Sundry	909	1,413
Marketing	103	203
Total	**4,427**	**4,890**

15. Remuneration of senior executives

In 2013 the staff costs (cash remuneration, remuneration in kind, employer social security costs, etc.) of the general managers and deputy general managers making up the Company's Management Committee, which at 2013 year-end consisted of 9 persons - excluding those who are also members of the Board of Directors (whose remuneration is detailed in Note 17) - amounted to EUR 1,764 thousand. In 2013 no termination benefits were recognised for the Company's senior executives.

Senior management contracts include a clause establishing the termination benefit to be paid in the event of unjustified dismissal, which varies from the amount set in employment law to up to two years' gross annual salary. The contracts of lower level executives only exceptionally include clauses of this type and provide for a termination benefit of one year's gross salary.

16. Other disclosures

a) Fees paid to auditors

In 2013 and 2012 the fees for financial audit and other services provided by the Company's principal auditors, Deloitte, S.L., or by a firm in the same group or related to the auditors, and other auditors or companies related thereto, were as follows (in thousands of euros):

2013:

	Audit services (*)	Other attest services	Other services
Deloitte, S.L.	174	214	138
Total	**174**	**214**	**138**

(*) This amount includes EUR 11 thousand in connection with auditing expenses for 2013 that were rebilled by Deloitte, S.L.

2012:

	Audit services (*)	Other attest services	Other services
Deloitte, S.L.	180	237	65
Total	**180**	**237**	**65**

(*) This amount includes EUR 12 thousand in connection with auditing expenses for 2012 that were rebilled by Deloitte, S.L.

b) Financial structure

As indicated in Note 1, the Company is the Parent of the Vocento Group. The brands of Vocento, one of Spain's leading multimedia communications groups, have a significant presence in all spheres of information and entertainment, such as the press, supplements, magazines, television, radio, audiovisual productions, film distribution and the internet. For the purposes of assessing risks and company performance, the Group organises management information according to the following business activities: Printed Media, Audiovisual, Classified Advertisements and Other Businesses.

As indicated in Note 4-e, the Company determines its financial structure on the basis of its financing needs, although these needs are always managed in accordance with the general financing policies issued by the Group

At 31 December 2013, as described in the Vocento Group's consolidated financial statements (prepared in accordance with International Financial Reporting Standards as approved by the European Union), the Group's total assets amounted to EUR 740,990 thousand, its equity amounted to EUR 349,902 thousand and total revenue amounted to EUR 529,757 thousand.

17. Remuneration and other disclosures concerning the directors

The remuneration, including salaries and other expenses, earned by the members of the Board of Directors in 2013 amounted to EUR 1,382 thousand. The detail, by Board member, of the directors' remuneration in 2013 and 2012 is as follows:

2013:

REMUNERATION OF DIRECTORS
(Thousands of euros)

	Attendance fees		Contributions to pension plans and life insurance	Other remuneration	Remuneration of directors for senior executive functions		
	Board of Directors	Committees			Fixed	Variable	TOTAL
DIRECTORS AT 31 DECEMBER 2013							
Mezouna (Santiago de Ybarra y Churruca)	28	24	-	-	-	-	**52**
Valjarafe, S.L.	28	56	-	-	-	-	**84**
Energay de Inversiones, S.L.	56	64	-	120	-	-	**240**
Onchena, S.L. (Alvaro Ybarra Zubiria)	28	32	-	-	-	-	**60**
Casgo, S.A.	24	-	-	-	-	-	**24**
Miguel Antoñanzas Alvear	24	56	-	-	-	-	**80**
Fernando Azaola Arteche	28	24	-	-	-	-	**52**
Rodrigo Echenique Gordillo	20	52	-	-	-	-	**72**
Lima, S.L.U. (Juan Ramón Urrutia Ybarra)	28	48	-	-	-	-	**76**
Gonzalo Soto Aguirre	28	48	-	-	-	-	**76**
Santiago Bergareche Busquet	-	4	-	-	-	-	**4**
Luis Enríquez Nistal	-	-	5	-	505	-	**510**
Total directors at 31 December 2013	**292**	**408**	**5**	**120**	**505**	**-**	**1,330**
DIRECTORS REMOVED DURING THE YEAR							
Bycomels Prensa,S.L. (Santiago Bergareche Busquet)	24	28	-	-	-	-	**52**
Total directors removed during the year	**24**	**28**	**-**	**-**	**-**	**-**	**52**
TOTAL REMUNERATION OF DIRECTORS	**316**	**436**	**5**	**120**	**505**	**-**	**1,382**

2012:

REMUNERATION OF DIRECTORS
(Thousands of euros)

	Attendance fees		Contributions to pension plans and life insurance	Other remuneration	Remuneration of directors for senior executive functions		
	Board of Directors	Committees			Fixed	Variable	TOTAL
DIRECTORS AT 31 DECEMBER 2012							
Mezouna (Santiago de Ybarra y Churruca)	24	12	-	-	-	-	**36**
Bycomels Prensa,S.L. (Santiago Bergareche Busquet)	40	20	-	-	-	-	**60**
Valjarafe, S.L.	32	32	-	-	-	-	**64**
Energay de Inversiones, S.L.	64	32	-	80	-	-	**176**
Onchena, S.L. (Alvaro Ybarra Zubiria)	32	16	-	-	-	-	**48**
Casgo, S.A.	28	-	-	-	-	-	**28**
Miguel Antoñanzas Alvear	32	28	-	-	-	-	**60**
Fernando Azaola Arteche	20	12	-	-	-	-	**32**
Rodrigo Echenique Gordillo	32	32	-	-	-	-	**64**
Lima, S.L.U. (Juan Ramón Urrutia Ybarra)	40	40	-	-	-	-	**80**
Gonzalo Soto Aguirre	40	44	-	-	-	-	**84**
Luis Enríquez Nistal	28	16	1	-	531	68	**644**
Total directors at 31 December 2012	**412**	**284**	**1**	**80**	**531**	**68**	**1,376**
DIRECTORS REMOVED DURING THE YEAR							
Santiago de Ybarra y Churruca	8	-	-	-	-	-	**8**
José María Bergareche Busquet	8	-	-	-	-	-	**8**
Enrique de Ybarra e Ybarra	8	4	-	-	-	-	**12**
Mezouna (Ignacio María Ybarra Aznar)	8	28	-	-	-	-	**36**
Victor Urrutia y Vallejo	8	16	-	-	-	-	**24**
Claudio Aguirre Pemán	8	8	-	-	-	-	**16**
Catalina Luca de Tena García-Conde	8	-	-	-	-	-	**8**
Soledad Luca de Tena García-Conde	8	20	-	-	-	-	**28**
Alvaro Ybarra Zubiria	8	28	-	-	-	-	**36**
Onchena, S.L. (José Manuel Alsedo Solís)	8	-	-	-	-	-	**8**
Diego del Alcazar Silvela	16	16	-	-	-	-	**32**
Eolo Media, S.L.U. (Fernando de Yarza López-Madrazo)	8	-	-	-	-	-	**8**
Total directors removed during the year	**104**	**120**	-	-	-	-	**224**
TOTAL REMUNERATION OF DIRECTORS	**516**	**404**	**1**	**80**	**531**	**-**	**1,600**

Pursuant to Article 229 of the Spanish Limited Liability Companies Law, in order to reinforce the transparency of listed companies, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Vocento, S.A. in which the members of the Board of Directors and those persons related to them own equity interests, and of the functions, if any, that they discharge thereat:

Directors:

Owner	Investee	Line of business	Percentage of ownership	Function
Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.21%	-

Related parties:

Related party	Relationship with director	Investee	Percentage of ownership	Function
Santiago Bergareche Busquet	Representative of director Bycomels Prensa, S.L. (1)	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
Jorge Bergareche Busquet	Director of Bycomels Prensa, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
José María Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2780%	Deputy Chairman
Eduardo Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2042%	Director
Juan Luis Bergareche Busquet	Chairman Director of Bycomels Prensa, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.2780%	-
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.6084%	Chairman
		Diario ABC, S.L.	0.0002%	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's sibling	Sociedad Vascongada de Publicaciones, S.A.	0.64%	-
Alvaro Ybarra Zubiría	Representative of Onchena, S.L.	Mediaset	0.00499%	-
		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Mariano Angel Ybarra Zubiria	Alvaro Ybarra Zubiría's sibling (representative of Onchena, S.L.)	Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Luis Maria Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	Director
Maria Dolores Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Floral Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Soledad Luca de Tena García-Conde	Representative and director acting jointly of Valjarafe, S.L.	Diario ABC, S.L.	0.0002%	Deputy Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.0841%	-
		Estudios de Política Exterior, S.A.	5.93%	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sibling	Diario ABC, S.L.	0.0002%	Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.1076%	-
		Ediciones Luca de Tena, S.L.	95%	Sole Director

(1) Until 12 November 2013

Also, as provided for by the aforementioned Law, set forth below are the activities additional to those stated in the foregoing table performed by the directors and by certain persons related to them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of Vocento, S.A.:

Directors:

Name	Activity performed	Type of arrangement	Company through which the activity is performed	Position or function at the company concerned
Lima, S.L.				
Prensa Malagueña, S.A.	Newspaper publishing	Independent professional	-	Director
Luis Enríquez Nistal				
Diario ABC, S.L.	Newspaper publishing	Independent professional	-	Director
Sociedad Gestora de Televisión NET TV, S.A.	Television	Independent professional	-	Chairman
Diario El Correo, S.A.U.	Newspaper publishing	Independent professional	-	Director
Federico Domenech, S.A.	Newspaper publishing	Independent professional	-	Director
Comeresa Prensa, S.L.U.	Holding company	Independent professional	-	Director acting jointly
Corporación de Nuevos Medios Digitales, S.L.U.	Holding company	Independent professional	-	Director acting jointly
Corporación de Medios de Comunicación, S.L.U.	Holding company	Independent professional	-	Director acting jointly
Comeresa País Vasco, S.L.U.	Holding company	Independent professional	-	Director acting jointly
Radio Publi, S.L.	Radio	Independent professional	-	Chairman and Chief Executive Officer

Related parties:

Related party	Relationship with director	Company at which the positions or functions are exercised	Position or function at the company concerned
Enrique de Ybarra Ybarra	Representative of Energay de Inversiones, S.L.	Diario El Correo, S.A.U.	Director
		Sociedad Vascongada de Publicaciones, S.A.	Director
		Corporación de Medios de Andalucía, S.A. (1)	Director
		Editorial Cantabria, S.A.	Director
		Diario ABC, S.L.	Director
Víctor Urrutia Ybarra	Lima, S.L. representative's sibling	Nueva Rioja, S.A.	Director
Jose Urrutia Ybarra		Prensa Malagueña, S.A.	Representative of Lima, S.L.
Juan Ramón Urrutia Ybarra	Representative of Lima, S.L.	Diario El Correo, S.A.U.	Director
Jorge Bergareche Busquet	Santiago Bergareche Busquet's sibling (representative of Bycomels Prensa, S.L.)	Diario El Correo, S.A.U.	Director
		Corporación de Medios de Andalucía, S.A.	Director
José María Bergareche Busquet		Diario El Correo, S.A.U.	Director
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Diario El Correo, S.A.U.	Chairman
		El Norte de Castilla, S.A.	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's sibling	Diario El Correo, S.A.U.	Director
		Estudios de Política Exterior, S.A.	Director
Soledad Luca de Tena García-Conde	Representative and director acting jointly of Valjarafe, S.L.	Radio Publi, S.L.	Director
		Diario El Correo, S.A.U.	Director
		Federico Doménech, S.A.	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sibling	ABC Sevilla, S.L.U.	Director acting jointly

(1) Ceased to hold the position 26 February 2013
(2) Ceased to hold the position 10 June 2013

18. Events after the reporting period

On 21 February 2014, the Company arranged a long-term syndicated financing transaction for EUR 175,275 thousand, the funds from which will be used to cancel existing bilateral credit lines and to fund the Group's general cash requirements.

The financing facilities consist of two tranches, with the following amounts and maturities:

a) Tranche A is divided into:

   (i) Sub tranche A1: non-current commercial loan of EUR 75,000 thousand maturing in October 2018 and

   (ii) Sub tranche A2: five-year bullet commercial loan of EUR 55,000 thousand.

b) Tranche B: four-year revolving credit line of up to EUR 45,275 thousand.

The financing facilities, which substitutes existing bilateral credit lines, contributes towards strengthening the financial structure of Vocento, S.A. and its Group, since it extends maturities and unifies management, and is in line with the objective of maintaining a differentiated financial position.

Nine leading banks, with which Vocento, S.A. and its group habitually deal, took part in the provision of this financing.

Similarly, the Company arranged loan agreements with Group companies on the basis of the percentage of debt incurred in the syndicated financing, on the same terms and conditions established in the syndicated loan.

19. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2-a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules. These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2-a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

vocento

APPENDIX
Page 1

SUBSIDIARIES OF THE CORPORATE GROUP
OF WHICH VOCENTO, S.A. IS THE PARENT

Company	Other notes						Location	Line of business	Percentage of ownership			Thousands of euros						
									Ownership interest					Profit (Loss) for the year (1)				
	(2)	(3)	(4)	(5)	(6)	(7)			Direct	Indirect	Control	Paid-in capital	Reserves and other equity items	Profit (Loss) from operations	Profit (Loss) before tax from continuing operations	Profit (Loss) for the year	Other equity items	Interim dividend
GROUP:																		
Printed media																		
Diario El Correo, S.A.U.		✓		✓			Bilbao	Daily press, local press website and online edition	-	100.00%	100.00%	8,000	38,580	13,781	15,422	10,981	-	(8,847)
Sociedad Vascongada de Publicaciones, S.A.		✓		✓			San Sebastián	Daily press, local press website and online edition	-	75.81%	75.81%	4,799	37,179	11,058	12,730	8,751	-	(6,476)
Editorial Cantabria, S.A.					✓		Santander	Daily press, local press website and online edition	-	90.70%	90.70%	2,308	4,478	2,740	2,576	1,460	-	-
Nueva Rioja, S.A.							Logroño	Daily press, local press website and online edition	-	58.98%	58.98%	1,000	5,832	(35)	176	123	-	-
La Verdad Multimedia, S.A.					✓		Murcia	Daily press, local press website and online edition	-	97.88%	97.88%	3,333	10,277	(289)	(94)	(56)	-	-
Corporación de Medios de Andalucía, S.A.					✓		Granada	Daily press, local press website and online edition	-	98.74%	98.74%	3,333	11,198	850	1,161	774	-	-
Corporación de Medios de Extremadura, S.A.					✓		Badajoz	Daily press	-	97.96%	97.96%	408	21	(736)	(907)	(823)	-	-
Prensa Malagueña, S.A.					✓		Málaga	Daily press	-	88.11%	88.11%	4,950	15,556	254	638	366	-	-
El Norte de Castilla, S.A.					✓		Valladolid	Daily press, local press website and online edition	-	77.60%	77.60%	2,168	14,368	1,004	1,475	1,028	-	-
El Comercio, S.A.							Gijón	Daily press, local press website and online edition	-	51.46%	51.46%	105	6,780	(57)	(4)	-	-	-
Corporación de Medios de Cádiz, S.L.U.					✓		Cádiz	Daily press, local press website and online edition	-	100.00%	100.00%	650	1,771	(857)	(1,021)	(486)	-	-
Federico Domenech, S.A.					✓		Valencia	Daily press, local press website and online edition	-	78.23%	78.23%	458	17,723	(139)	(602)	(348)	-	-
Diario ABC, S.L.					✓		Madrid	Daily press, local press website and online edition	-	99.99%	99.99%	6,276	20,387	(7,704)	(12,295)	(13,908)	-	-
ABC Sevilla, S.L.U.					✓		Seville	Editorial	-	99.99%	100.00%	600	3,291	183	(2,803)	(4,274)	15	-
Ediciones Digitales Hoy, S.L.U.					✓		Badajoz	Local press website and online edition	-	97.96%	100.00%	100	35	70	64	25	-	-
Diario Sur Digital, S.L.					✓		Málaga	Local press website and online edition	-	88.11%	100.00%	350	10	39	39	35	-	-
Bilbao Editorial Producciones, S.L.U.		✓		✓			Bizkaia	Graphic arts	-	100.00%	100.00%	12,000	10,964	(735)	(779)	(549)	-	-
Sociedad Vascongada de Producciones, S.L.U.		✓		✓			San Sebastián	Graphic arts	-	100.00%	100.00%	3,000	4,705	135	217	156	-	-
Printolid, S.L.U.							Valladolid	Graphic arts	-	100.00%	100.00%	3,009	6,972	144	24	17	(126)	-
Guadalprint Impresión, S.L.							Málaga	Graphic arts	-	65.00%	65.00%	1,500	(114)	(7)	(150)	(150)	-	-
Localprint, S.L.							Alicante	Graphic arts	-	50.00%	50.00%	10,000	1,655	286	64	45	-	-
Rotomadrid, S.L.							Madrid	Graphic arts	-	61.23%	61.23%	1,000	20,311	2,249	2,057	1,440	-	-
Andaluprint, S.L.U.					✓		Seville	Graphic arts	-	99.99%	100.00%	411	5,970	(2,062)	(2,062)	(1,452)	-	-
Beralan, S.L.		✓					Gipuzkoa	Distribution	-	50.49%	50.49%	218	4,113	581	794	587	-	(301)
Banatu, S.L.		✓					Gipuzkoa	Distribution	-	50.49%	99.99%	5	998	187	187	135	-	-
CM Norte, S.L.U.		✓		✓			Bilbao	Advertising	-	100.00%	100.00%	88	(83)	5	12	9	-	-
CM Gipuzkoa, S.L.U.		✓		✓			San Sebastián	Advertising	-	75.81%	100.00%	100	144	39	25	17	-	-
Comercializadora Multimedia de Cantabria, S.L.					✓		Santander	Advertising	-	90.70%	100.00%	60	(1)	(1)	-	-	-	-
Rioja Medios, Compra de Medios de Publicidad, S.A.U.							Logroño	Advertising	-	58.98%	100.00%	61	21	29	32	23	-	-
Comercializadora de Medios Andalucía, S.L.U.					✓		Granada	Advertising	-	98.74%	100.00%	300	125	2	3	2	-	-
CM Extremadura Publicidad Multimedia, S.L.U.					✓		Badajoz	Advertising	-	97.96%	100.00%	150	(11)	11	10	(31)	-	-
Corporación de Medios del Sur, S.L.					✓		Málaga	Advertising	-	88.11%	100.00%	5	75	(4)	(4)	(3)	-	-
Comercializadora de Medios de Castilla y León, S.L.U.					✓		Valladolid	Advertising	-	77.60%	100.00%	60	15	-	-	-	-	-
Comercializadora de Medios de Asturias, S.L.							Gijón	Advertising	-	51.45%	99.99%	30	(9)	-	12	8	-	-
Arte Final J.P. Saferi, S.A.					✓		Málaga	Foreign weekly press	-	88.11%	100.00%	60	(16)	-	-	-	-	-
La Voz de Avilés, S.L.							Avilés	Daily press	-	43.70%	84.92%	52	(4)	(1)	-	-	-	-
Zabalik 2.000, S.L.U.		✓		✓			San Sebastián	Operation and commercialisation of content	-	75.81%	100.00%	3	147	(5)	(1)	-	-	-
Fiesta Alegre, S.L.U.					✓		Valencia	Property development and rental	-	78.23%	100.00%	8,489	919	(8)	194	136	-	-
El Norte de Castilla Multimedia, S.L.U.					✓		Valladolid	Holding company	-	77.60%	100.00%	1,987	(472)	-	-	-	-	-
Servicios Redaccionales Bilbainos, S.L.U.		✓		✓			Bilbao	Free press	-	100.00%	100.00%	550	(3)	4	10	7	-	-
Servicios de impresión del Oeste, S.L. (Corp. de Medios de Extremadura, S.A. UTE, Ley 18/1982, de 26 de Mayo)						✓	Badajoz	Production of editorial supplements	-	48.98%	50.00%	-	-	-	-	-	-	-
Corporación de Medios de Alicante, S.L.					✓		Alicante	Commercial and editorial support services	-	86.83%	100.00%	4	-	-	-	-	-	-
Taller de Editores, S.A.					✓		Madrid	Supplement editing	-	79.39%	79.39%	1,763	10,513	1,235	1,435	1,002	-	-
Inversor Ediciones, S.L.							Madrid	Economic magazine publishing	-	60.26%	75.91%	96	803	63	76	53	-	-
Taller de Editores Motor, S.L.U.				✓			Madrid	Magazine publishing	-	79.39%	100.00%	58	(55)	-	-	-	-	-
Audiovisual																		
Alava Televisión, S.L.		✓		✓			Vitoria	Radio broadcasting and local television	-	99.36%	99.36%	763	(601)	(48)	(48)	(51)	-	-
Teledonosti, S.L.		✓					San Sebastián	Local television	-	50.06%	66.04%	1,250	61	(56)	(34)	(22)	-	-
Rioja Televisión, S.A.							Logroño	Radio broadcasting and autonomous community TV	-	54.41%	92.26%	1,204	(520)	10	18	12	-	-
La Verdad Radio y Televisión, S.A.					✓		Murcia	Radio broadcasting and local television	-	75.08%	76.71%	1,040	(465)	(32)	(32)	(22)	-	-
Canal Cultural Badajoz, S.A.U.					✓		Badajoz	Local television	-	97.96%	100.00%	67	277	(6)	(6)	(7)	-	-
El Comercio Televisión, Servicios Audiovisuales, S.L.							Gijón	Local television	-	51.46%	100.00%	700	(337)	(3)	(6)	(4)	-	-
Las Provincias Televisión, S.A.U.					✓		Valencia	Local television	-	78.23%	100.00%	1,500	(382)	(102)	(81)	(57)	-	-
Sociedad Gestora de Televisión Onda 6, S.A.U.					✓		Madrid	Digital television	-	100.00%	100.00%	7,710	(3,832)	131	337	249	-	-

SUBSIDIARIES OF THE CORPORATE GROUP
OF WHICH VOCENTO, S.A. IS THE PARENT

Company	Other notes						Location	Line of business	Percentage of ownership			Thousands of euros						
									Ownership interest				Reserves and other equity items	Profit (Loss) for the year (1)			Other equity items	Interim dividend
	(2)	(3)	(4)	(5)	(6)	(7)			Direct	Indirect	Control	Paid-in capital		Profit (Loss) from	Profit (Loss) before tax from	Profit (Loss) for the year		
Sociedad Gestora de Televisión NET TV, S.A.							Madrid	Digital television	-	55.00%	55.00%	6,030	6,558	5,257	5,651	3,946	-	(3,782)
Avista Televisión de Andalucía, S.A.U.					✓		Seville	Digital television	-	100.00%	100.00%	1,800	(1,096)	(650)	(722)	(613)	-	-
La 10 Canal de Televisión, S.L.U.					✓		Madrid	Digital television	-	100.00%	100.00%	1,000	15,299	(1,288)	3,043	3,503	-	-
Radio Publi, S.L.					✓		Madrid	National radio broadcasting	-	84.20%	84.20%	32,671	(7,004)	(1,303)	(3,253)	(2,817)	-	-
Onda Ramblas, S.A.U.					✓		Barcelona	National radio broadcasting	-	84.20%	100.00%	60	2,243	(355)	(351)	(249)	-	-
Ona Rambla Radio, S.L.							Andorra	National radio broadcasting	-	84.20%	100.00%	30	-	-	-	-	-	-
Radio El Correo, S.L.U.		✓	✓	✓			Bilbao	Local radio broadcasting	-	100.00%	100.00%	6	(3)	15	15	9	-	-
Cartera de Medios, S.A.U.					✓		Badajoz	Local radio broadcasting	-	97.96%	100.00%	550	(120)	14	14	9	-	-
Radio Utrera La Voz de la Campiña, S.L.U.					✓		Seville	Local radio broadcasting	-	99.99%	100.00%	139	86	(159)	(158)	(120)	-	-
Radio Gaditana 2005, S.L.U.					✓		Cádiz	Local radio broadcasting	-	100.00%	100.00%	13	79	(2)	(2)	(1)	-	-
Veralia Corporación de Productoras de Cine y Televisión, S.L.							Madrid	Holding company	-	69.99%	69.99%	58,282	29,821	(83)	(48,273)	(47,782)	44	-
Proviradio, S.L.U.					✓		Valencia	Local radio broadcasting	-	78.23%	100.00%	270	238	-	-	(3)	-	-
Radio LP, S.L.U.					✓		Valencia	Local radio broadcasting	-	78.23%	100.00%	243	31	(21)	(11)	(8)	-	-
E-Media Punto Radio, S.A.U.					✓		Madrid	Digital radio	-	100.00%	100.00%	60	(20)	57	52	52	-	-
Corporación de Medios Radiofónicos Digitales, S.A.U.		✓		✓			Bizkaia	Digital radio	100.00%	-	100.00%	5,560	(2,629)	(15)	118	85	-	-
Europroduzione, S.R.L.							Italia	Film and TV programme production	-	69.99%	100.00%	810	906	(725)	(765)	(782)	-	-
Europroducciones TV Portugal - Produçoes Audiovisuais, Lda.							Portugal	Film and TV programme production	-	69.99%	100.00%	5	17	-	-	(8)	-	-
Veralia Contenidos Audiovisuales, S.L.U.							Madrid	Film and TV programme production	-	69.99%	100.00%	1,000	7,730	(3,482)	(3,613)	(2,533)	-	-
Veralia Distribución de Cine, S.A.U.							Madrid	Distribution of film productions	-	69.99%	100.00%	1,082	7,459	(376)	(297)	(207)	-	-
Editorial Cantabria de Radiotelevisión, S.A.U.					✓		Santander	Radio broadcasting	-	90.70%	100.00%	650	(214)	(6)	68	47	-	-
Classified advertisements																		
Desarrollo de Clasificados, S.L.U.					✓		Madrid	Holding company for classified advertisements	-	100.00%	100.00%	1,500	24,394	(349)	(2,999)	(5,099)	-	-
Infoempleo, S.L.							Madrid	Employment search services and consulting	-	51.00%	51.00%	1,269	(157)	1,189	1,134	795	-	-
Autocasión Hoy, S.A.							Madrid	Online magazine and car sales classified advertisements	-	60.00%	60.00%	77	2,102	70	64	45	-	-
Habitatsoft, S.L.U.					✓		Barcelona	Property listings and classified advertisements for services	-	100.00%	100.00%	3	2,618	(2,082)	(2,120)	(1,484)	-	-
Contact Center Venta Interactiva, S.L.U.					✓		Madrid	Sale of classified advertisements	-	100.00%	100.00%	4	400	(149)	(149)	(104)	-	-
Others																		
Sarenet, S.A.		✓		✓			Bizkaia	Internet operator	-	80.00%	80.00%	1,000	3,013	2,439	2,523	1,793	-	(1,578)
Factoría de Información, S.A.U.							Madrid	Free press	100.00%	-	100.00%	301	172	41	43	43	-	-
Structure																		
Comercial Multimedia Vocento, S.A.U.					✓		Madrid	Advertising	-	100.00%	100.00%	600	(1,291)	(96)	333	332	-	-
Distribuciones COMECOSA, S.L.U.		✓		✓			Bizkaia	Holding	-	100.00%	100.00%	451	15,753	(77)	573	506	-	-
Radio Tele Basconia, S.L.U.		✓		✓			Bilbao	Radio broadcasting	-	100.00%	100.00%	301	4,884	-	184	133	-	-
Comeresa Prensa, S.L.U.					✓		Madrid	Holding company	100.00%	-	100.00%	403,069	187,114	(5,425)	(58,318)	(59,710)	-	-
Comeresa Pais Vasco, S.L.U.		✓		✓			Bizkaia	Holding company	100.00%	-	100.00%	9,686	88,774	(4)	25,134	24,258	-	-
Corporación de Medios Internacionales de Prensa, S.A.U.		✓		✓			Bizkaia	Holding company	100.00%	-	100.00%	60	63,574	-	2,267	2,267	-	-
Corporación de Medios de Comunicación, S.L.U.		✓		✓			Bizkaia	Holding company	100.00%	-	100.00%	12,064	51,779	(10)	2,588	2,446	-	-
Comeco Impresión, S.L.U.		✓		✓			Bizkaia	Holding company	-	100.00%	100.00%	9,249	54,627	(7)	(11,582)	(11,535)	-	-
CSC Madrid, S.L.U.					✓		Madrid	Corporate administrative services	-	100.00%	100.00%	66	180	265	252	177	-	-
Corporación de Nuevos Medios Digitales, S.L.U.					✓		Madrid	Holding company	-	100.00%	100.00%	1,500	56,275	(20)	(4,200)	(12,068)	-	-
Roi Media, S.L.							Madrid	Advertising	-	50.00%	50.00%	155	31	89	90	61	-	-
Agencia Colpisa, S.L.U.					✓		Madrid	News agency	-	100.00%	100.00%	92	101	53	63	68	-	-
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.						✓	Madrid	Digital kiosk	-	50.00%	50.00%	53	(239)	(38)	(38)	(38)	-	-

ASSOCIATES OF THE CORPORATE GROUP
OF WHICH VOCENTO, S.A. IS THE PARENT

Company	Other notes						Location	Line of business	% of ownership		Thousands of euros				
	(2)	(3)	(4)	(5)	(6)	(7)			Direct	Indirect	Share capital	Reserves and other equity items	Profit (Loss) for the year (1)	Other equity items	Interim dividend
ASSOCIATES:															
Audiovisual															
Sociedad de Radio Digital Terrenal, S.A.							Barcelona	Digital radio	-	25.26%	72	-	(43)	-	-
Classified advertisements															
11870 Información en general, S.L.						✓	Madrid	Classified advertisements	-	37.33%	538	(138)	(542)	-	-
Other businesses															
Distribuciones Papiro, S.L.							Salamanca	Distribution	-	26.35%	37	1,496	356	-	-
Cirpress, S.L.							Asturias	Distribution	-	27.88%	12	2,196	226	-	-
Distrimedios, S.L.	✓						Cádiz	Distribution	-	22.50%	100	4,425	(97)	23	-
Val Disme, S.L.	✓						Valencia	Distribution	-	22.75%	144	8,123	430	-	-

(1) Estimated and/or pending approval by the shareholders at the respective Annual General Meetings and before the distribution of dividends. None of the companies have profit or losses from discontinued operations.

(2) Companies which, if subject to mandatory audit of their financial statements, have not been audited by Deloitte. (Val Disme is audited by Luis Caruana & Asociados and Distrimedios by KPMG)
The remaining companies subject to mandatory audit of their financial statements have been audited by Deloitte.

(3) Subsidiaries subject to provincial income tax legislation.

(4) Inactive at the present date.

(5) Companies comprising the Basque Country consolidated Tax Group.

(6) Companies comprising the consolidated Tax Group whose parent is Comeresa Prensa, S.L.U.

(7) Company in a situation of mandatory dissolution pursuant to the Consolidated Spanish Companies Law or the Spanish Limited Liability Companies Law where the necessary steps have been taken or will be taken shortly (merger, capital increase, etc.) to restore the net worth equilibrium.

vocento

Vocento, S.A.

Individual management report 2013

(i) VOCENTO AND THE ECONOMIC ENVIRONMENT

Towards the end of 2013, the Spanish economy emerged from recession, with quarterly GDP growth of 0.1% in the third quarter, and +0.2% in the fourth quarter, according to the INE. The recovery of internal demand (with a rise in household consumption, a recovery in investment and gentler declines in public spending) led to an improvement in GDP, and it has been gradually replacing external demand as the growth driver. In addition, there was a slowdown in job destruction in the last part of the year, while various indicators (e.g. Markit PMI, the ESI indicators from the European Commission) point to an improvement in business and consumer confidence.

The macroeconomic outlook for 2014 is for a year of low growth, although this forecast is not free of risks (such as restrictions of credit to companies and households, in an environment of high private sector debt, and further fiscal adjustment measures). The Funcas consensus is for a rise in GDP of +0.9% in 2014, with private consumption forecast to rise by +0.6%. This improvement in the economy has been reflected in the advertising market, which according to data from i2p improved over the course of 2013 (4Q13 -1.7% vs. 2013 -10.1%). Growth of +1.5% is expected in 2014, after three years of contraction.

During this long recession, VOCENTO has focused mainly on three objectives: 1) maintaining the strength and leadership of its brands, leveraging this competitive advantage to grow in new digital businesses, 2) optimizing the cost structure, and 3) protecting the Group's financial position.

The strength of the brands has supported the launch of a series of innovative commercial products and combined offline-online actions, making the most of VOCENTO's media portfolio, including Tarifa Única 3.0, which provides advertisers with a differentiating level of coverage. In addition, new sources of revenues have been developed, including Oferplan.com and Kiosko y Más, which have been possible thanks to the power of VOCENTO's brands and the group's solid positioning on the Internet.

The Efficiency Plan (see Relevant Fact of 19 December 2012) played a major part in achieving cost targets in 2013, thanks to its focus on restructuring and on internal efficiencies, and these results are clearly visible in the results for the year.

Finally, VOCENTO has also been able to carry out the restructuring associated with the Efficiency Plan without increasing its levels of debt, thanks to the divestment of non-core assets, including Sarenet, enabling the group to meet its targets (the cash entry for the sale of Sarenet will be booked in early 2014).

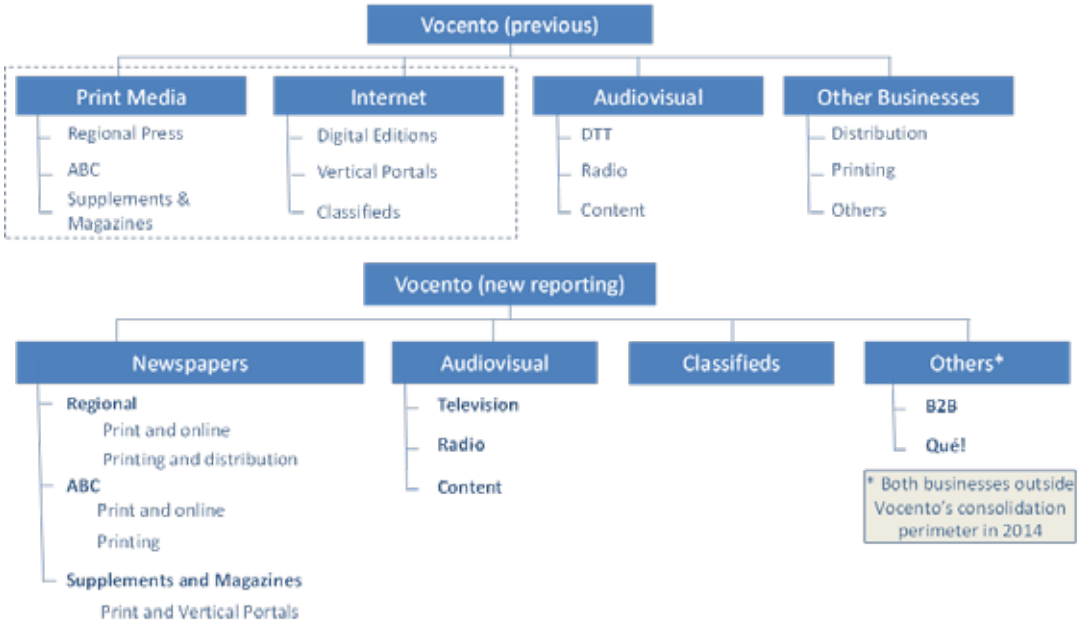
(ii) PERFORMANCE OF VOCENTO'S BUSINESSES

VOCENTO is a multimedia group, whose parent company is VOCENTO, S.A., and it is dedicated to the various different areas that compose the media business.

In 2013, VOCENTO management carried out a change in the way in which management information is presented, in order to better assess the risks and returns of the company. New lines of activity have been defined: Newspapers, Audiovisual, Classifieds and Others, replacing the previous reporting segments of Print Media, Audiovisual, Internet and Other Businesses. This structure will also be used when reporting to the market. It includes all the newspapers, the digital editions, radio, digital television and other areas where VOCENTO is present, and which are allocated to the corresponding business segment. The comments and comparative information provided in this Management Report are based on these new segments.

The following chart summarises the changes to the reporting segments. The "Others" segment includes the B2B business, Sarenet, whose sale was agreed at the end of 2013 (see Relevant Fact of 30 December 2013) and also Qué!, whose offline operations were closed in June 2012 (Relevant Fact of 28 June 2012), with the online business sold in September 2013. All these businesses are excluded from the consolidation perimeter in 2014.

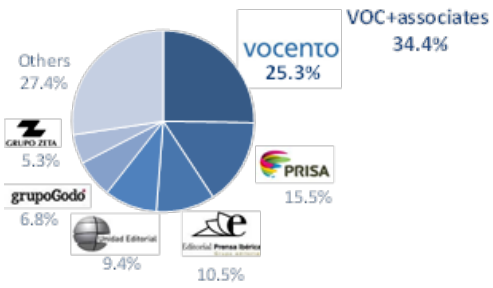
The changes are as follows:



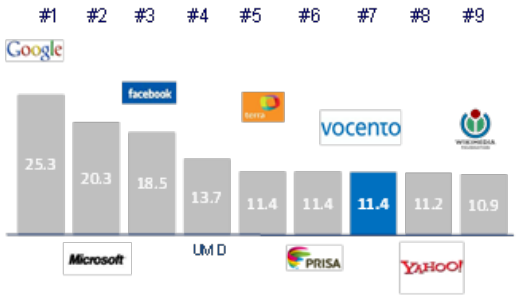
Newspapers (including online and offline activity)

VOCENTO has consolidated its undisputed leadership of the general press sector by circulation, with circulation share of 25.3% (34.4% including the circulation of associates under Tarifa Única 3.0), or almost 10 percentage points more than the next media group, as well as by readership (with around 2.6 million readers according to the 3rd EGM survey of 2013) and also by the number of Internet users (around 11 million unique monthly readers according to comScore in December 2013).

Share of ordinary circulation[1]



Internet audience ranking[2]



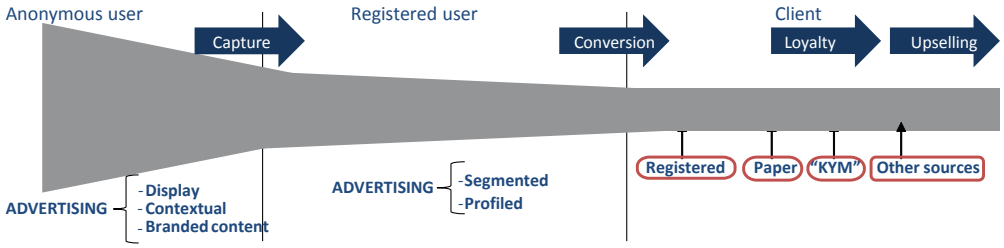
The current transformation of ways of consuming news, and the continuous emergence of new technologies, is leading to increasing access to content on mobile devices. This provides VOCENTO with a two-fold opportunity to access new audiences, while maintaining its offline audiences, and also to develop new complementary business models..

In this context, VOCENTO is working on a number of different strategic initiatives, which aim to: a) deepen the understanding of the user and improve engagement (using Big Data to capture, store, search, share, analyse and visualize large volumes of data), and b) manage a multi-screen publication strategy with 'mobile first' as the main driver,

[1] *Source: OJD. Data not audited. Ordinary circulation is kiosk sales and individual subscriptions.*
[2] *Source: comScore December 2013.*

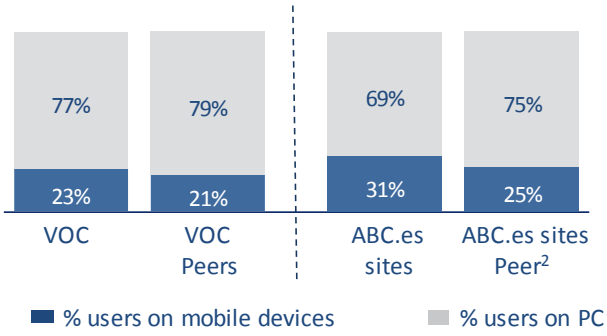
as Internet access is increasingly made from mobile devices and tablets. According to the Information Society 2013 study of the Telefónica Foundation, more than 60% of the Spanish population have mobile broadband access and 8 of every 10 mobile handsets sold are smartphones.

User behaviour and digital transformation



This is also being reflected in the profile of consumers in the media sector, where there is an increasing proportion of access from mobile devices (such as tablets and mobile telephones). VOCENTO is ahead of its peers here, both at the group level and in particular for the ABC websites.

Higher proportion of mobile users at VOC than at peers[3]



Advertisers are also responding to this trend. According to i2p, in 2013 advertising spend on the Internet represented 10.7% of the total, or around 380.5 million euros. It should be noted that:

i. The press is absorbing a large part of online advertising: of the 380.5 million euros, 36% was allocated to the press.

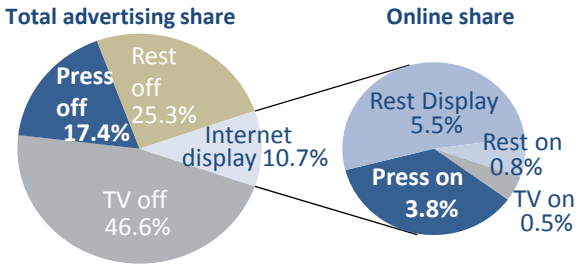
ii. The press has maintained its share of advertising spend as part of the total advertising market compared to 2012: the share of total advertising that went to the press in 2013 was 21.3%, 17.4% to offline and 3.8% to the online press.

iii. Advertising spend on the online press increased by +5.7% in 2013.

[3] *Source: comScore MMX Multiplatform, BETA reporting. Vocento peers are Prisa and UMD (Unidad Editorial, Zeta and Prensa Ibérica). Peers to ABC.es webstes are El País websites and El Mundo.es websites.*

Press share of advertising spend stabilizes[4]

Desglose inversión publicitaria (%) offline y online



Online+offline share	2012	2013	Var p.p.
TV	45.7%	47.1%	1.3 p.p
Press	**21.7%**	**21.3%**	**(0.4 p.p.)**
Radio, Cinema…	27.2%	26.1%	(1.1 p.p.)
Rest Display	5.4%	5.5%	0.1 p.p.

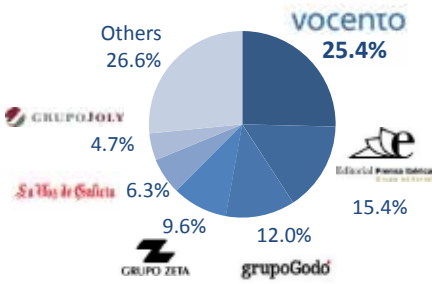
Regional Newspapers

This segment consists of 11 regional titles and their 11 local portals, the regional Printing business, the Distribution activity, and other businesses such as local advertising sales and other subsidiaries.

VOCENTO is the undisputed leader of the regional press markets of Spain due to the deep roots and excellent positioning of its 11 regional newspapers: El Correo, El Diario Vasco, El Diario Montañés, El Norte de Castilla, La Verdad, Ideal, Las Provincias, Sur, El Comercio, Hoy and La Rioja. The strength of these titles, some of which are over 100 hundred years old, their high level of local recognition and their strong links to their regions have turned them into clear references in their areas.

VOCENTO's regional newspapers maintained their leadership in terms of circulation in 2013, with market share in the regional press of 25.4%[5], ahead of the second largest regional media group on 15.4%.

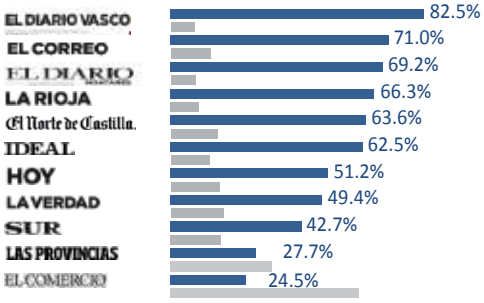
Share of regional press circulation market 2013



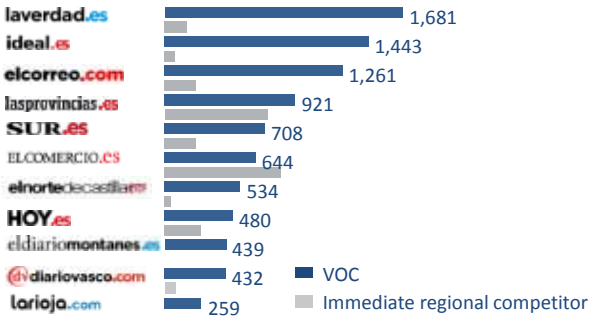
In terms of the readership for regional newspapers, VOCENTO remains the leader both in the offline market (with over 2 million readers, 0.7[6] million readers more than the number two regional media group), and also online, with a readership of close to 9[7] million unique monthly users. Every one of the eleven portals is the audience leader in their markets, except for El Comercio Digital.

[4] *Source: i2p. Online advertising does not include search engines.*
[5] *Source: OJD January-December 2013. Unaudited data*
[6] *Source: EGM 3rd accumulated survey 2013.*
[7] *Source: comScore December 2013. Total readership is aggregated from the eleven Local Portals.*

Market share of each title per region[8] (%)



Readership of local portals (million u.m.u.)[9]



In 2013, the strategic focus of VOCENTO to maintain the leadership of its newspapers and their profitability has been on:

i. **Product improvements and adapting content to new media,** leading to increased loyalty of existing subscribers and access to new audiences. Major contributors in this process are the central newsroom of Colpisa, which supplies fully edited and designed news sections to Group titles, and also the merger of print and online news teams, enabling resources to be freed up to increase the newspapers' focus on local content.

ii. **Developing new sources of revenues linked to e-commerce,** spearheaded by the Kiosko y Más platform as a paid platform with enriched audiovisual content and by Oferplan.com, which allows discount offers to be marketed to readers of VOCENTO's digital and print editions.

iii. **Improving the share of the advertising market in press and Internet,** based on optimizing the coverage of the newspapers with strategic agreements (e.g. joint advertising sales with the supplement of La Vanguardia and press partnerships with La Voz de Galicia, Heraldo de Aragón, Diario de Navarra), and developing the 3.0 advertising rate for nationwide advertising, which have improved the commercial positioning with advertisers.

iv. **Implementing the cost control measures and obtaining the savings targeted in the Efficiency Plan,** and hence continuing to adapt to economic conditions. These measures have enabled operating margins to be maintained and operational gearing to be increased, which will be reflected when the cycle recovers.

For 2014, the main target remains to maintain the leading position of our newspapers, on all devices, to invest in the quality of our content to differentiate from the market, and to access new audiences and revenue streams. These revenues include e-commerce initiatives such as Ticketing and Guapabox, as well as developing advertising strategies aimed at improving revenues from digital advertising revenues (which also improves control over online advertising rates). We will also continue to progress in digital transformation, to improve the positioning and perception of our titles, based on a redesign of the digital editions and on the development of hyperlocal sections and content, and we will carefully analyse the potential for the sale of selected digital content.

In terms of profitability, VOCENTO continues to optimize its processes and resources, without affecting the quality of the editorial product.

National Newspaper- ABC

ABC is VOCENTO's national daily newspaper and is now more than 110 years old. ABC has focused its efforts on maintaining its position as a leading national newspaper and has invested in strengthening its position in different areas of the media: ABC press + ABC on Kiosko y Más (with an improvement of its editorial content) + ABC.es, with all the support that has come from the agreement with COPE (see the Radio section). This combination has enabled the

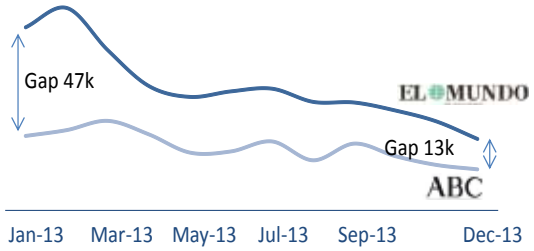
[8] *Source: OJD January-December 2013. Unaudited data. Share of competitor in grey.*

[9] *Source: comScore December 2013. Share of competitor in grey.*

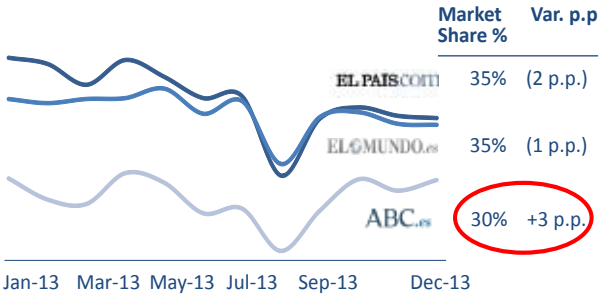
development of editorial synergies and the attraction of new audiences, and it has brought the profitability target closer. This combination of media vehicles enables both the development of editorial synergies and also access to new 'digital' audiences, which will lead to profitability and rising EBITDA.

Moreover, ABC has continued to narrow the gap in terms of ordinary circulation (kiosk sales and individual subscriptions) to its most immediate competitor, being close to number two rankin in January 2014 with the gap being narrowed to 1,900 copies and compared to 13,000 copies distance as of December 2013. Likewise, abc.es continues to increase its online market share and strengthen its positions, with 6.4 million unique monthly users.

Ordinary circulation, ABC vs. El Mundo (thousand copies)



ABC.es unique monthly users vs. peers (m.u.m.u[10])



In 2013, ABC achieved the following:

i. **Improved its editorial offering,** with renowned journalists joining the newspaper, while also improving digital content with new sections and content adapted for smartphones and tablets.

ii. **Developed new revenue sources,** including Oferplan and new applications and content for mobile platforms including Kiosko y Más. These initiatives were supported by commercial agreements with distributors (e.g. the integration of ABC.es on Microsoft Windows 8 via Bing Daily). Oferplan and Kiosko y Más have made an increased contribution, in line with the positive experience of the Regional Press. In addition, a new online sales platform for tickets to shows and events has been launched from ABC.es, with the support of Entradas.com. Finally, digital sales are being made from the archive and photograph library, with exclusive and historic ABC content.

iii. **Focused on increasing its share of the advertising market,** maintaining prices for the print versions and attracting advertising spend as it migrates online.

iv. In terms of operating expenses, the **Efficiency Plan** represents a continuation of measures implemented by the company, including: a) the reduction of unprofitable circulation, with an increase in the margin on circulation sales, b) savings in paper and control of pagination, and c) savings in distribution and control of promotions, maintaining the quality of promotions but adapting them to economic conditions.

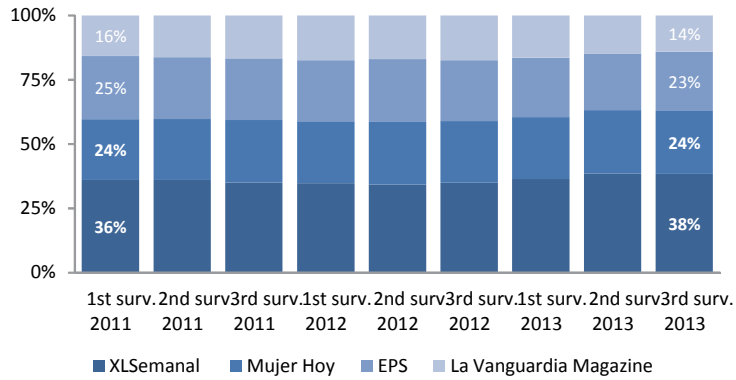
[10] *Source: comScore.*

In 2014, ABC is continuing with the measures adopted last year, which enabled it to achieve positive EBITDA in 2013. The target now is to increase profitability based on the following actions: i) improving circulation revenues by increasing cover prices (as carried out in January 2014, with a cover price increase on Monday-Friday from €1.3 to €1.4, and on Sundays from €2.5 to €2.8), ii) maintaining the focus on high quality circulation and closing the gap to the most immediate competitor, while optimizing promotions, iii) continuing to develop new lines of revenues, such as ABC on Kiosko y Más, targeting the profitable growth of user numbers on the platform, d) improving the offering for mobile devices, including both editorial content and products such as Oferplan, and finally e) continuing with savings measures, enabling current levels of positive EBITDA to be maintained.

Supplements and Magazines

VOCENTO publishes the two most read supplements in the ranking of supplements in Spain: XL Semanal and Mujer Hoy. XL Semanal is the most read Sunday supplement in Spain, and according to the latest figures from EGM, Mujer Hoy is now in second place. The quality of the journalists at XL Semanal and its rigorous commitment to information are a major part of its success and for its differentiation from its main competitors.

Readership share of the main supplements in Spain[11]



Mujer Hoy is the second most read supplement and is the leading women's supplement in its category in an increasingly competitive market. In addition, Hoy Corazón has no competition in the supplement market and is devoted to celebrity news, with a high level of appreciation from its readers.

The Magazines and Supplements of VOCENTO have a combined readership of 4.4 million readers, with XL Semanal the clear leader in its sector (2.5 million readers, more than 1 million readers more than its most immediate competitor; source: EGM 3rd accumulated survey 2013), while Mujer Hoy has 1.7 million readers. The supplements are distributed with all Vocento newspapers at the weekend and with other prestigious regional newspapers.

In the financial information segment, Inversión y Finanzas is the leading weekly finance magazine by kiosk sales, and covers stock market and financial news with accuracy and professionalism.

In 2013, the high level of market share of the supplements was complemented by measures to diversify revenues with new businesses, including: i) a new events area, with the active participation of Mujer Hoy and Inversión y Finanzas, ii) the launch of new e-commerce businesses such as Guapabox, iii) the strengthening of the online positioning, which is strategic at VOCENTO, as reflected in the portals Mujerhoy and Finanzas, with readership of 0.7 million and 0.5 million unique users respectively (source: comScore December 2013), and iv) a continuing focus on luxury advertisers with the monthly magazines Código Único and Mujer Hoy Moda.

[11] *Source: EGM accumulated surveys. Share calculated using overlapping readerships.*

In 2014, the aim is to increase new sources of revenues by building on recent initiatives and increasing activity in various areas, while remaining focused on costs without reducing the quality of content.

Printing and Distribution

The Print Media activity is supported by Printing and Distribution businesses.

In the printing area, the company remains focused on improving profitability by making the most of its technical resources, enabling it to improve print quality while reducing unit costs.

In the Distribution business, again to improve processes and margins, VOCENTO is looking to achieve savings by automating manual tasks, implementing point-to-point control of the distribution of newspapers and optimizing the structure and points of sale based on financial criteria.

Audiovisual

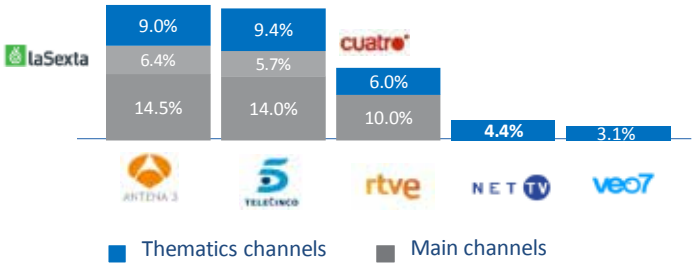
VOCENTO has a presence in the audiovisual market, with a national television license, regional television licenses, a network of radio licences, shareholdings in content producers and the management of a catalogue of film rights.

Television

VOCENTO via its 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV"), in which Grupo Intereconomía has a 25% stake and The Walt Disney Company Iberia, S.L. has a 20% stake, is one of four private companies to have a national DTT license, which broadcasts four free-to-air television channels.

With NET TV, VOCENTO, has made a solid commitment to profitable, niche television, with international partners and global leaders in entertainment. The combined channels had an audience share of 4.4%[12] in December 2013. This positioning in the television area enables VOCENTO to reduce its exposure to the economic cycle and to a possible far-reaching transformation of the sector (such as competition from new technological platforms for distributing audiovisual content) while also complying with the Company's overall goal of profitability.

Audience share by family of channels in December 2013 (%)



We have carried out an analysis of regulatory developments, following the ruling of the Third Chamber of the Supreme Court on 27 November 2012 annulling the Cabinet agreement of 16 July 2010, which allocated to each of the licensees of the digital terrestrial television (DTT) service, including SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A., capacity equivalent to one nationwide multiplex consisting of four channels.

This allocation was carried out as part of the application of the regulatory package, including the National Plan for Digital Terrestrial Television approved in 1997 and in particular Law 10/2005, of 14 June, that governed the transition from analogue terrestrial television to DTT. The transition took place in 2010, following the Government's verification that all the licensees complied fully with the requirements and obligations imposed on them as part of the DTT switchover and could hence be awarded the multiplex. The issue raised by the Supreme Court ruling is of a legalistic nature, as the implementation of DTT itself, and the award of one multiplex to each operator as the culmination of this process, have never been questioned. On 22 March 2013, the Cabinet approved an agreement to comply with ruling of the Supreme Court of 27 November 2012, indicating that the affected channels should cease broadcasting, associating this process with the liberalization of the digital dividend. Subsequently, on 18 December 2013, the Supreme Court issued a writ of execution for its ruling, in which it refers to the affected channels, including two of the channels currently owned by SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A. An appeal was filed against this writ, but this appeal, and appeals from the other operators and UTECA, have recently been rejected. It is likely that other legal alternatives

[12] *Source:Kantar Media December 2013. Not including pay-DTT channels.*

will be pursed, based on the merits of the case, the origin and development of the regulations, and the content of the legal rulings, and it is still possible that there will be a solution that is satisfactory for the operators.

Nevertheless, even if a positive solution is not reached, the impact for the Company would be limited, with no negative impact on the accounts (in particular because of the business model and because there is no goodwill or value in the assets linked to the broadcasting of the channels allocated to SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A.), while due compensation may also be demanded.

Radio

In response to the challenging economic and advertising environment, and as part of the Efficiency Plan at VOCENTO (see Relevant Fact of 19 December 2012), an alliance was agreed with Cadena COPE which was authorized by the Comisión Nacional de Competencia (CNC) on 15 March 2013.

The integration process and the implementation of the project have been successfully completed, with the positive impacts of the agreement reflected in results from the second quarter of 2013.

The alliance between the two media groups has taken the form of a strategic agreement between Cadena COPE and ABC that aims to strengthen their shared editorial approach and defend the same values.

The agreement represents the merger of the broadcasters owned by Vocento, as part of ABC Punto Radio, with the broadcasters of the Cadena COPE network. In addition, the news broadcasts of Cadena COPE are being introduced with the slogan "with the force of ABC," associating the COPE broadcasts with ABC. Vocento appoints the News Coordinator and the presenter of the midday broadcast. The programming, presenters and content of Cadena COPE receive a special emphasis in the pages of ABC.

The strategic alliance also includes the presence of ABC journalists and contributors on the main news and opinion programmes of Cadena COPE , while the editorial teams work together on issues of common interest. To facilitate this, an Editiorial Committee comprising of representatives from the two groups has been established.

Likewise, the two groups have integrated the radio portals COPE, Cadena 100 and Rock FM on the ABC website to strengthen both media in the competitive online market for information and news.

Audiovisual Production and Distribution-Veralia

The presence of VOCENTO in the audiovisual production sector (the production of entertainment and drama programmes and the distribution of films) is based on Veralia Contenidos, a holding company for audiovisual production companies, which includes BocaBoca Producciones, Europroducciones (with a presence in Italy through its subsidiary Europroduzione Italia), Hill Valley and Veralia Cine, which has a catalogue of 244 films.

- The Veralia production companies currently have various formats in development, preproduction, production, and broadcasting, including "21 días", "Guinness," and "Conexión Samanta" and the mini-series "Volare" which has beaten decade-long audience records in Italy, as well as the end-of-year gala on TVE which achieved a share of 25%.

  The current television market is being impacted not only by the advertising crisis but also by the high level of volatility in audiences and the reduction in the number of players, which has increased the pressure on both demand and on the price of the productions, affecting both revenues and production margins of the entire audiovisual production sector, including Vocento's business in this area.

  Veralia has responded by, among other measures, internationalising its productions. The "21 días" format has been successfully adapted in the Netherlands, Italy and France, and more recently in Canada and Chile. In addition, Veralia has continued to purchase the rights of internationally successful programmes, based on agreements with major content producers which enable their possible introduction in the Spanish market, improving Veralia's positioning with the main broadcasters.

  On the cost side, following an additional deterioration in the market in the first half of 2013, Veralia has implemented a restructuring plan to reduce central costs and improve margins in this challenging environment. At the same time, and to improve Veralia's position in the market, senior management have been replaced.

- In the film distribution area, Veralia Cine, in 2013 Vocento and some minority shareholders of Veralia reached an agreement that releases Vocento of its obligations to acquire new films for 13 million euros in the coming years, and allowing it to focus on managing the existing film catalogue. This change in business model will reduce volatility in the film distribution area and improve profitability, as the rights of the existing catalogue have already been fully paid. In addition, the movies will be marketed at the Television and DVD windows, which are the least volatile of the film distribution windows.

Classifieds

The nationwide Classifieds network of VOCENTO is unique in the Spanish media sector, thanks to its specialist team and its customer-focused service culture. These characteristics are supported by ABC.es and the network of regional brands, providing a nationwide service that is characterised by its content as well as by its understanding of the segment. VOCENTO is present in the three main markets for Internet classified advertising: in real estate with pisos.com (top#3 in its category), employment with Infoempleo.com (top#2) and automotive with autocasion.com (top#4).

In 2013, as part of the sale of non-core assets to finance the Efficiency Plan, the company divested the part of the Infoempleo business which consists of selling software licenses for human resources managers.

Finally, the directories portal 11870.com has an audience of close to 647 thousand unique users and is the most important portal for recommendations of websites and businesses in Spain.

Others

This segment includes the B2B business Sarenet, which provides Internet, voice and data services to companies and which was sold at the end of 2013, with the transaction subject to the approval of competition authorities (see Relevant Fact of 30 December 2013), and Qué!, which was closed in June 2012 (see Relevant Fact of 28 June 2012) because of its losses in difficult market conditions.

Both businesses will be excluded from Vocento's consolidation perimeter in 2014.

(iii) HIGHLIGHTS OF THE FINANCIAL PERFORMANCE OF THE BUSINESSES

- **The decrease in advertising has slowed for the fourth consecutive quarter**
- **ABC: positive EBITDA, 4Q13 advertising +2.7%, and improved market share in circulation and online**
- **EBITDA supported by the Efficiency Plan, "loss-making businesses" now positive**
- **Positive cash generation in 2013, excluding the Efficiency Plan**
- **5-year syndicated loan of €175m signed, extending maturities**

Vocento has strengthened its competitive positioning, in advertising and in its operations

i. Continued outperformance to the advertising market, both in the offline business (regional newspapers and ABC -13.4% vs. -14.8%[13] for the market) and online (Local Portals+ABC.es +2,3% vs. -2.5%[1] for the market).
ii. The decrease in advertising at VOCENTO's brands (offline+online) has continued to slow: 4Q13 -3.2% vs. 3Q13 -11.5%[14]. ABC recorded advertising growth in 4Q13 vs. 4Q12 of +2.7%.
iii. 36% of the market's online advertising spend is allocated to the press, according to i2p, enabling the press to maintain its share of advertising at 21% in 2013.
iv. Vocento's revenue profile moves towards digital: Internet advertising and e-commerce revenues in 2013 represent 22.1% of total advertising and e-commerce revenues (+4.9 p.p. vs. 2012).
v. In circulation, ABC slash to position number two ordinary circulation ranking[15] in January 2014.

Stabilisation of EBITDA in 2013 thanks to implementation of the Efficiency Plan, despite market conditions

i. Cost savings based on the measures of the Efficiency Plan are as forecast. Total comparable costs declined by -11.7%[16] in 2013, with personnel expenses down -10.2%[17].
ii. Positive EBITDA of loss-making businesses (ABC, radio, DTT and Qué!) of 3,070 thousand euros in 2013 vs. -18,773 thousand euros in 2011.
iii. Newspapers: ABC Perimeter reaches EBITDA breakeven in 2013. All regional titles report positive EBITDA, except HOY, which is undergoing restructuring.

---

[13] *Source for market: i2p 2013.*
[14] *Sum of ABC and Regional brands.*
[15] *Source: OJD ordinary circulation (kiosk sales and individual subscriptions) January 2014.*
[16] *Excluding restructuring costs in 2013 of -596 thousand euros and in 2012 of -21,925 thousand euros and one-offs of 2,309 thousand euros in 2012.*
[17] *Excluding restructuring costs in 2013 of -596 thousand euros and in 2012 of -21,925 thousand euros.*

iv. Audiovisual: the area remains profitable despite weakness in the Content area and the provision of -4,746 thousand euros in Television for a major part of the debt of Intereconomía.

	Comparable EBITDA			Advertising
IFRS thousand euros	**2013**	**2012**	**Var Abs**	**Var Abs**
Newspapers	40,939	43,798	(2,859)	(21,347)
Audiovisual	5,212	6,899	(1,687)	(10,392)
Classified	(1,268)	(1,916)	647	(138)
Other	3,474	2,287	1,187	(4,179)
Corporate	(11,406)	(12,562)	1,156	200
Total	**36,951**	**38,506**	**(1,556)**	**(35,855)**

Net financial debt levels at end 2013 are lower than at end 2012, including the Sarenet sale

i. Positive cash generation, excluding payments linked to the Efficiency Plan and asset sales.
ii. The cash exit in 2013 as a result of the Efficiency Plan totals -17,534 thousand euros, financed by the sale of non-core assets for a total of 20,754 thousand euros.
iii. Vocento has signed €175m 5-year syndicated loan to replace bilateral credit lines, extend maturities and unify debt management.

(iv) SHAREHOLDER REMUNERATION

As disclosed to the CNMV in a Relevant Fact on 30 July 2008, at the Extraordinary General Meeting shareholders of VOCENTO approved the distribution of reserves in kind of 14,878,258 shares of Telecinco, equivalent to 6.0% of its share capital, and a distribution of reserves in cash of 6,585 thousand euros, which represented advance payment of the dividend corresponding to 2008 and 2009 and a modification of the dividend policy informed to the market (75% pay out).

In 2013 and 2012 the Parent Company did not pay out any dividends.

(v) TREASURY SHARES

As of 31 December 2013, treasury stock represented 3.10% of the share capital of the Company (3,871,501 shares) on the balance sheet, reducing shareholder equity by 31,474 thousand euros.

(vi) SHARE PRICE PERFORMANCE

VOCENTO shares ended 2013 at 1.51 euros, corresponding to market capitalization of 188.7 million euros on 31 December 2013. The average traded volume in the year was 56,411 shares per day. VOCENTO shares are listed on the stock markets of Barcelona, Bilbao and Valencia.

(vii) SHARE-BASED PAYMENT

The shareholders at the Annual General Meetings held on 14 April 2010 and 13 April 2011, resolved to approve two incentive plans designed for the Chief Executive Officer, senior executives and executives at Vocento, which each include single variable remuneration equal to 25% of the fixed remuneration of each director included in the plan (except for the CEO, who is to receive an amount equal to 50% of his fixed remuneration). Of this remuneration, 75% was set to be cash-settled and the remaining 25% to be settled with shares of Vocento, S.A. depending on the extent to which the estimated profit from operations for 2012 and 2013, respectively, is achieved. All of the variable remuneration of the CEO and the Group's management committee will be settled in shares.

When drafting these two plans, the maximum number of shares that could be used to settle them was set at 408,001 and 478,379 shares, respectively.

Variable remuneration was set at 25% of the fixed salary of each executive at the time of drafting the plan. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the objective to

increase profit from operations is met, adjusted for termination benefits, with a limit of 150% of the total fixed remuneration.

On the basis of the valuation and non-fulfilment of the objectives established in the aforementioned plans, the Company has not recognised any provision in this connection in the balance sheet at 31 December 2013, as the aforementioned Plan has expired and, therefore, no payments in this connection will be made.

In addition, the shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve a new incentive plan with similar features to those approved in 2010 and 2011. This new plan, addressed to the CEO and senior executives of the Company and the Group, consists of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO. The binomial valuation method, which is widely used in financial circles, was used to value the plan and the main assumptions used were as follows:

Main assumptions	2012 plan
Risk-free interest rate	0.96%
Estimated dividend rate	1.19%
Employee turnover rate	3.00%
Probability of meeting the target EBIT/EBITDA	0.00%

Considering this valuation, no amount was provisioned in 2013 or 2012.

In addition to the incentive plans in 2013 the Company's Board of Directors resolved to approve a long-term incentive plan for the CEO and certain senior executives of the Company and the Group.

The plan will include a single variable remuneration equal to between 25% and 50% of the fixed annual remuneration of each director included in the plan and which will be entirely cash settled. The remuneration will depend on the extent to which the forecast profit from operations for 2015 is achieved. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations objective is met, with a limit of EUR 1.3 million.

On the basis of the valuation and estimated non-fulfilment of the objective established in the aforementioned plan, the Company has not recognised any provision in this connection in the balance sheet at 31 December 2013.

(viii) RESEARCH AND DEVELOPMENT ACTIVITIES

In 2013, the Group did not make any significant investments in Research and Development activities.

(ix) DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge the risks, mainly interest rate risk, to which its future activities, transactions and cash flows are exposed. The detail of the balances that reflect the measurement of derivatives in the consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Thousands of euros			
	31/12/13		31/12/12	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
INTEREST RATE HEDGES				
Cash flow hedges:				
Interest rate swaps	-	25	-	222
Step-up collars	-	191	-	281
	-	**216**	-	**503**

The purpose of the interest-rate derivatives arranged by the Group is to mitigate the effect that interest rate fluctuations may have on any future cash flows from the loans tied to floating interest rates. The detail and maturity of these hedging transactions is as follows:

	Average interest rate arranged		Nominal amount (thousands of euros)		Maturity	
Instrument	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
Interest rate swap	4.42%	4.42%	2,750	7,750	2015	2014
Step-up collars			1,949	2,319	2019	2019
Total			**4,699**	**10,069**		

The effect of the changes in the derivatives in 2013 was recognised with a credit to "Reserves – Revaluation Reserve for Unrealised Assets and Unsettled Liabilities" and "Equity – Of Non-Controlling Interests" for net amounts of EUR 159 thousand and EUR 41 thousand, respectively (a credit of EUR 117 thousand and EUR 53 thousand, respectively, in 2012).

The Group uses a step-up collar to fix the floating-rate interest payments on finance leases within a range spanning from a minimum of 3.95% to a maximum of 5%. The initial cost of the aforementioned financial instrument was zero. The notional amount of the options sold was offset in full by the notional amount of the options purchased, making it a net purchased option. The effectiveness of the step-up collar was measured by offsetting the changes in the flows of the collar against the changes in the flows of the hedged risk through the hypothetical derivative method, thereby fulfilling the conditions required to be considered a hedging instrument.

The Group met the requirements described in Note 4-h on measurement bases in order to classify the financial instruments detailed above as hedges. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective. No ineffective portions were detected in the hedges designated by the Group as such.

The sensitivity of the fair value of the interest-rate hedges to interest rate fluctuations which the Group considers reasonably possible, and the related impact on profit (loss) for the year and equity at 31 December 2013 and 2012, is reflected in the following table:

	Thousands of euros			
	Change in interest rates			
	2013		2012	
Change	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Fair value	13	(13)	29	(29)
Profit (Loss)	-	-	-	-
Equity	13	(13)	29	(29)

The liquidity analysis of the derivative instruments, using net undiscounted flows, is as follows:

2013	2014	2015	2016 and subsequent years
Interest rate swaps	-	25	-
Step-up collars	-	72	119
Total	**-**	**97**	**119**

2012	2014	2015	2016 and subsequent years
Interest rate swaps	196	25	-
Step-up collars	160	55	67
Total	**356**	**80**	**67**

(x) BALANCES AND TRANSACTIONS WITH OTHER RELATED PARTIES

The detail of the transactions with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are performed on an arm's length basis and are recognised under the related headings in the accompanying income statements for 2013 and 2012, and of the balances with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are recognised under the related headings in the accompanying balance sheets at 31 December 2013 and 2012, is as follows:

2013:

	Thousands of euros								
	Balances						Transactions		
	Non-current		Current						
Company	Loans to Group companies and associates	Payables to Group companies and associates	Trade receivables from Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Payable to suppliers - Group companies and associates	Revenue from the rendering of services (Note 14-a)	Other operating expenses (Note 14-c)	Finance costs on debts to Group companies and associates
Comeresa Prensa, S.L.U.	-	344,138	113	-	-	17	515	261	12,306
Diario El Correo, S.A.U.	-	135	-	4,350	-	61	-	137	-
Comeresa País Vasco, S.L.U.	-	-	-	876	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	2,948	-	59	2	-	-
Sarenet, S.A. (*)	456	-	-	735	-	-	-	9	-
Bilbao Editorial Producciones, S.L.U.	4,125	115	-	-	316	1	11	23	-
Diario ABC, S.L.	-	-	-	-	-	93	-	688	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	33	300	-	-	-	-
Other companies	-	252	89	586	12	161	338	55	-
Total	**5,681**	**344,640**	**202**	**9,528**	**628**	**392**	**866**	**1,173**	**12,306**

(*) On 27 December 2013, the Group company Corporación de Medios de Comunicación, S.L.U., entered into an agreement to sell its 80% shareholding in the Group company Sarenet, S.A. This transaction was subject to certain conditions precedent, including its approval by the competition authorities, and consequently it will not have any economic or accounting effects until it is definitively concluded, which the Company directors estimate will be in the first four months of 2014.

2012:

	Thousands of euros								
	Balances						Transactions		
	Non-current		Current						
Company	Loans to Group companies and associates	Payables to Group companies and associates	Trade receivables from Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Payable to suppliers - Group companies and associates	Revenue from the rendering of services (Note 14-a)	Other operating expenses (Note 14-c)	Finance costs on debts to Group companies and associates
Comeresa Prensa, S.L.U.	-	363,130	-	-	-	1	551	447	12,087

(xi) EVENTS AFTER THE REPORTING PERIOD

On 21 February 2014, the Company arranged a long-term syndicated financing transaction for EUR 175,275 thousand, the funds from which will be used to cancel existing bilateral credit lines and to fund the Group's general cash requirements.

The financing facilities consist of two tranches, with the following amounts and maturities:

a) Tranche A is divided into:

   (i) Sub tranche A1: non-current commercial loan of EUR 75,000 thousand maturing in October 2018 and

   (ii) Sub tranche A2: five-year bullet commercial loan of EUR 55,000 thousand.

b) Tranche B: four-year revolving credit line of up to EUR 45,275 thousand..

The financing facilities, which substitutes existing bilateral credit lines, contributes towards strengthening the financial structure of Vocento, S.A. and its Group, since it extends maturities and unifies management, and is in line with the objective of maintaining a differentiated financial position.

Nine leading banks, with which Vocento, S.A. and its group habitually deal, took part in the provision of this financing.

(xii) OUTLOOK

Ongoing uncertainties about the scope of the economic recovery in Spain, and the impact on the advertising market and on circulation, will be critical to the future performance of the Group's revenues.

To respond to these uncertainties and to the transformation of the media sector from a business based on different media vehicles to a business based on brands, because of changing habits in media consumption, VOCENTO is committed to certain key goals: innovation, profitability, and the protection of cash, as ways of creating value for shareholders.

Vocento has two levers for growth: on the revenue side, the Group is focused on digital innovation (new sources of revenues and new premium advertising formats) and on strengthening its commercial strategy. The main vehicles for achieving these goals are its leading brands.

The second lever is the active management of costs, which is a continuous process of adapting to market conditions. Major cost controls and cost cuts have enabled the Company to stabilise EBITDA and position itself to benefit from operational gearing when the economic cycle recovers.

Finally, the maintenance of a financial position that differentiates the Group from the sector remains a leading objective for the Group, as this gives it the flexibility to continue to respond to the cycle and implement any measures that are needed.

The foundations of VOCENTO are its brands, which represent a permanent reminder of the Group's responsibilities and its commitment to employees, readers, Internet users, listeners and advertisers.

(xiii) ANNUAL REPORT ON CORPORATE GOVERNANCE

Annual Report on Corporate Governance consists of 53 pages. It is attached to the Consolidated Management Report in accordance with Article 538 of the Law on Corporations. In addition, the report is available on the website of the CNMV, www.cnmv.es.

(xiv) ANNUAL REPORT OF ACTIVITIES

The Annual Report of Activities from the Audit and Compliance Committee consists of 17 pages and is attached to the Consolidated Management Report, in accordance with Article 18.9 of the Rules of the Board of Directors.

vocento

APPENDIX

The Directors of VOCENTO, S.A. formulated on 27 February 2014 the annual consolidated accounts of VOCENTO, S.A. and the corresponding management report, resulting in the following documents: consolidated balance sheet, consolidated profit and loss account, consolidated statement of revenues and expenses, changes to consolidated shareholder equity and a consolidated cashflow statement, each in one page, the annual report in 32 pages numbered from 1 to 32, and an appendix of 3 pages, and a management report of 14 pages, including the annual report on corporate governance and the annual report on activities of the Audit and Compliance Committee. These documents can be found on paper with the letterhead of the company, numbered and written on one side only, as well as the current appendix, signed by each and every one of the members of the Board of Directors who has formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Madrid, 27 February 2014

ENERGAY DE INVERSIONES, S.L. (represented by Don Enrique Ybarra Ybarra)	**DON GONZALO SOTO AGUIRRE**
LIMA, S.L. (represented by Don Juan Urrutia Ybarra)	**DON LUIS ENRÍQUEZ NISTAL**
DON MIGUEL ANTOÑANZAS ALVEAR	**DON FERNANDO AZAOLA ARTECHE**
DON RODRIGO ECHENIQUE GORDILLO	**DON SANTIAGO BERGARECHE BUSQUET**
CASGO, S.A. (represented by Don Jaime Castellanos Borrego)	**MEZOUNA, S.L.** (represented by Don Santiago Ybarra Churruca)
ONCHENA, S.L. (represented by Don Álvaro Ybarra Zubiría)	**VALJARAFE, S.L. (**represented by Doña Soledad Luca de Tena García Conde)
DON CARLOS PAZOS CAMPOS (Secretary, non-Director)	

vocento

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of VOCENTO, S.A. state that, to the best of their knowledge, the annual consolidated accounts of VOCENTO, S.A., corresponding to the year 2013 and prepared in accordance with applicable accounting principles, offer a fair view of the shareholder equity, financial situation and results of VOCENTO, S.A., and that the Management Report includes an accurate analysis of the performance, results and position of VOCENTO, S.A. as well as the description of the main risks and uncertainties that it faces.

Madrid, 27 February 2014

ENERGAY DE INVERSIONES, S.L. (represented by Don Enrique Ybarra Ybarra)	**DON GONZALO SOTO AGUIRRE**
LIMA, S.L. (represented by Don Juan Urrutia Ybarra)	**DON LUIS ENRÍQUEZ NISTAL**
DON MIGUEL ANTOÑANZAS ALVEAR	**DON FERNANDO AZAOLA ARTECHE**
DON RODRIGO ECHENIQUE GORDILLO	**DON SANTIAGO BERGARECHE BUSQUET**
CASGO, S.A. (represented by Don Jaime Castellanos Borrego)	**MEZOUNA, S.L.** (represented by Don Santiago Ybarra Churruca)
ONCHENA, S.L. (represented by Don Álvaro Ybarra Zubiría)	**VALJARAFE, S.L. (**represented by Doña Soledad Luca de Tena García Conde)
DON CARLOS PAZOS CAMPOS (Secretary, non-Director)	

ANNUAL CORPORATE GOVERNANCE REPORT

VOCENTO, S.A.

2013

VOCENTO, S.A.

DATE OF END OF YEAR: 31/12/2013

0.- INTRODUCTION

In accordance with the terms of (i) Article 61 bis of Law 24/1988, 28 July, on the Securities Market; (ii) Article 5 of Order ECC/461/2013, 20 March, determining the content and structure of the annual corporate governance report, and (iii) Appendix I of Circular 5/2013, of 12 June, from the Comisión Nacional del Mercado de Valores (hereinafter the "**CNMV**"), which establishes the models for the annual corporate governance reports of listed companies, the company **VOCENTO, S.A.**, resident in Madrid, calle Juan Ignacio Luca de Tena 7 with N.I.F. A-48.001.655 (hereinafter the "**Company**" or "**Vocento**") has prepared the following Annual Corporate Governance Report for the year ending 31 December 2013 (hereinafter, using the Spanish abbreviation, the "**IAGC**"), which, following a report from the Audit and Compliance Committee in accordance with Article 42 of the Rules for the Board of Directors, was approved by the Board of Directors of Vocento at its meeting of 27 February 2014.

A.- STRUCTURE OF SHARE OWNERSHIP

A.1 Complete the following table for the company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
31/12/2001	24,994,061,20	124,970,306	124,970,306

Indicate if there are different classes of shares with different rights associated to them:

NO

A.2 Detail the direct and indirect owners of significant stakes at the end of the year, excluding directors:

Name or company name of indirect owner of stake	Via: name or company name of direct shareholder	Number of direct voting rights (*)	% of total voting rights (*)
DON VICTOR URRUTIA VALLEJO	LIMA, S.L.	12,218,260	9.777
DON ENRIQUE YBARRA YBARRA	ENERGAY DE INVERSIONES, S.L.	8,167,106	6.535
DOÑA MARÍA DEL CARMEN CAREAGA SALAZAR	ONCHENA, S.L.	6,836,456	5.470

(*) The companies LIMA, S.L., ENERGAY DE INVERSIONES, S.L. and ONCHENA, S.L., directors of Vocento, hold significant stakes of 9.777%, 6.535% and 5.470%, respectively. Don Victor Urrutia Vallejo, Don Enrique Ybarra Ybarra and Doña María del Carmen Careaga Salazar control these companies, so indirectly they have significant stakes in Vocento.

Indicate the most significant shareholder movements in the year:

Name or company name of shareholder	Date of transaction	Description of transaction

BYCOMELS PRENSA, S.L.	13/12/2013	No longer a shareholder following its winding-up and liquidation, with shares representing 7.98% of Vocento's share capital transferred to shareholders including director DON SANTIAGO BERGARECHE BUSQUET, who indirectly via MECAMUR, S.L., received 1,995,978 shares in Vocento, 1.597% of share capital

A.3 Fill in the following tables for members of the Board of Directors of the company with voting rights in company shares:

Name or company name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
ENERGAY DE INVERSIONES, S.L.	8,167,106	0	6.535
DON GONZALO SOTO AGUIRRE	100	6,268,511	5.016
LIMA, S.L.	12.218.260	0	9.777
DON LUIS ENRIQUEZ NISTAL	314	0	0.000
DON SANTIAGO BERGARECHE BUSQUET	700	1.995.978	1.598
CASGO, S.A.	4,993,201	0	3.996
DON FERNANDO AZAOLA ARTECHE	6,710	0	0.005
MEZOUNA, S.L.	13,843,275	0	11.077
DON MIGUEL ANTOÑANZAS ALVEAR	10,178	0	0.008
ONCHENA, S.L.	6,836,456	0	5.470
VALJARAFE, S.L.	12,609,314	0	10.090

DON RODRIGO ECHENIQUE GORDILLO is the only director with no direct or indirect stake in Vocento.

Fill in the following tables for members of the Board of Directors of the company with rights on company shares:

Name or company name of director	Number of direct rights	Indirect Rights		Number of equivalent shares	% of total voting rights
		Direct owner	Number of indirect options		
DON LUIS ENRIQUEZ NISTAL	336,178	NOT APPLICABLE	NOT APPLICABLE	336,178	0.269

A.4. State any relationships of a family, commercial, contractual or company nature between major shareholders, to the extent that the company is aware of this, unless of little

relevance or derived from ordinary business:

NOT APPLICABLE

A.5. State any relationships of a family, commercial, contractual or company nature between major shareholders, and the company and/or group, unless of little relevance or derived from ordinary business:

NOT APPLICABLE

A.6. State if the company has been informed of the shareholder agreements which affect it, in accordance with Articles 530 and 531 of the Law on Corporations. Describe briefly the shareholders bound by the pact, if applicable:

YES

Members of the shareholder pact	% of share capital involved	Brief description of the agreement
(i) DOÑA DOLORES AGUIRRE YBARRA Y OTROS; (ii) DOÑA PILAR AGUIRRE ALONSO-ALLENDE; (iii) DON EDUARDO AGUIRRE ALONSO-ALLENDE; (iv) DON GONZALO AGUIRRE ALONSO-ALLENDE; (v) DOÑA MARÍA ISABEL LIPPERHEIDE; (vi) BELIPPER, S.L.; (vii) ALBORGA UNO, S.L.; (viii) ALBORGA DOS, S.L.; (ix) MIRVA, S.L.; (x) GOAGA 1, S.L.; and (xi) AMANDRERENA 1, S.L.	5.016%	On 11 March 2009, shareholders of 6,268,912 Vocento shares signed a syndication agreement for their shares, in a blocking and controlling form, with an initial duration of five years, which can be extended for years, appointing Gonzalo Soto Aguirre as sole administrator of the syndicate. Shares may not be sold without the authorisation of the majority of syndicate members, with the commitment to jointly exercise the political rights derived from the syndicated shares. As a result of the death of Federico Lipperheide Wicke, the 100,898 shares of Vocento, S.A. that he owned are the property of his daughter Isabel Lipperheide Aguirre, who has joined the pact, so there has been no variation in the number of syndicated shares.

This is notwithstanding the information provided in section H.1 of this report.

State if the company is aware of the existence of concerted actions between its shareholders, and if so describe briefly:

The only concerted action that the company was aware of at the end of 2013 is the shareholder agreement described above, notwithstanding the information provided in section H.1 of this report.

Expressly state any modification or breaking of these pacts, agreements, or joint actions in the year:

NOT APPLICABLE

A.7. State if there is any individual or legal entity who exercises or could exercise control of the company, in accordance with article 4 of the Securities Market Law, and indicate them.

NO

A.8. Fill in the following tables about the company's treasury stock:

At the end of the year:

Number of direct shares	Number of indirect shares (*)	% of total share capital
3,871,501	0	3.10%

Detail any major variations in the year, in accordance with Royal Decree 1362/2007:

NO MAJOR CHANGES

A.9. Detail the conditions and the duration of the mandate in force from the General Shareholder Assembly to the Board to acquire or transfer treasury stock.

The Annual General Meeting of shareholders held on 14 April 2010 agreed, in the sixth point of the order of the day, the following:

In accordance with the terms of Articles 75 and following of the Law on Corporations, and leaving without effect the authorisation awarded in the same area by the shareholder meeting of 29 April 2009, authorise and award powers to the Board of Directors for the company to acquire shares in the company itself under the following conditions:
1.- Means of acquisition: by trade or any other inter vivos transaction of those shares in the company that the Board of Directors considers appropriate, in the limits established in the following sections.
2.- Maximum number of shares to acquire: a number of shares whose nominal value, in addition to those the acquiring company and its subsidiaries already possess, is not more than 10% of the total paid in share capital.
3.- Minimum and maximum acquisition price: the acquisition price will not be less than the nominal share price, or 20% more than the market price, on the working stock market day, the day before the acquisition.
4.- Duration of the authorisation: five years, from the adoption of this agreement.
The acquisition, including all the shares that the company has acquired before and holds in its portfolio, must in all events allow the company to establish the reserve stated in article 79.3 of the revised text of the Law on Corporations, without leading to shareholder equity, as defined in article 75 of the revised text of the Law on Corporations in the version of Law 3/2009 of 3 April, being less than the sum of share capital plus the reserves that are not available in law or in bylaws. The shares are not sold or amortized. The shares to be acquired must be fully paid in.
- It is expressly authorised that the shares acquired by the company in the use of this authorisation may be used, partly or in full, to be sold or amortized and also to be delivered or sold to the workers, employees, directors or service providers of the company, when there is a recognised right, either directly or as a result of the exercise of options belonging to them, in accordance with the last paragraph of Article 75, section 1, of the Law on Corporations."

A.10. State any legal and statutory restrictions on the transfer of shares and/or the exercise of voting rights. In particular, state any restrictions that could obstruct the acquisition of control of the company by the acquisition of its shares in the market.

NO

A.11. Indicate if the Shareholder Meeting has agreed to adopt measures for neutralisation of a public takeover bid as described in Law 6/2007.

NO

A.12. Indicate if the company has issued securities that are not traded in a regulated Community market.

NO

B.- GENERAL SHAREHOLDER MEETING

B.1. Indicate and detail any differences from the minimum quorum regime of the Law on Corporations (LSC) in terms of the quorum for a Shareholder Meeting:

THERE ARE NO DIFFERENCES TO THE LSC

Article 12 of the Company Bylaws and Article 12 of the Rules for the General Shareholder Meeting coincide with the terms of Article 193 of the LSC on general agreements and Article 194 on special agreements.

B.2. Indicate and detail any differences with the minimum quorum regime of the Law on Corporations (LSC) for the adoption of shareholder agreements:

THERE ARE NO DIFFERENCES TO THE LSC

Articles 12 and 14 of the Company Bylaws, and Article 19 of the Rules of the General Shareholder Meeting, comply with the terms of Article 201 of the LSC.

Describe any differences from the regime established by the LSC.

NOT APPLICABLE

B.3. Indicate the norms applicable to the modification of company bylaws. In particular, indicate the majorities needed for the modification of the bylaws and any rules for protecting shareholder rights when bylaws are modified.

In accordance with Article 12 of Vocento's company bylaws and the Rules for the General Shareholder Meeting, for a valid agreement to modify the bylaws at an ordinary or extraordinary shareholder meeting, it will be necessary for shareholders present or represented at the meeting to own at least fifty per cent of paid in capital with voting rights, at the first call. At the second call, the level will be twenty five per cent. When shareholders representing less than fifty per cent of paid in capital with voting rights meet, the agreements covered by this paragraph can only be adopted with the favourable vote of two thirds of the capital present or represented at the meeting.

B.4. Provide attendance data for the general shareholder meetings held in the year covered by this current report and previous years.

	Attendance data				
Fecha junta general	% present	% represented	% distance voting		Total
			Electronic votes	Others	
16 April 2013 (Ordinary Meeting 2013)	28.16	50.77	-	-	78.93
26 April 2012 (Ordinary Meeting 2012)	6.46	76.20	-	-	82.66
26 April 2012 (Extaordinary Meeting 2012)	22.29	63.50	-	-	85.79

B.5. Indicate if there are any restrictions in the bylaws on the number of shares needed to attend the shareholder meeting:

In accordance with Article 9 of the company bylaws of Vocento and Article 11 of the Rules for the General Shareholder Meeting, all shareholders can attend the meeting who own at least 50 shares duly inscribed in the book entry records and who are in compliance with the deadline stated in the call for the meeting, in accordance with the law, and who have the corresponding attendance card or certificate from the corresponding depositary institutions or any other form admitted under current legislation, again in accordance with the terms for each Meeting or the general Rules for the Shareholder Meeting.

Number of shares needed to attend the shareholder meeting: FIFTY (50)

B.6. Indicate if it has been agreed that decisions which consist of structural modification of the company ("subsidiarisation", sale of essential operating assets, transactions that are equivalent to winding up the company, etc.), must be submitted to the shareholder meeting, although not expressly required in corporate law.

NO

B.7. State the web site address for information on corporate governance and other information about general shareholder meetings that must be made available to shareholders on the Company's web site.

The web page http://www.vocento.com/accionistas_e_inversores.php provides access to the following information for Vocento shareholders and investors:

- Vocento: Profile of the Company and Management Team.
- Shareholder Office: Shares, Share Capital, Calendar for the Investor, Links of Interest and Contact Data.
- Relevant Facts.
- Financial Information: Annual Reports, Regular Information, IPO Prospectus and Corporate Presentations.
- Corporate Governance: Company Bylaws, General Shareholder Meeting, Board and Committees, Rules and Organisation, Annual Report on Corporate Governance, Annual Report on Director Remuneration, and Shareholder Agreements.

The General Shareholder Meeting of Vocento held on 26 June 2012, in accordance with Article 11 bis of the revised text of the Law on Corporations, approved its corporate website at www.vocento.com

C.- ADMINISTRATIVE STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Detail the maximum and minimum number of directors established in the bylaws:

Maximum number of directors	18
Minimum number of directors	3

C.1.2 Complete the following table with members of the Board::

Name or company name of director	Representative	Position on board	Date of first appointment	Date of last appointment	Electoral procedure
ENERGAY DE INVERSIONES, S.L.	ENRIQUE YBARRA YBARRA	CHAIRMAN	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
DON GONZALO SOTO AGUIRRE	--	VICE-CHAIRMAN	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING

LIMA, S.L.	JUAN RAMON URRUTIA YBARRA	VICE-CHAIRMAN	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
DON LUIS ENRIQUEZ NISTAL	--	CHIEF EXECUTIVE OFFICER	18/07/2011	26/04/2012	VOTED IN SHAREHOLDER MEETING
CASGO, S.A.	JAIME CASTELLANOS BORREGO	DIRECTOR	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
DON FERNANDO AZAOLA ARTECHE	--	DIRECTOR	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
MEZOUNA, S.L.	SANTIAGO YBARRA CHURRUCA	DIRECTOR	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
DON MIGUEL ANTOÑANZAS ALVEAR	--	DIRECTOR	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
ONCHENA, S.L.	ALVARO DE YBARRA ZUBIRIA	DIRECTOR	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
DON RODRIGO ECHENIQUE GORDILLO	--	DIRECTOR	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
VALJARAFE, S.L.	SOLEDAD LUCA DE TENA GARCIA- CONDE	DIRECTOR	26/04/2012	26/04/2012	VOTED IN SHAREHOLDER MEETING
DON SANTIAGO BERGARECHE BUSQUET[1]	--	DIRECTOR	12/11/2013	12/11/2013	CO-OPTED

Total number of directors: TWELVE (12)

State any terminations which have occurred at the Board of Directors in the period

Name or company name of director	Type of director at time of termination	Date of termination
BYCOMELS PRENSA, S.L. (wound up and liquidated)	EXTERNAL, NOMINEE	12/11/2013

C.1.3 Complete the following tables for members of the board and their conditions:

EXECUTIVE DIRECTORS

Name or company name of director	Committee that proposed appointment	Role in company structure
DON LUIS ENRIQUEZ NISTAL	REMUNERATION AND APPOINTMENT	CHIEF EXECUTIVE

Total number of executive directors	1
% of total board	8.333

[1] DON SANTIAGO BERGARECHE was co-opted onto the Board of Directors on 12 November 2013, although this is pending ratification by the General Shareholder Meeting that is expected to be held on 29 April 2014.

EXTERNAL NOMINEE DIRECTORS

Name or company name of director	Committee informing appointment	Name or company name of significant shareholder represented or proposing appointment
ENERGAY DE INVERSIONES, S.L.	APPOINTMENT AND REMUNERATION COMMITTEE	ENERGAY DE INVERSIONES, S.L.
DON GONZALO SOTO AGUIRRE	APPOINTMENT AND REMUNERATION COMMITTEE	DOLORES AGUIRRE YBARRA Y OTROS
LIMA, S.L.	APPOINTMENT AND REMUNERATION COMMITTEE	LIMA, S.L.
DON SANTIAGO BERGARECHE BUSQUET	APPOINTMENT AND REMUNERATION COMMITTEE	[SEE EXPLANATION *]
CASGO, S.A.	APPOINTMENT AND REMUNERATION COMMITTEE	CASGO, S.A.
MEZOUNA, S.L.	APPOINTMENT AND REMUNERATION COMMITTEE	MEZOUNA, S.L.
ONCHENA, S.L.	APPOINTMENT AND REMUNERATION COMMITTEE	ONCHENA, S.L.
VALJARAFE, S.L.	APPOINTMENT AND REMUNERATION COMMITTEE	VALJARAFE, S.L.

Total number of nominee directors	8
% of total board	66.667

[**EXPLANATION (*)**] DON SANTIAGO BERGARECHE BUSQUET was the nominee director of the significant shareholder BYCOMELS PRENSA, S.L. until its liquidation on 13 December 2013. At the end of 2013 DON SANTIAGO BERGARECHE BUSQUET was still considered as a nominee director as his position as shareholder was recognized, although his stake of 1.597% is less than the 3% threshold for a legally significant stake, notwithstanding the information contained in section H.1.

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
DON FERNANDO AZAOLA ARTECHE	BUSINESS
DON MIGUEL ANTOÑANZAS ALVEAR	BUSINESS
DON RODRIGO ECHENIQUE GORDILLO	BUSINESS

Total number of independent directors	3
% of total board	25.000

State if any director with the status of independent receives from the company or its group any amount or benefit other than a director's remuneration, or maintains or has maintained in the last year any business relationship with the company or any group company, in his own name, or as a significant shareholder, director or manager of any entity which has or has had such a relationship.

NO

If applicable, include a statement from the board for the reasons why they believe this director can carry out his functions as an independent director.

OTHER EXTERNAL DIRECTORS

NONE

Indicate the reasons why they cannot be considered to be nominee or independent, and any ties to the company, its managers or shareholders:

NOT APPLICABLE

Indicate any variations that may have occurred in the year in the status of each director:

NOT APPLICABLE

C.1.4 Complete the following table with information about the number of female directors in the last 4 years, and the status of these directors:

This consists only of DOÑA SOLEDAD LUCA DE TENA GARCÍA-CONDE as the representative of VALJARAFE, S.L., since 2012. In 2010 and 2011 there were two female nominee directors: DOÑA SOLEDAD LUCA DE TENA GARCÍA-CONDE and DOÑA CATALINA LUCA DE TENA GARCÍA-CONDE, with the latter also vice chairwoman of the Board of Directors of Vocento.

	Number of female directors				% of total directors of each type			
	2013	2012	2011	2010	2013	2012	2011	2010
Executive	0	0	0	0	0	0	0	0
Nominee	1	1	2	2	12.25% (1/8)	12.25% (1/8)	18.18% (2/11)	18.18% (2/11)
Independent	0	0	0	0	0	0	0	0
Other External	0	0	0	0	0	0	0	0
Total:	1	1	2	2	8.33% (1/12)	8.33% (1/12)	12.5% (2/16)	12.5% (2/16)

C.1.5 Explain any measures taken to try to include on the board a number of women which allows for a balanced presence of men and women.

As a result of the mandate established by Article 75 of the *Ley Orgánica* 3/2007, of 22 March, for the equality of women and men, and recommendation 15 of the Unified Code on Good Governance, the Appointments and Remuneration Committee will try to achieve a balance between women and men on the Board of Directors as the mandates of current directors expire.

C.1.6 Explain any measures adopted by the appointments committee so that selection procedures do not suffer from the implicit biases that may prevent the selection of female directors, so that the company deliberately looks for women with the right professional profile and includes them in its potential candidates:

The Appointments and Remuneration Committee is committed to finding the best candidates for directors. In accordance with article 22.9 of the Rules for the Board of Directors, when the number of female directors is low or zero, the Board will explain the reasons for this and the measures taken to correct the situation. In particular, the Appointments Committee will ensure that when there are new vacancies: a) the selection procedures do not suffer from the implicit bias that are an obstacle to selecting women; b) the company deliberately looks for women with the right professional profile and includes them as potential candidates.

When despite any measures adopted, the number of female directors is low, explain the reasons for this:

Vocento has responded to the requests of significant shareholders to appoint nominee directors, all of whom have been ratified by the General Shareholder Meeting.

C.1.7 Explain the representation on the board of shareholders with significant stakes.

All shareholders with a stable shareholding considered by the Board of Directors as Vocento as significant, and who have requested a position, are represented on the Board of Directors.

C.1.8 Explain if applicable the reasons why nominee directors have been appointed with a stake of under 5% of share capital.

DON SANTIAGO BERGARECHE BUSQUET was appointed a nominee director on 12 November 2013 by BYCOMELS PRENSA, S.L., a significant shareholder in Vocento with a stake of 7.98%. As a result of the liquidation of BYCOMELS PRENSA, S.L. on 13 December 2013, DON SANTIAGO BERGARECHE BUSQUET remains a nominee director as his position as shareholder was recognized, although his stake of 1.597% is less than the 3% threshold for a legally significant stake, notwithstanding the information contained in section H.1.

In addition, as mentioned in last year's corporate governance report, the company CASGO, S.A. was appointed a nominee director of Vocento with the approval of the Appointments and Remuneration Committee, with its stake of 3.996% considered to be sufficient.

Indicate if any formal requests for a position on the Board from shareholders with an equal or higher stake than others with nominee directors have been granted. If not, explain why

NO

C.1.9 Indicate if any director has abandoned his role before the expiry of the mandate, if the director has explained their reasons and in what medium to the Board, and if this has been in writing to the entire Board, explain the motives given:

BYCOMELS PRENSA, S.L. resigned as a director of Vocento on 12 November 2013 as a result of being wound up and liquidated, and was replaced as director by the person who until then was the physical representative on the Board of Directors, SANTIAGO BERGARECHE BUSQUET.

C.1.10 State, if applicable the powers delegated to the executive director(s):

DON LUIS ENRIQUEZ NISTAL, in carrying out his role as chief executive officer, can exercise all powers except for those which legally or statutorily cannot be delegated in accordance with Article 19 of the company bylaws and Article 14 of the Rules for the Board of Directors, with the limitation of the second paragraph of the last article of these rules, which says that any operation of over 3 million euros must be informed to the executive committee by the chief executive officer prior to being carried out.

C.1.11 Identify if applicable the members of the Board who have a director's or management role in other companies that form part of the group of the listed company:

Name or company name of director	Company name of group entity	Position
DON LUIS ENRIQUEZ NISTAL	COMERESA PAIS VASCO. S.L.	JOINT ADMINISTRATOR
DON LUIS ENRIQUEZ NISTAL	COMERESA PRENSA. S.L.	JOINT ADMINISTRATOR

DON LUIS ENRIQUEZ NISTAL	CORPORACIÓN DE MEDIOS DE COMUNICACION. S.L.	JOINT ADMINISTRATOR
DON LUIS ENRIQUEZ NISTAL	CORPORACIÓN DE NUEVOS MEDIOS DIGITALES. S.L.	JOINT ADMINISTRATOR
DON LUIS ENRIQUEZ NISTAL	DIARIO ABC. S.L.	DIRECTOR
DON LUIS ENRIQUEZ NISTAL	DIARIO EL CORREO. S.A.	DIRECTOR
DON LUIS ENRIQUEZ NISTAL	FEDERICO DOMENECH. S.A.	DIRECTOR
DON LUIS ENRIQUEZ NISTAL	RADIO PUBLI. S.L.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
DON LUIS ENRIQUEZ NISTAL	SOCIEDAD GESTORA DE TELEVISION NET TV. S.A.	CHAIRMAN

C.1.12 Detail if applicable the directors of the company who are members of the Board of Directors of other companies, distinct from the group, that are listed on Spanish stock markets and of which the company has been notified:

Name or company name of director	Company name of listed entity	Position
DON FERNANDO AZAOLA ARTECHE	ELECNOR. S.A.	CHAIRMAN
DON RODRIGO ECHENIQUE GORDILLO	BANCO SANTANDER. S.A.	DIRECTOR
DON RODRIGO ECHENIQUE GORDILLO	NH HOTELES. S.A.	CHAIRMAN
D. SANTIAGO BERGARECHE BUSQUET	FERROVIAL, S.A.	FIRST VICE CHAIRMAN
D. SANTIAGO BERGARECHE BUSQUET	DINAMIA CAPITAL PRIVADO, SA, SCR	CHAIRMAN

C.1.13 State and explain if the company has established rules on the number of boards which its directors may be part of:

YES

EXPLANATION OF THE RULES
In accordance with Article 30.3 of the Rules of the Board, the directors may not, except for express authorisation of the board, after a report from the appointments and remuneration committee, form part of more than 8 boards, excluding (i) companies which are part of the same group as the company, (ii) the boards of family companies of directors or their families, and (iii) the boards of which they form part because of professional relations.

C.1.14 Indicated the policies and general strategies for the company that the full board needs to approve:

In accordance with Article 5.4 of the Rules for the Board of Directors, the Board has reserved for its meeting in full the following functions:

Policies for investment and financing	YES
The definition of the structure of the group of companies	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
The strategic plan or business plan, and management targets and annual budgets	YES
Remunerations policy and the evaluation of the performance of senior management	YES
Risk control and risk management policy, and the regular monitoring of internal systems for information and control	YES
Dividend policy, and treasury stock policy and limitations	YES

C.1.15 Indique la remuneración global del Consejo de Administración

Remuneration of the board of directors (thousand euros)	1,382
Amount of total remuneration corresponding to pension rights for directors (thousand euros)	0
Total remuneration of the board of directors (thousand euros)	1,382

Of this 1,382 thousand euros, 1,330 thousand euros corresponds to directors in the position as of 31 December 2013. In addition, Bycomels Prensa S.L., a director of Vocento until the end of the year, received 52 thousand euros for allowances to attend in the year.

C.1.1 Identify the members of senior management who are not executive directors and indicate the total remuneration paid them in the year:

Name or company name	Position
DON IÑAKI ARECHABALETA TORRÓNTEGUI	DIRECTOR GENERAL OF BUSINESS
DOÑA ANA DELGADO GALÁN	DIRECTOR GENERAL ABC
DON JOSÉ LUIS PUIGDENGOLAS CARRERA	DIRECTOR GENERAL OF SALES
DOÑA BEATRIZ PUENTE FERRERAS	CHIEF FINANCIAL OFFICER (until 28 February 2013)
DON JOAQUÍN VALENCIA VON KORFF	CHIEF FINANCIAL OFFICER (from 17 June 2013)
DON ENRIQUE MARZAL LÓPEZ	DIRECTOR OF INTERNAL AUDIT
DON ÍÑIGO ARGAYA AMIGO	DIRECTOR GENERAL OF HR AND ORGANISATION

DON FERNANDO GIL LOPEZ	DIRECTOR GENERAL OF OPERATIONS AND QUALITY
DON JUAN LUIS MORENO BALLESTEROS	DIRECTOR GENERAL OF DIGITAL STRATEGY
DON EMILIO YBARRA AZNAR	DIRECTOR GENERAL OF COMMUNICATION AND INSTITUTIONAL RELATIONS

Total remuneration of senior management (in thousand euros): 1,764

C.1.17 State the identity of any members of the board who are also members of the board of directors of companies who are significant shareholders and/or in group entities:

NOT APPLICABLE

Detail any relevant relationships apart from those in the previous ítem, between members of the board and significant shareholders and/or group entities:

NOT APPLICABLE

C.1.18 Indicate if there have been any modification to the rules of the board in the year:

NO

C.1.19 State the procedures for appointment, re-election, evaluation and removal of the directors. Detail the competent bodies, the procedures to be followed, and the criteria used in each procedure.

In accordance with Article 16 of the company bylaws, the designation of the directors corresponds to the AGM, the mandate will last for six years, and they may be re-elected one or more times.

According to Article 24 of the rules of procedure for the board, the directors will leave their position after the expiry of the period for which they were appointed, applying Article 145 of the rules of the mercantile registry, and when the shareholder meeting decides this in the use of the attributions it has been awarded.

Persons appointed as directors will have to meet the conditions demanded by law or by the bylaws.

The regulation of these procedures is found, in addition to the legislation, also in Article 16 of the company bylaws which establish the composition of the board of directors and the duration of the role, and in Articles 10, 11, 22, 23 and 24 and of the procedures of the board of directors, which establish the qualitative and quantitative composition of the board, and the procedures for appointment and re-election, and the duration and dismissal of directors.

C.1.20 Indicate if the board of directors has carried out in the year an assessment of its activity:

YES

If applicable, explain to what event the assessment led to major changes in internal organisation and to the procedures applicable to its activities:

NOT APPLICABLE

C.1.21 State the circumstances in which directors are obliged to resign

Article 24 of the Rules for the Procedure of the Board covers the circumstances in which a director must resign.

Mainly, directors must leave their position when the mandate for which they were nominated expires, upon application of Article 145 of the Rules of the Mercantile Registry and when the General Shareholder Meeting so decides in the use of the powers delegated to it.

In addition, a director must inform the board and resign in those cases which could damage the standing and reputation of the company, and in particular:

a) when the reasons for their appointment disappear, when there is a circumstance in which the entity or business group represented by a director no longer have a significant shareholding in the share capital of the company or reduces its holding to a level that requires the reduction of the number of its nominee directors, or when independent directors are no longer seen as such in accordance with the terms of the rules.

b) when there are found to be infractions of the criteria for compatibility and non-prohibition that have been legally established.

c) when they are seriously warned by the Audit and Compliance Committee or by the Appointments and Remuneration Committee for breaking one of their obligations as director.

C.1.22 State if the role of leading executive is also the position of Chairman of the Board. If applicable, state the measures taken to avoid the accumulation of powers in one person:

NO

State and explain if rules have been established which enable an independent director to request a meeting of the Board or the inclusion of new points in the order of the day, to coordinate and articulate the concerns of external directors and to direct their assessment by the Board of Directors.

YES

Article 20 of the Rules for the Board of Directors states that any director can propose other points in the order of the day which initially were not proposed, ahead of the board meeting, informing the secretary. In addition it establishes that the chairman will propose to the Board of Directors any business that is appropriate for the good performance of the company, regardless of whether they appear on the order of the day.

C.1.23 Are there greater majorities required for any sort of decision except for those in legislation?

NO

If so, describe the differences.

NOT APPLICABLE

C.1.24 Indicate if there are specific requirements, different from those concerning directors, for appointments to the position of Chairman of the Board.

NO

C.1.25 Indicate if the Chairman has a casting vote:

YES

In accordance with Article 17 of the company bylaws and 12.3 of the Rules for the Board of Directors, in the event of a drawn vote the Chairman has the casting vote.

C.1.26 State whether the Bylaws or Rules for the Board establish an age limit on directors:

Age limit for chairman	Age limit for CEO	Age limit for director
NO	NO	NO

C.1.27 State whether the Bylaws or Rules for the Board establish limits on the mandate for independent directors, which are different to those established in legislation:

NO

Article 23 of the Rules for the Board of Directors establishes a limit of 12 years to the mandate of independent directors, in compliance with Article of the Order ECC/461/2013, 20 March, which determines the content and structure of the annual report on corporate governance, the annual report on remuneration and other information provided by listed companies, savings banks and other institutions with securities traded on official markets.

C.1.28 State whether there are specific rules in the bylaws or Rules for the Board for the delegation of votes in the Board of Directors, describe these procedures and in particular the maximum number of delegations that a director can award, and whether it is obligatory to delegate votes only to directors of the same class. If applicable, briefly detail these rules.

YES

with Article 17 of the company bylaws the directors may only be represented in the board by another member of the Board. The representation must be awarded in writing to the Chairman of the Board, and must be specific for each meeting.

Article 21.1 of the Rules of the Board establishes that when representation of directors is indispensable, it must be awarded to another member of the board in writing to the Chairman, with instructions and of a specific nature for each meeting.

C.1.29 State the number of meetings of the Board of Directors in the year. Indicate any times that the board has met without the presence of the Chairman. Include as attendances any delegations established with specific instructions.

The Board of Directors of Vocento met 7 times in the year, on the dates indicated below. The Chairman was present at all the meetings.

- 15 January
- 27 February
- 16 April

- 9 May
- 29 July
- 15 October
- 12 November

Number of board meetings without the presence of the Chairman: 0 (NONE)

State the number of meetings held in the year by the various committees of the Board:

Number of meetings of the Executive Committee	8
Number of meetings of the Audit and Compliance Committee	6
Number of meetings of the Appointments and Remuneration Committee	6

C.1.30 State the number of meetings held by the Board of Directors in the year without the full attendance of all members, including as attendances any delegations established with specific instructions.

Number of Board meetings in which all members participated	7
attendances as a % of total votes in the year	100%

C.1.31: State if the annual individual and consolidated accounts that are presented for approval of the board are previously certified:

YES

Identify, if applicable, the person(s) who have certified the individual and consolidated annual accounts of the company, for their formulation by the board:

Name	Position
DON LUIS ENRIQUEZ NISTAL	CHIEF EXECUTIVE OFFICER
JOAQUÍN VALENCIA VON KORFF	CHIEF FINANCIAL OFFICER

C.1.32 Explain any mechanisms established by the Board of Directors to avoid the individual and consolidated accounts drawn up by it from being presented in the General Shareholder Meeting with qualifications in the audit report.

YES

Article 18 of the Rules for the Board establish the functions of the Audit and Compliance Committee and specify that it is the task of the Committee to assist the Board of Directors in supervising the effectiveness of the company's internal controls and in the preparation and presentation of financial information, so that it complies with all regulations for both the company and the group. Likewise it must inform the board about the financial information that, as a listed company, the company must publish regularly.

C.1.33 Is the secretary of the Board also a director?

NO

C.1.34 Explain the procedures for the appointment and dismissal of the Secretary of the Board, indicating if these are informed by the Appointments Committee and approved by the full Board.

Although Article 16 of the bylaws only indicates that the Board of Directors will choose the person to carry out the functions of Secretary, Article 15.2 of the Rules for the Board, in order to protect the independence, impartiality and professionalism of the Secretary, establishes that his appointment and dismissal will be subject to a report by the Appointment and Remuneration Committee and approved by the Board of Directors in full.

Does the Appointments Committee report on the appointment?	**YES**
Does the Appointments Committee provide a report on the dismissal?	**YES**
Does the full Board approve the appointment?	**YES**
Does the full Board approve the dismissal?	**YES**

Does the Secretary of the Board have the function in particular of monitoring good governance recommendations?

YES

In accordance with Article 15.2 of the Rules for the Board, the Secretary of the board of directors must at all times ensure the formal and material legality of the actions of the Board and guarantee that its procedures and governance rules are respected and regularly reviewed. In addition, the Secretary of the Board will ensure in particular that the Board's actions: a) are in accordance with the letter and spirit of the Laws and regulations, b) are in accordance with the company Bylaws and Rules for the Shareholder Meeting, Board and any other company rules, and c) reflect the good governance recommendations accepted by the company.

C.1.35 State, if applicable any mechanisms established by the company to preserve the independence of the external auditor, of financial analysts, of investment banks and of rating agencies.

In accordance with Article 18.5.2.c of the Rules for the Board, the Audit and Compliance Committee has among its functions that of ensuring the independence of the external auditors, and to this end it is obliged to:

i) Make sure that the company informs the CNMV as a relevant fact of any change to the auditor, accompanied by a declaration about any eventual disagreements with the outgoing auditor and the substance of any disagreement.

ii) Ensure that the company and the auditor respect current legislation about the delivery of non-audit services, limits to the concentration of business with the auditor and in general those norms established to ensure the Independence of auditors. An annual report must be received from the external auditor confirming in writing their independence from the company and any company or entity linked directly or indirectly to it, as well as information on the additional services of any kind provided to these entities by the external auditor or people or entities related to the auditor in accordance with the legislation in force.

iii) Each year publish a report, prior to the report from the account auditors, in which it gives the Committee's opinion of the independence of the external auditor and the additional services apart from auditing provided, referred to in point ii).

iv) In the event of the resignation of the external auditor, examine the circumstances which have led to this.

C.1.36 State if during the year the Company has changed external auditor and if applicable identify both outgoing and incoming auditor:

NO

In the event of disagreements with the outgoing auditor, explain their substance.

NOT APPLICABLE

C.1.37 State whether the audit firm carries out other work for the company and/or group apart from auditing, and if so declare the amount of fees and the percentage of these as a proportion of the fees billed to the company and/or group.

YES

The General Shareholder Meeting of Vocento on 16 April 2013 agreed to appoint DELOITTE, S.L., resident in Madrid, Edificio Torre Picasso, Plaza de Pablo Ruiz Picasso 1, inscribed in the Mercantile Registry of Madrid, volume 13,650, section 8, folio 188, page M-54414 and with CIF B-79104469, and number S0692 in the Official Register of Account Auditors, as the auditor of the individual and consolidated accounts of Vocento for one year, i.e. for 2013.

Deloitte, S.L., as well as auditing the individual and consolidated annual accounts, also carries out other activities for Vocento, including advice on employment issues, analysis of accounts, due diligence, etc.

	Company	Group	Total
Total received for work other than audit (thousand euros)	138	100	**238**
Total for non-audit work as a % of total billed by the audit firm	26.16	17.21	**21.46**

C.1.38 State whether the Auditors Report on the Annual Accounts of the previous year has reservations or qualifications. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of these reservations or qualifications.

NO

C.1.39 State the number of years that the current audit firm has without interruption audited the annual accounts of the company and/or group. Also indicate the percentage which this number of years audited by the firm is of the total number of years in which annual accounts have been audited:

	Company	Group
Number of consecutive years	24	24
Number of years audited by the current firm/years the firm has been audited (%)	100%	100%

C.1.40 State and detail if there is a procedure by which Directors may use external advice:

YES

In accordance with Articles 26.3 and 27 of the Rules for the Board of Directors, so that they can be supported in carrying out their functions, external directors may agree as a majority to hire at Vocento's expense legal, accounting, financial and other expert advice. This must be in connection with specific problems of a certain kind that are encountered in their work as director. The decision to hire these services must be informed to the Chairman and may be vetoed by the Board of Directors if a) it is no considered necessary for the performance of the functions of external Directors, b) the expense is not reasonable given the importance of the problem, c) the technical advice needed can be provided adequately by the Company's own experts and technicians, or d) it may result in risks to the confidentiality of the information that is to be handled.

C.1.41 Indicate and detail if there is a procedure by which Directors can have the information necessary for preparing the meetings of administrative bodies with sufficient time:

YES

In accordance with Articles 20 and 27 of the Rules for the Board of Directors, duly summarised and prepared information will be presented to the Board if enough notice is given before a Board meeting. When the Chairman believes this unadvisable for reasons of security, the information will not be sent and directors will be advised that they may examine it at the company headquarters. In addition, as indicated above, in order to be supported in carrying out their functions, external directors may agree by majority to hire the services of legal, accounting, financial and other experts at the Company's expense.

C.1.42 State and detail if the company has established rules which oblige directors to report on and resign in cases where the reputation of the company could be damaged:

YES

According to Article 24 of the Rules for the Procedure of the Board, directors must inform the board and resign in those cases which could damage the standing and reputation of the company, and in particular: a)when the reasons for their appointment disappear, i.e. when there is a circumstance in which the entity or business group represented by a director no longer has a significant shareholding in the share capital of Vocento or reduces its holding to a level that requires the reduction of the number of its nominee directors, or when independent directors are no longer seen as such in accordance with the terms of the Rules; b) when there are found to be infractions of the criteria for compatibility and non-prohibition that have been legally established; and c)when they are seriously warned by the Audit and Compliance Committee or by the Appointments and Remuneration Committee for breaking one of their obligations as director.

C.1.43 State if a member of the Board of Directors has informed the company if he has been tried or a trial will start against him for any of the crimes indicated in article 213 of the Law on Corporations:

NO

State if the Board of Directors has analysed the case. If so, explain the reasoning for the decision made about the appropriateness of the director continuing or not in the position, or if applicable detail the steps taken by the Board of Directors by the date of publication of this report or the steps planned.

NOT APPLICABLE

C.1.44 Detail any significant agreements that the company has reached that enter into force, are modified or are terminated in the event of a change in control of the company

following a public takeover offer, and the effects of these agreements.

NOT APPLICABLE

C.1.45 Identify on an aggregate basis and detail the agreements between the company and directors, managers or employees that provide for compensation payments, protection clauses or guarantees in the event of their resignation or unfair dismissal or if the contractual relationship changes following a public takeover bid or other operation.

Number of beneficiaries	8 (EIGHT)
Type of beneficiary	**Description of agreement**
Chief Executive Officer	The Chief Executive Officer has in his contract the right to compensation of threw years of payment if the labour relationship is terminated by Vocento with no reason
Senior Management	Senior Management have a clause in their contracts that includes compensation for unfair dismissal, with an amount that varies from that established in law to 2 years of gross annual salary
Other Management	On an exceptional basis, the contracts of managers at lower levels also include, in some cases, clauses of this nature, establishing 1 gross year's salary of compensation

State if these contracts must be informed to and/or approved by company or group bodies:

	Board of directors	Shareholder meeting
Body authorising the clauses	YES	NO
Is the Shareholder Meeting informed about the clauses?	NO	

Prior to their approval by the Board of Directors, these contracts must be submitted to the Appointments and Remuneration Committee.

C.2. Committees of the Board of Directors

C.2.1. Detail all the committees of the Board of Directors and their members and the proportion of nominee and independent directors on them:

EXECUTIVE COMMITTEE

Name	Position	Type
ENERGAY DE INVERSIONES, S.L.	CHAIRMAN	NOMINEE
DON SANTIAGO BERGARECHE BUSQUET	MEMBER	NOMINEE

DON LUIS ENRIQUEZ NISTAL	MEMBER	EXECUTIVE
DON MIGUEL ANTOÑANZAS ALVEAR	MEMBER	INDEPENDENT
ONCHENA, S.L.	MEMBER	NOMINEE
DON RODRIGO ECHENIQUE GORDILLO	MEMBER	INDEPENDENT
VALJARAFE, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	1	14.28%
Nominee directors	4	57.14%
Independent directors	2	28.57%
Other external	0	0%

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
DON MIGUEL ANTOÑANZAS ALVEAR	CHAIRMAN	INDEPENDENT
DON FERNANDO AZAOLA ARTECHE	MEMBER	INDEPENDENT
DON GONZALO SOTO AGUIRRE	MEMBER	NOMINEE
LIMA, S.L.	MEMBER	NOMINEE
MEZOUNA, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	0	0%
Nominee directors	3	60%
Independent directors	2	40%
Other external	0	0%

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Type
DON GONZALO SOTO AGUIRRE	CHAIRMAN	NOMINEE
LIMA, S.L.	MEMBER	NOMINEE
DON RODRIGO ECHENIQUE GORDILLO	MEMBER	INDEPENDENT
VALJARAFE, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	0	0%
Nominee directors	3	75%
Independent directors	1	25%
Other external	0	0%

C.2.2. In the following table provide information on the number of female directors on the committees of the board of directors in the last four years:

As mentioned in section C.1.4, this includes only DOÑA SOLEDAD LUCA DE TENA GARCÍA-CONDE the personal representative of the nominee director VALJARAFE, S.L.

	Number of female directors			
	2013 Number - %	2012 Number - %	2011 Number - %	2010 Number - %
Executive Committee	1 (14.28%)	1(14.28%)	1(14.28%)	1(14.28%)
Audit and Compliance Committee	1(25%)	1(25%)	1(25%)	1(25%)
Appointments and Remuneration Committee	0 (0%)	0 (0%)	0 (0%)	0 (0%)

C.2.3. Indicate if the Audit Committee has the following functions:

In accordance with terms of Article 18 of the Rules for the Board of Directors, following the terms of the Additional Eighteenth Provision of the La won Securities Markets, the following responsibilities correspond to the Audit and Compliance Committee:

Monitoring the process of preparing accurate financial information for the company and for the group, reviewing compliance with the legal requirements, the correct setting of the consolidation perimeter, and the correct application of accounting criteria.	YES
Regularly reviewing the systems for internal control and risk management, so that the main risks are identified, managed and fully understood.	YES
Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment, re-election and dismissal of the head of the internal audit service; proposing the budget for this service; receiving regular information on their activities; and verifying that senior management considers the conclusions and recommendations of its reports	YES
Establishing and supervising a mechanism which allows employees to report confidentially and if appropriate anonymously of potentially significant irregularities, especially financial and accounting irregularities, detected at the company.	NO
Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract.	YES
Receiving regularly from the external auditor information on the audit plan and its results, and verifying that senior management consider its recommendations	YES
Ensuring the Independence of the external auditor	YES
For groups, aiming for the group auditor to assume the responsibility for the audits of the companies which make up the group.	YES

C.2.4. Describe the rules for the organisation and functioning, and the responsibilities attributed to them, of each of the committees of the Board.

The APPOINTMENTS AND REMUNERATION COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 19 of the Rules for the Board of Directors.

The Committee will comprise of a minimum of three and a maximum of five external directors, appointed by the Board of Directors. The chair must be an external director and will be appointed by the Board. The Secretary of the Committee will be the Secretary of the Board. Members of the Committee will resign when they are no longer directors of the company. Notwithstanding other responsibilities assigned to it by the Board, the Appointments and Remuneration Committee will have the following responsibilities: a) assessing the competencies, know-how and experienced needed by the Board and consequently to define the functions and skills needed from candidates for each vacancy, and assessing the time and dedication needed so that each person may perform well in their position; b) analyse or organise in an adequate way the succession of the Chairman and the chief executive, and if applicable make proposals to the Board so that this succession is orderly and well planned; c) report to the Board about the appointments and dismissals of senior executives proposed by the chief executive; d) report to the Board about questions of gender equity as noted in Article 22.9 of the Rules for the Board; e) propose to the Board: i) the remuneration policy for directors and senior management; ii) individual remuneration of executive directors and other conditions in their contracts; and iii) the basic conditions of the contracts of senior managers; f) ensure that the company's remuneration policy is observed.

To better carry out its functions, the Committee can propose the hiring of external independent advisers. The Committee will meet each time that the Board or the Chair request a report or proposals covered by its competencies and whenever the Chairman, or two members of the Board call it or whenever a report is needed for the Board to come to the corresponding agreements. The committee will meet in any event to review information that is within its competencies and which will be included in regular public information that will be sent to the markets and the regulator, and to prepare the information about the remuneration of directors, which the Board must approve and include within its annual public documentation. Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have.

The EXECUTIVE COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 17 of the Rules for the Board of Directors.

The Board of Directors may appoint an Executive Committee or one or several Executive Officers who will keep it informed about the functions that have been delegated to them and the Committee. The Committee will be composed of a minimum of five and a maximum of eight directors, and will be chaired by the Chairman of the Board. The Secretary of the Board will serve as Secretary of the Committee. The Board of Directors will ensure that the size and composition of the Committee is efficient and that the participation of the various categories of director is similar to the composition of the Board. The permanent delegation of faculties to the Executive Committee and the agreements to appoint its members will require the favourable vote of at least two thirds of the Board of Directors. The permanent delegation of faculties from the Board of Directors to the Executive Committee will include all faculties of the Board except that those that cannot be delegated under these Rules. The agreements of the Executive Committee will be adopted by absolute majority, either in person or by proxy. The Executive Committee will meet whenever called by its Chairman. The Board will always be aware of the issues discussed and the decisions made by the Executive Committee. All members of the Board will receive at the end of the year a copy of the minutes of the meetings of the Executive Committee. Notwithstanding this, the minutes will be available to Directors when they are approved, to be consulted in the Secretary's office of the Board.

The AUDIT AND COMPLIANCE COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 18 of the Rules for the Board of Directors.

It will consist of a minimum of three and a maximum of five external directors appointed by the Board. At least one of them will be independent. The Chair will be appointed by the Board and must be

substituted every four years, and can be re-elected one time one year after leaving the position. The Secretary of the Board will serve as Secretary of the Committee. The members of the Audit and Compliance Committee and in particular the Chair will be appointed on the basis of their knowledge and experience and at least two members must have experience of accounting, audits or risk management. The members of this Committee will resign as soon as they resign as directors of the Board. The Audit and Compliance Committee will meet whenever the Board or its Chair requests a report or the adoption of proposals, within the scope of its competencies and whenever the committee's chair or two members request it or it is appropriate to produce a report for the corresponding agreements to be adopted. In any event, it will meet on a quarterly basis to review the information that is within its competencies and which will be included in the regular public information to be provided to markets and regulators. Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have. The Committee may require them to appear without the presence of another manager. The Committee can also require the attendance of the account auditors at its meetings.

C.2.5. State, if applicable, the existence of any regulations for the board committees, the place where these can be consulted and the modifications made in the year. Also indicate if on a voluntary basis any annual report has been made of the activities of each committee.

There are no specific regulations for committees, as their regulation is contained, as indicated in section C.2.4, in the Rules for the Procedure of the Board. This is available on the web site of the group at:
http://www.vocento.com/accionistas_e_inversores.php

C.2.6. State whether the composition of the executive committee reflects the participation in the board of the various different types of directors:

YES

D.- TRANSACTIONS WITH RELATED PARTIES AND INTRA-GROUP TRANSACTIONS

D.1. Identify the relevant body and if applicable the procedure for approving transactions with related parties and intra-group transactions.

In accordance with Article 5.4 and 18.5.4.c of the Rules for the Board, the approval of transactions with related parties corresponds to the Board of Directors, following a report from the Audit and Compliance Committee. The Board in full will reserve the right to authorize transactions between Vocento and directors, significant shareholders or those represented at the Board, and people linked to them, except when these transactions meet the following three conditions simultaneously: i) they are carried out under standard contracts; i) they are carried out prices or rates that are established in general terms by the supplier of the good or service in question; and iii) that the amount does not exceed 1% of the annual revenues of the company.

Explain if the approval of transactions with related parties has been delegated, indicating if applicable to what person(s) or body they have been delegated.

In accordance with the terms of the Internal Code of Conduct, the Corporate Compliance Unit, which reports to the Audit and Compliance Committee and is headed by the Secretary of the Board of Directors, is responsible for approving transactions with related parties.

D.2. Detail those transactions that are significant in terms of amount or relevant because of their substance between the company or group entities and significant shareholders:

No significant transaction

D.3. Detail those transactions that are significant in terms of amount or relevant because of their substance between the company or group entities and company directors or managers:

No significant transaction

D.4. Detail any significant transaction between the company and other group entities, whenever these are not eliminated in the consolidated financial statements and do not form part of the normal business of the company's business.

No significant transaction

Detail any intra-group transaction made with entities established in countries or territories that are considered to be tax havens:

No significant transaction

D.5. Indicate the amount of transactions made with related parties.

Based on the consolidated annual accounts for 2013, operating revenues with related parties were booked to the amount of 45,807 thousand euros, and operating expenses of 10,673 thousand euros.

D.6. Detail the mechanisms, for detecting, determining and resolving possible conflicts of interest with the company and/or group, and directors, management or significant shareholders.

In accordance with Article 5.3 of the Internal Code of Conduct, those persons subject to the Code must avoid as much as possible any situation which could lead or potentially lead to a conflict of interest. When there is a situation which represents or potentially could represent a conflict of interest, the person submitted to the code must immediately inform the Corporate Compliance Unit (UCC), making available as much information as they request to evaluate the circumstances of the case. The UCC will transfer the case to the Audit and Compliance Committee to make the appropriate decisions. Any uncertainty about the possible existence of a conflict of interest must be notified to the Audit and Compliance Committee before any decision is made which could be affected by this conflict of interest. The UCC will advise the persons or people involved in the situation about the conflict of interests and about the decisions made concerning this conflict. The person who is subject to the Code and affected by a situation of conflict of interest will abstain from intervening or influencing, directly or indirectly, the transaction, decision or situation where there is a conflict. In the event of a conflict of interest, and as a general rule derived from the duty of loyalty to the Company, the interest of Vocento will prevail over that of the person subject to the Code and involved in the conflict.

For their part, in accordance with Article 33 of the Rules for the Board of Directors, a Director must abstain from intervening in discussions about affairs in which he is directly or indirectly interested. The Director must notify the Board of any situation of direct or indirect conflict of interest that he may have with the interest of the company, so that this can be assessed by the Appointments and Remuneration Committee, who will decide if this situation is compatible or not with the role of Director. Directors must disclose any shareholding in a company with the same, similar or complementary activity as the business of the company, as well as the positions and functions they carry out there and whether they carry out for themselves or for a third party the same, similar or complementary activity. This information will be included in the annual report. Situations of conflicts of interest involving directors will be mentioned in the annual corporate governance report. Nominee directors must disclose to the Board any possible situation of conflict of interest between the Company and the shareholder they represent, and abstain from participating in the adoption of the corresponding agreements. The Director will not be able to carry out professional or commercial transactions with the Company or any group companies, unless he informs these in advance to the Board of Directors and the Board, following a report from the Appointments and Remuneration Committee, approves the transaction. Likewise, the Board of Directors, following a report from the Appointments and Remuneration Committee, must authorise the ordinary transactions of the Director with the Company or group entities, it being enough to provide a generic authorisation of the sort of operations and their conditions.

D.7. Is more than one company of the Group listed in Spain?

NO

Identify listed subsidiaries in Spain:

NOT APPLICABLE

State if there has been a public definition of their respective areas of business and of any business relations between them, and between the listed subsidiary and other group companies:

NOT APPLICABLE

Identify the mechanisms to be used to resolve any conflicts of interest between the listed subsidiary and other group companies;

NOT APPLICABLE

E.- RISK CONTROL AND MANAGEMENT SYSTEM

E.1. Describe the scope of the company's risk management system.

Vocento has established and formally approved a risk management system based on the enterprise wide risk management methodology of the COSO II report, with the following aims for internal control:

- Efficiency and effectiveness of operations
- Reliability of financial information
- Legal compliance
- Safeguarding assets

This system works in an integrated way across various business and functional areas of the company, including business areas and supporting areas. The policy for controlling and managing risks is based on identifying and assessing the different types of risk that the company faces, and then determining measures to mitigate the impact of these risks, if they should materialise, and the information and internal control systems used to manage risks at the individual and group level.

For information about the accuracy of financial information, please see the section about the system for the internal control of financial information. This section describes the characteristics of the risk control system in general.

E.2. Identify the company bodies responsible for preparing and implementing the Risk Management System.

As risk management is integrated throughout the company, there are various bodies with responsibilities for preparing and implementing the risk management system:

A) Board of Directors / Audit and Compliance Committee: the general supervisory functions of the Board of Directors as detailed in its Rules include the function of establishing risk management policies and regularly monitoring information and control systems. These functions are carried out by the Audit and Compliance Committee, whose responsibilities are included in the Rules for the Board. Its formal planning includes at least five meetings per year.

B) Management Committee: the Management Committee of Vocento is responsible for assessing risks. The main managers of the company are on this committee, including the CEO, the director generals of operations, human resources and organisation, businesses, communications, and finance.

In 2013, progress has been made in formalizing even more risk management at the company, resulting in the future creation of a risks committee. Procedures are expected to be finalized and implemented in the first quarter of 2014. The committee will consist of certain members of the Management Committee and will meet regularly.

C) General management of the business and support areas: risk management is integrated at the company and is carried out by the different business areas and functional areas, in accordance with their responsibilities:

- Business units.
- General management of operations.
- Financial department.
- HR and organisational department: responsible for developing internal rules at Vocento and publishing internally rules, procedures and instructions, including internal controls for each of the corporate and business areas.

D) Internal audit: this department reports to the Audit and Compliance Committee and to the CEO of Vocento. Its functions are covered by the internal audit bylaw. It collaborates and provides support and methodology in assessing risks, but is not responsible for evaluating them or for making decisions about the level of exposure to risks.

E.3. Indicate the main risks that could compromise the achievement of business targets.

The universal risks model is used, which classifies risks into the following categories:

- Strategic
- Operational
- Financial
- Compliance

The twelve main risks detected, in order of perceived importance, are as follows:

- Development of strategy
- Sensitivity to the economic cycle
- Availability of capital/access to markets/financing
- Assessment of market
- Competencies
- Leadership
- Catastrophic losses
- Manipulation of financial information
- Liquidity
- Markets/competencies
- Credit for clients

E.4. State if the entity has a level of tolerance to risk

The process of risk management is based on the identification and assessment of the main risks that could prevent Vocento from reaching its goals, and aims to reduce or mitigate these risks to an acceptable level, by establishing the appropriate controls for the importance of each risk, in every process, hence enabling the objectives of internal control to be achieved.

Risks that could affect the objectives of internal control are assessed according to both inherent risk

(the risk that exists in the absence of actions to modify it) and residual risk (the risk that remains once measures designed to avoid or mitigate the impact of the risk have been taken). The importance of the risks is defined by their impact (i.e. the level of negative effect a materialisation of the risk would have on results or business continuity) and probability (the probability that the risk materialises).

The combination of the impact and the probability of each risk results in the map of risks (both inherent and residual), whose aim is to implement controls in the processes that are effective and proportionate to the importance of each risk and its likelihood, until there is an acceptable level of risk (residual risk) for Vocento that is sustained over time.

The location of risks in those processes where they can be mitigated, is obtained from the risks/processes matrix at Vocento, and this leads to the annual plan of internal audit, which is approved by the Audit and Compliance Committee. Internal Audit reviews and evaluates the design, operation and effectiveness of the controls established in the processes included in the audit plan, checking the sufficiency of the coverage of risks.

E.5. Indicate which risks materialised during the year.

- Sensitivity of advertising spend to the economic cycle

  This risk is a result of the economic crisis, the fall in advertising spend and the fall in consumption. In addition to the strategic measures taken by the company to mitigate this risk, the information and internal control systems that have been established (such as guarantees of payment, credit limits, etc.) have worked correctly.

- Risk of insolvency of clients

  This risk is a result of the increase in defaults and late payments from private clients and local public administrations and bodies. The information and internal control systems that have been established (such as guarantees of payment, credit limits, etc.) have worked correctly.

E.6. Explain the plans for responding to and monitoring the main risks of the entity.

Monitoring activities represent the response of the organisation to the coverage or mitigation of the risks that have been identified and assessed, enabling internal control objectives to be achieved. They occur across the organisation, at all levels and in all functions, and include a range of varying activities, such as approvals, authorisations, verifications, and segregation of functions, which are carried out systematically in time and which are documented in the internal norms, procedures and instructions that must be complied with.

The supervising body of the risk management system is the Audit and Compliance Committee, which regularly reviews internal control and risk management systems, so that the principal risks are identified, managed, and adequately understood.

The Audit and Compliance Committee supervises internal audit services, ensures the independence and effectiveness of the function, proposes its budget, and makes sure that senior management considers the conclusions and recommendations of their reports. Internal audit reviews and assesses the design and functioning of the controls established in the processes included in the audit plan, and checks that existing controls provide enough coverage of the risks.

In the event of any risks being detected which are not reasonably covered by the system, the corresponding recommendations are then made, contained in the internal audit reports, aimed at heads of processes and the general management of group companies, who are responsible for internal control in these companies, in order to implement the controls needed to reduce or mitigate the impact of the risks, by implementing actions, policies and control procedures, agreed by the heads of processes and internal audit. Compliance is verified by internal audit, based on continual monitoring of the effective implementation of the recommendations made.

In 2013, progress was made in formalizing the risk control system to a greater degree, with the creation of a risks committee (a sub-group of the Management Committee), responsible for developing the risks strategy and policies (tolerance, treatment, exposure). Recommendations were made to the Board of Directors, via the Audit and Compliance Committee. This new committee will meet on a

regular basis and receive information from the business units, review their risk management actions and monitor the actions of the business units. Likewise, it will assess whether to accept, mitigate, share or avoid each relevant risks. This committee is expected to be established in the first quarter of 2014.

F.- INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT FOR THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (SCIIF)

F.1. The control environment of the entity

Indicate and describe the main characteristics of:

F.1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective SCIIF; (ii) its implementation; and (iii); its supervision.

Governance bodies and functions responsible for the SCIIF

1. Rules of the Board of Directors

The Board of Directors formally assumes in its Rules the final responsibility for the existence and maintenance of an adequate internal control system for financial information, including responsibility for its supervision.

Article 5.4 of the Rules for the Board of Directors of Vocento, establishes, among others, the following functions of the Board:

- The policy for risk control and management and the regular monitoring of internal information and control systems.
- The financial information that the company must publish regularly as a listed company.

Article 8 of the Rules for the Board refers to the specific functions concerning the Annual Accounts and Management Report:

"The Board of Directors will prepare in clear and precise terms that are easy to understand the annual accounts and management report, both individual and consolidated. The Board of Directors will ensure that these present a fair view of the equity, financial situation and results of the company, in accordance with the law.

The Board of Directors will present the accounts to the General Meeting without reservations or qualifications in the auditor's report, and in the event of any qualifications the Chairman of the Audit Committee and the auditors will clearly explain to shareholders the content and scope of these."

Article 18.4 of the Rules for the Board of Directors establishes that the Audit and Compliance Committee has the following responsibilities, among others, in accordance with the Eighteenth Additional Provision of the Law on Securities Markets:

- Supervision of the effectiveness of the internal controls of the company, of the internal audit services and risk control systems.
- Understanding and supervision of the process of preparing and presenting the financial information required.
- Supervision of the process of preparing and the integrity of the financial information of the company and group, reviewing compliance with legislative requirements, the correct consolidation perimeter and the correct application of accounting standards.
- Regularly reviewing the internal control and risk management systems so that the main risks are identified, managed and understood appropriately.
- Informing the Board prior to its adoption of any decisions reserved for the Board by the Rules for the Board, about the following issues:

  a) The financial information that the company, as a listed company, must regularly publish. The Committee will ensure that the intermediate accounts are prepared to the same accounting standards as the full year results and hence should consider whether they be subject to a

limited review by the external auditor.

b) The creation or acquisition of stakes in special purpose vehicles or those incorporated in countries or territories that are considered to be tax havens, and any other similar transactions or operations that could reduce the transparency of the group.

The Company has available an internal audit function that under the supervision of the Audit and Compliance Committee ensures the smooth functioning of internal control and information systems.

Article 46 of the Rules for the Board refer to the relationship with securities markets and establishes the responsibilities of the Board in the supervision of the regular public information to be supplied to markets and regulators:

- The Board of Directors will adopt the measures needed to ensure that six-monthly, quarterly and any other financial information that it is appropriate to provide to the markets is prepared in accordance with the same principles, criteria and professional practices that are used for the annual accounts, and that they have the same accuracy as these. To this end, the information will be reviewed by the Audit and Compliance Committee and by the Appointments and Remuneration Committee in accordance with their respective competencies.

2. Internal norms

The internal norms on the Internal Control System for Financial Information (hereinafter, the SCIFF), signed by the CEO and corporate financial managers and disclosed to the organisation, establish the following responsibilities:

a) The Board of Directors holds the final responsibility for the accuracy of the financial information required and published for the market and regulators, and is responsible for the existence of an adequate and effective SCIIF
b) Senior Management, via the financial department, is responsible for the design, establishment and operation of this system.
c) The Director Generals of the companies have the final responsibility for the internal control over financial information in each company and for making sure that this functions properly, as well as monitoring its efficacy and the accuracy of the financial information that is prepared and reported.
d) The Audit and Compliance Committee has delegated to it by the Board of Directors the function of supervising the process of preparing and presenting the financial information and assessing the SCIIF, supported by the internal audit services.

F.1.2. If there are the following elements, especially in the process of preparing financial information:

Departments and/or mechanisms charged with: (i) the design and review of the organisational structure; (ii) defining clearly lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) sufficient procedures for their correct application in the entity.

The responsibility for the process of preparing and monitoring the internal norms at Vocento is delegated to the General Management of Human Resources and Organisation, whose functions include that of maintaining the norms and organisation, coordinating the documentation of the processes and controls, and preparing and publishing the norms, procedures and instructions prepared by management. Compliance with these is obligatory in Vocento. These standards include norms for the preparation of financial information.

The design, review and updating of the organisational structure is permanently documented in the Vocento Organisational Handbook, signed by the CEO, available to all members on the corporate intranet. This handbook established the lines of responsibility and authority of the various management departments and levels and the distribution of tasks.

Code of conduct, approving body, level of awareness, principles and securities covered (indicating if there is a specific mention for recording transactions and preparing financial information), and the body responsible for analysing non-compliance and proposing corrective and disciplinary measures.

In the Vocento handbook there is a Rule of Conduct for Management, and in the Information and Transparency section of this it is stated that Managers of Vocento companies and areas must provide to their superiors accurate, complete and timely financial information, including information about situations, events or news that could impact financial information.

There is an Internal Code of Conduct for Securities Markets, approved by the Board of Directors, that the whole organisation has been informed of and that is available on the Vocento website. It refers to personal transactions, insider information, transactions with related parties and treasury stock.

On a regular basis, the Corporate Compliance Unit, which reports to the Audit and Compliance Committee, and for which the Secretary of the Board of Vocento is responsible, monitors compliance with the terms of this Code.

This Code was updated in 2013, and it was proposed to the Board by the Audit and Compliance Committee that a new Internal Code of Conduct for Securities Markets be approved, the main development of which would be the requirement for affected employees and managers to sign up.

A Code of Ethics is also expected to be developed, which will include the principles, values and behaviour expected of all Vocento employees and managers in the exercise of their functions.

Reporting channel, enabling employees to inform the Audit Committee of financial and accounting irregularities, in addition to any non-compliance with the code of conduct and irregular activities at the organisation, and whether this channel is confidential.

There is currently no formal reporting channel at Vocento but one is expected to be set up over the course of 2014.

Regular training and updating programmes for people involved in the preparation and review of financial information and in assessing the SCIIF, covering at least accounting standards, internal controls and risk management.

On a regular basis, depending on the resources available, personnel involved in financial functions receive specific training for their functions (e.g. updates about tax, etc.).

There is a specific annual training plan for the personnel of internal audit responsible for reviewing and assessing the SCIIF, covering corporate governance, risks, advanced accounting and fraud. This plan includes the hours per year needed to maintain the certifications CIA (Certified Internal Auditor) and CRMA (Certification in Risk Management Assurance) of staff in the area.

F.2 Assessment of risks of financial information

F.2.1. The main characteristics of the process for identifying risks, including errors and fraud, in particular:

- **If the process exists and is documented.**
- **If the process covers all the objectives of the financial information (existence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations, and if it is updated, and how often.**
- **The existence of a process for identifying the consolidation perimeter, including, among others, the possible existence of complex company structures, with special vehicles.**
- **If the process also covers the effects of other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) that may affect financial statements**
- **The institution of the entity that supervises the process.**

Documented process

Vocento has formally implemented a risk management system for financial information as covered by its Norm for the internal control system for financial information (SCIIF), which is formalised and supported by its own IT system.

Its establishment and maintenance is the responsibility of corporate financial management, via the control and financial planning department, and supervised by the Audit and Compliance Committee, which analyses these risks and is the basis for the other components of the SCIIF.

Internal Audit provides the Control and Financial Planning Department with the support it needs for the annual process of risk assessment.

Objectives

The objectives of internal control of financial information, in accordance with the scope defined by the SCIIF Norm, compliance with which will ensure the accuracy of the financial information to a reasonable degree, are as follows:

- Completeness
- Valuation
- Presentation, breakdown and comparability
- Rights and obligations

Frequency

The SCIIF Norm of Vocento establishes that the process of identifying and assessing risks is carried out every year.

Process of risk identification and assessment

The risks associated with the achievement of these objectives of controlling risks are identified in the processes of preparing the financial information, in all the accounting items of the profit and loss account and the balance sheet, for all group companies, and are assessed in terms of importance, which is determined by the probability of the risk resulting in a material impact on the individual and consolidated financial statements of Vocento that are provided to the regulator and the market.

The risk assessments weigh the following indicators:

- Complexity of transactions and of the applicable accounting standards.
- Volume of transactions and the quantitative importance for the parties involved
- Complexity of the calculations needed.
- Need to make estimates or forecasts.
- Application of professional judgement
- Qualitative importance of the information.

In addition, the following factors have been considered when assessing the risks:

- Known and mature business/process.
- Existence of documented processes and controls-
- Automation and use of systems.
- Existence of incidents in the past.

Scope

The result of the annual assessment of risks is the identification of the total processes and companies to which the SCIIF is applied each year.

In the risks universe used, the probability of an error with a material impact due to fraud or manipulation of financial information is considered.

All the risks assessed are included in the IT system for the SCIIF, in the risk files that contain the following information:

- Process
- Name and description of risk
- Items/financial information affected
- Potential error
- Assessment of the impact on relevant financial information
- Assessment of the frequency

- Inherent risk
- Assessment of the risk indicators (see before in this section)
- Perceived Risks (high, medium, and low, and this is the basis for its inclusion in the SCIIF).
- Existing controls over the process
- Residual risk
- Need or not to establish controls within the SCIIF.

In addition, a Risks Map for each process is prepared to visualise the impact and probability of each risk in each process.

Risks universe considered

The risks associated with the achievement of the objectives of accurate financial information form part of the risks universe that is considered in Vocento's general risk assessment, and considers the effect on financial information of other types of risks

Supervision of the process

The governance body supervising the process is the Audit and Compliance Committee, using the services of Internal Audit.

F.3 Control activities

Indicate, describing their main characteristics, if the company has in place at least:

F.3.1. The procedures for reviewing and authorising financial information and the description of the SCIIF, to be published for securities markets, indicating responsible parties, documentation of flows of activities and controls (including those relating to the risk of fraud) over the various types of transactions that could have a material impact on financial statements, including the procedures for closing the accounts and specifically reviewing relevant estimates, valuations and forecasts.

Procedure for reviewing and authorizing financial information:

The consolidated information of Vocento uses information supplied by the various companies: the aim is that the financial information presented to the Board of Directors of Vocento for formulation of accounts have undergone the levels of review needed for those responsible for their preparation.

The responsibility for preparing financial information is of Corporate Financial Management. To achieve the fair accuracy of this information, it has a system for internal controls of financial information, or SCIIF.

At each period of publication of financial information to the securities markets, the Audit and Compliance Committee monitors the process and reviews the controls established to ensure that they have worked effectively, informing the Board for formulation and publication of the information.

The controls established in the SCIIF are considered key to the achievement of the internal control objectives of the system, according to the scope described above, and have been designed to prevent and mitigate the potential material impact on the consolidated and individual financial information of Vocento of the most important risks identified in the risk assessment, including the procedure for closing accounts and specifically reviewing relevant opinions, estimates, valuations and forecasts.

These controls are implemented at all stages of the process of preparing and presenting the financial information.

- Start
- Authorisation
- Recording
- Processing
- Presentation
- Communication

The controls that have been implemented, including the key controls, are homogeneous across all the companies in which the SCIIF is applied. There is a responsible party designated for their execution and monitoring, and they are documented in the IT system for the SCIIF.

The control activities are carried out at various levels of the organisation to reduce the risks of errors, omissions or fraud that may affect the financial information in each of the reporting periods (annual, half-yearly and quarterly).

The SCIIF is supported by an IT system that supplies relevant information about the level of control and monitoring undertaken by those responsible for this, delivering enough evidence for conclusions to be made about the system's overall functioning.

The designated responsible people for the execution of the controls designed and implemented under the SCIIF will document the controls made and state that they have been carried out, informing any instance in which the control has not been carried out or in which significant incidents have been detected during the monitoring.

The documentation required as evidence that the control has been carried out is included in the IT system for the SCIIF, so that at any time Senior Management and the Audit and Compliance Committee of Vocento have available to them updated information about the level of compliance with the controls and hence of the exposure of Vocento to the risks of reporting inaccurate financial information and the coverage of these risks.

The level of evidence required to be able to make a conclusion about the level of implementation of a control is directly proportionate to the risk of a material error in the individual and consolidated financial information of Vocento.

There are controls throughout the entire process of preparing the financial information, both at source (the companies) and in the corporate department in charge of consolidating and preparing the financial information, including the IT processes for the end users, such as spread sheets and other specific programs for presentations.

Vocento has a centralised SCIIF and it is the responsibility of the Control and Financial Planning Department to maintain it updated, to monitor compliance with controls and update the IT application. Internal Audit is responsible for reviewing controls for their effectiveness and for making any recommendations needed.

The SCIIF includes controls about the recovery of certain inherently high risk assets such as deferred taxes, goodwill and securities, which require financial forecasts to be made based on estimates and professional opinions. In these sorts of controls, the Director Generals of the companies leave evidence of their supervision and assent in the IT application.

In addition, the Audit and Compliance Committee carries out half-yearly and annual monitoring, with the external auditors, of these valuations and impairment tests and proposes to the Board any possible adjustments to be made to the financial information.

Internal certifications of financial information

Vocento's SCIIF contains a cascading system of responsibilities in which every person responsible for preparing, monitoring and reporting financial information at each company/business unit, functional area and relevant location, formally assumes their responsibility for the accuracy of the information provided to those responsible for preparing consolidated financial information and publishing it externally, with a signed, written certification every half-year and year.

In this Certification they also state their awareness of the existence and correct operation of the SCIIF in the period. The Director Generals of the companies, the corporate Director Generals and the DGs of each area, the corporate financial department and the CEO are all required to make this certification. The certification forms and the management levels affected are described in the Norm for the SCIIF, and the evidence for the certifications is documented in the SCIIF IT system.

This system is designed to obtain a level of sufficient commitment from those responsible for preparing the financial information, in processes that do not fall under the direct responsibility of the corporate area.

The existence of this system of certifications does not exempt the Board, Senior Management and the Audit and Compliance Committee from the responsibility of supervising financial information and the SCIIF.

F.3.2. Internal control policies and procedures for information systems (including security of

access, control over changes, operations, continuity and separation of functions) that support the relevant processes of the entity for preparing and publishing financial information.

The documented policies and procedures for internal control include the password Policy for applications that support the process of preparing financial information, divided into two classes: applications that form part of the corporate active directory, and SAP Financial, which has its own password policy. The policy establishes time limits for passwords, as well as obligatory lengths and alphanumeric content.

In addition, for each application there are controls and established user groups who have permission for access. The application is administered centrally by support staff and application administrators.

F.3.3. Internal control policies and procedures for supervising activities that are subcontracted to third parties, such as aspects of assessment, calculation or valuation that independent experts undertake and that can have a material impact on financial statements.

No activities are subcontracted to third parties responsible for executing and processing transactions that are reflected on the financial statements.

F.4 Information and communication

State whether the company has available, and the main characteristics of this, at the least:

F.4.1. A specific function responsible for defining and updating accounting policies (an area or department of accounting policies) and resolving any doubts or conflicts about their interpretation, with a fluid dialogue with those parties responsible for operations in the organisation and an up to date handbook of accounting policies that has been released to the units via which the entity operates.

Corporate Financial Management, via the Control and Financial Planning Department, is responsible for:

- Defining, establishing, updating and formally communicating via the channels that have been established, to all people involved in the process of preparing the financial information of Vocento, the Handbook of Accounting Policies, which contains the criteria, necessary accounts and procedures for entering and preparing the information on a homogeneous basis across all the companies of Vocento, It is updated annually, including in 2013.
- Resolving any doubts or conflicts about the handbook's interpretation, maintaining a fluid dialogue with those parties responsible for operations in each company.

In addition, Corporate Financial Management is responsible for defining and formally establishing the channels for the financial information to be disclosed, and for the SCIIF, based on the type of information to be published, its origin, the people responsible for preparing and distributing the information, its destination and frequency.

F.4.2. Mechanisms for entering and preparing financial information in a homogeneous format, to be used by all the units of the entity or group for the main financial statements and notes, and information about the SCIIF.

Vocento uses a common IT system for all its companies (ERP) which supports the process of preparing the financial information. The companies of the group in the audiovisual production and distribution sector use their own specific ERP systems, which transfer their information over interfaces to the common ERP for the rest of the companies included in the consolidation perimeter.

In addition, there is a specific application for accounting consolidation, which is directly fed by the accounting information stored on the common ERP system.

All the individual and consolidated information is reported under homogeneous formats defined by the Control and Financial Planning Department.

The entire process of obtaining accounting information for consolidation and reporting is the responsibility of the Corporate Financial Department, via the Control and Financial Planning Department.

The IT application that supports the SCIIF includes a reporting module which supplies relevant information about the level of compliance and effectiveness of the controls, both by the people responsible for execution and supervision, and per accounting process and company, generating enough evidence for conclusions to be made about the overall functioning of the system.

F.5 Supervision of the functioning of the system

F.5.1. The supervisory activities of the SCIIF undertaken by the Audit Committee and if the entity has an internal audit function that has amongst its competencies that of supporting the committee in its task of supervising the internal control system, including the SCIIF. In addition, the scope of the assessment of the SCIIF carried out in the year and the procedure by which the person responsible for its assessment discloses the results, and if the entity has an action plan that details any corrective measures to be taken, and if the impact on financial information has been considered.

Supervisory model for the SCIIF

The supervisory and assessment activities of the SCIIF that have been established at Vocento are included in the Norm for the SCIIF and based on the theory of three lines of defence:

1st line of defence - Operational management: self-assessment by those in charge of carrying out the controls (executor and supervisor), confirming the correct execution of the controls or any incidents identified.

Six-monthly and yearly certifications from the Director Generals, CFO and CEO.

2nd line of defence - Functions of making sure: the Planning and Control Department supervises the correct functioning of the SCIIF, assessing the compliance and supervision of controls carried out by those responsible on site, and notifying any incidents reported by executors and supervisors, as well as ensuring compliance with Certifications for every period in which financial information is published.

3rd line of defence - Internal Audit reviews the effectiveness of the controls in each period of publication of regular financial information, and carries out an annual assessment of the SCIIF based on the 5 internal control components of COSO.

The Audit and Compliance Committee is the governance body that is responsible for supervising and assessing the SCIIF and making reports about its effectiveness and the results obtained to the Board of Directors of Vocento and to Senior Management, and it has the following supervisory responsibilities for the SCIIF, included in the Rules for the Board of Directors of Vocento in accordance with legislation:

a) Supervision of regulatory required financial information and regular public information.

b) Supervision and assessment of the functioning of the SCIIF.

There is a procedure by which the Audit and Compliance reviews, analyses and comments on the financial statements and other relevant financial information, prior to their publication, with Senior Management, internal and external auditors, to confirm that the information is reliable, clear and relevant and that accounting criteria have been followed that are consistent with the previous year and that the information supplied is complete and consistent with operations.

In particular, it supervises in specific sessions the process implemented by Senior Management to carry out critical judgements, valuations, forecasts, estimates and relevant closing entries, with a significant and/or material impact on financial statements. These controls were strengthened in 2013.

Assessment of the functioning of the SCIIF

For the assessment of the SCIIF, the Audit and Compliance Committee uses the services of Internal Audit, which has the necessary resources, and is devoted exclusively to this function.

The internal auditor reports to the Audit and Compliance Committee and to the CEO of Vocento, and this status and its responsibilities and functions are included in the Internal Audit Bylaws, signed by the Chairman of the Audit and Compliance Committee.

Internal Audit is responsible for assessing the overall operations and effectiveness of the SCIIF, based on the five internal control components of COSO, Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring, based on the information provided to it by the SCIIF IT system as well as any complementary substantive checks deemed necessary about the compliance and effectiveness of the controls, both in terms of the accounting process and at the company level, considering the centralization/dispersion and the uniformity of the controls, and the level of evidence needed to make conclusions about whether these controls are functioning effectively.

All the review process is carried out within the IT system itself, providing evidence about any weaknesses found in the design and operations of the controls, of recommendations made, proposed action plans and communications with those responsible for the controls.

The Audit and Compliance Committee approves the Annual Internal Audit Plan for the assessment of the SCIIF and receives regular information about the results of its work and of the action plan agreed with Management to correct any deficiencies observed.

The review plan for the SCIIF in 2013/2014 aims to increase significantly the scope of the review by internal audit and the assessment of the operational effectiveness of the SCIIF controls, so that at the end of the annual Plan it will have been possible to carry out an assessment covering the complete SCIIF in terms of controls, processes, companies and geographical locations.

To achieve this, a new process of sampling controls was implemented, applying techniques that resulted in a fair degree of security for making conclusions about the effectiveness of the SCIIF globally.

The first step was to organise the universe of controls by different types of sampling, with exhaustive 100% sampling applied to those final processes directly associated with the preparation, presentation and publication of regulated public financial information (consolidation and external reporting).

The result of the application of this model has been a significant increase in the coverage of audited controls and an increase in the accuracy of the financial information published.

SCIIF controls are subject to a quarterly review in each reporting period and an annual SCIIF global review.

Internal Audit is responsible for disclosing the results of the assessment regularly to the Audit and Compliance Committee after completing its work.

Any significant and/or material weaknesses identified in the internal controls of the SCIIF are informed by the Audit and Compliance Committee to the Corporate Financial Management and to the Board of Directors for correction, with Internal Audit monitoring the corrective actions taken to quickly resolves issues, considering the materiality for the accuracy of the individual and consolidated financial information of Vocento.

F.5.2. Whether there is a procedure for debating via which the account auditor (in accordance with the terms of the Audit Technical Notes), the internal audit function and other experts can inform senior management and the Audit Committee or directors of any significant weaknesses identified in internal controls during the processes of reviewing the annual accounts or other accounts that have been requested. In addition, whether there is an action plan to correct or mitigate any weaknesses observed.

As covered by the Norm for the SCIIF, the external auditors, in their audit of the annual accounts, assess the internal controls thoroughly to establish the nature, date and extent of the auditing procedures that may enable them to express an opinion on the annual accounts, informing the Audit and Compliance Committee of any significant weaknesses detected. The auditors supply the following information to the Audit and Compliance Committee:

- Auditor's report on Vocento's individual and consolidated Annual Accounts.
- Report of limited review of the consolidated half-yearly accounts.
- Annual memorandum of recommendations for internal control.

- Report about past adjustments and proposed adjustments to the accounts, if applicable.

In addition, in accordance with the Audit Technical Notes, the external auditor confirms that the information contained in the Management Report is in accordance with the data that have served as the basis for the annual audited accounts.

The external auditor has full unrestricted access to the Audit and Compliance Committee and can be present at meetings on request and without the presence of any financial manager to present the results of their reviews and of the information highlighted above.

The scope of the annual external audits does not only include those Vocento companies with a legal obligation to be audited but also other companies where limited audits and reviews are undertaken by the external auditors, depending on their relative importance and the risks detected.

In addition, on a voluntary basis, the consolidated six-monthly financial information is also subject to a limited review by the external auditor.

F.6 Other relevant information

NOT APPLICABLE.

F.7 External auditor's report

F.7.1. Whether the information about the SCIIF disclosed to markets has been reviewed by the external auditor, in which case the entity should include the corresponding report as an Appendix. If not, state the reasons.

The Audit and Compliance Committee has not considered it necessary for there to be an additional report from the external auditor to confirm that the information disclosed to the markets about the SCIIF of Vocento is duly supported, because the Committee has obtained enough evidence over the course of the year, based on its legal responsibility to supervise the SCIIF, of its existence and proper functioning.

G.- LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the level to which the company follows the recommendations of the Unified Code of good governance.

If a recommendation is not complied with, or is complied with only partly, provide a detailed explanation of the reasons, so that shareholders, investors and the market in general have sufficient information to assess the company's behaviour. General explanations will not be acceptable.

1. That the bylaws of listed companies should not limit the maximum number of votes that one single shareholder can cast, or contain other restrictions which make it hard to take control of the company by buying shares in the market.

See items: A.10, B.1, B.2, C.1.23 and C.1.24.

COMPLIANT

2. That when the parent company and a dependent company are listed, both publicly and accurately define:
a) The respective areas of business and any business relationship between them, and those of the dependent listed company with other group companies;
b) Mechanisms for resolving any conflicts of interests which could arise.
See items: D.4 and D.7

NOT APPLICABLE

3. That, although not expressly required by company law, Shareholder Meetings approve operations which lead to a structural modification of the company, in particular the following:

a) The transformation of listed companies into holding companies, by incorporating activities that were essentially carried out until then by the company into subsidiary companies, even though the company continues to control those companies;

b) The acquisition or sale of essential operating assets, when this entails an effective change in the company's business

c) Operations whose effect will be the liquidation of the company.

See item: B.6

COMPLIANT

Section a) is not considered to be applicable as Vocento, when it first listed, was already a holding company, carrying out is activity based on shareholdings in companies in the group.

4. That the detailed proposals for agreements to be adopted at the General Shareholder Meeting, including information referred to by recommendation 27, are made public when the call to attend the Meeting is made.

COMPLIANT

5. That at the General Shareholder Meeting substantially independent matters are voted on separately, so that shareholders may exercise their voting preferences separately, and that this rule is applied, in particular:
a) To the appointment or ratification of directors, who should be voted on individually:
b) For modifications of Bylaws, for each article or group of articles that are substantially independent.

COMPLIANT

6. That companies allow votes to be aggregated by financial intermediaries who appear as legitimate shareholders, but act for various clients, and can vote in accordance with the instructions of those shareholders.

COMPLIANT

7.That the Board carries out its functions with unity of purpose and independently, treats all shareholders equally and is guided by the interest of the company, understood as sustainably maximising the value of the company.

And that in its relations with stakeholders the company respects laws and regulations, complies with its obligations and contracts in good faith, respects the uses and good practices of the sectors and regions where it operates, and observes those principles of social responsibility that it has voluntarily accepted.

COMPLIANT

8. That the Board assumes as the core of its mission to approve the strategy of the company and the organisation needed to put this into practice, and also to monitor and ensure that management complies with the goals set and respects the company's purpose. And, to this end that the Board in full reserves the right to approve:
a) The general policies and strategies of the company, in particular:
i) The strategic plan or business plan, with management goals and annual budgets;
ii) Policies for investment and financing;

Ii) The definition of the structure of the group of companies;
iii) The definition of the structure of the group of companies
iv) Corporate governance policy;
v) Social corporate responsibility policy;
vi) The remuneration policy and the evaluation of the performance of senior management;
vii) The policy for risk control and management, and the regular monitoring of internal information and control systems;
viii) Dividend policy and treasury stock policy and limitations to this in particular

See items: C.1.14, C.1.16 and E.2

b) The following decisions;
i) On the proposal of the chief executive of the company, to appoint and dismiss senior management, and their compensation clauses.
ii) The remuneration of directors and, for executive directors, their additional remuneration for executive functions, and other conditions that their contracts should respect.
iii) The financial information which, as a listed company, the company has to publish regularly
iv) Investments and operations of any type which, because of the high amount involved or special characteristics, have a strategic character, unless their approval corresponds to the General Shareholder Meeting;
v) The creation or acquisition of holdings in special purpose vehicles or entities established in countries or territories considered to be tax havens, and any other transactions or operations of a similar nature, which, because of their complexity, could diminish the transparency of the group.

c) Transactions between the company and significant shareholders or shareholders with representation on the Board, or with persons associated to them ("transactions with related parties"). This authorization of the Board will not be needed however for those related party transactions which simultaneously comply with the three following conditions:

1. That contracts are used which are standardised and applied in mass to many clients;
2. That they are made at generally established prices or rates by the supplier of the goods or services in question;
3. That the amount does not represent over 1% of the annual revenues of the company.

It is recommended that the Board approve transactions with related parties after a favourable report from the Audit Committee or, if applicable, of the committee to whom this function has been allocated, and that the directors involved, as well as not exercising or delegating their right to vote, absent themselves from meetings when the Board considers and votes on the matter.

It is recommended that the competences attributed to the Board here cannot be delegated, except for those mentioned in letters b) and c), which can be adopted for reasons of urgency by the Executive Committee, and then ratified by the Board in full.

See items: D.1 and D.6

COMPLIANT

9.
That the Board has the right size for ensuring its effective and participatory functioning, which means that it is recommended that it has no less than five and no more than fifteen members.

See item: C.1.2

COMPLIANT

10. That external proprietary directors and independent directors represent an ample majority of the board, and that the number of executive directors is the minimum necessary, based on the complexity of the group and the participation of executive directors in the company's

share capital.

See items: A.3 and C.1.3.

COMPLIANT

11. That of the external directors, the relationship between the number of nominee directors and of independent directors reflects the proportion in the share capital of the company represented by proprietary directors and the rest of the capital.
This strict criterion for proportionality may be relaxed so that the weight of the nominee directors is higher than that which corresponds to the percentage of share capital they represent:
1.° In companies with large capitalisation, in which there are few or no shareholder stakes which legally must be considered as significant, but there are shareholders with stakes of a high absolute value.
2. For companies where many shareholders are represented on the Board and there are no links between them.

See items: A.2, A.3 and C.1.3

COMPLIANT

12. That the number of independent directors represents at least one third of the total of directors.

See item: C.1.3

EXPLAIN

Given the high level of participation of nominee directors, without there being a relationship between them, the existing number of three independent directors has been deemed to be enough, representing one quarter of total directors.

13. That the nature of each director is explained by the Board to the General Shareholder Meeting which should ratify the appointment and confirm it, or be reviewed annually in the Annual Corporate Governance Report after verification by the Appointments Committee. This report should also explain the reasons for the appointment of nominee directors for shareholders whose stake is under 5% of capital, and explain the reasons why any formal requests for presence on the board from shareholders with an equal or higher stake than others who have nominee directors are turned down

See items: C.1.3 and C.1.8

COMPLIANT

14. That when the number of female directors is low or zero, the Board will explain the reasons for this and the initiatives adopted to correct this situation:
a) selection procedures do not suffer from the implicit bias that are an obstacle to selecting women;
b) the company deliberately looks for women with the right professional profile and includes them as potential candidates.

See items: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

COMPLIANT

15. That the Chairman, being responsible for the efficient functioning of the Board, ensures that directors receive in advance sufficient information, stimulates debate and the active participation of directors in the meetings of the Board, safeguarding the free adoption of positions and expressions of opinion, and organises and coordinates with the chairmen of the relevant Committees the regular evaluation of the Board and of the Chief Executive Officer.

See items: C.1.19 and C.1 41

COMPLIANT

16. That when the Chairman of the Board is also the Chief Executive Officer, an independent director is delegated to call the meeting of the Board or to include new points in the order of the day, to coordinate and relay the concerns of external directors, and to manage the assessment by the Board of the Chairman.

See item: C.1.22

NOT APPLICABLE

17. That the Secretary of the Board takes special care to ensure that the actions of the Board:
a) are in accordance with the letter and the spirit of the Laws and regulations, including those approved by regulatory authorities;
b) are in accordance with company statute and with the Rules for the Shareholder Meeting, Rules for the Board, and others;
c) reflect the good governance recommendations contained in this Unified Code that the company has accepted.
And that, to safeguard the independence, impartiality and professionalism of the Secretary, his appointment and dismissal are reported by the Appointments Committee and approved by the Board in full, and that this procedure for appointment and dismissal is stated in the Rules for the Procedure of the Board.

See item: C.1.34

COMPLIANT

18. That the Board meets frequently enough to perform its functions with effectiveness, following the programme of dates and business established at the start of the year, with each Director being able to propose orders of the day that were initially not included.

See item: C.1.29

COMPLIANT

19. That directors are absent only when essential, and these are listed in the Annual Report on Corporate Governance. And that if representation is indispensable, it is granted with instructions.

See items: C.1.28, C.1.29 and C.1.30

COMPLIANT

20. That when directors or the Secretary express concern on a proposal or, in the case of the directors, on the performance of the company, and these concerns are not resolved by the Board, at the request of the person who expressed them they are then noted in the minutes.

COMPLIANT

21. That the Board in full evaluates once a year:

a) The quality and efficiency of the functioning of the Board;

b) Based on the report presented to it by the Appointments Committee, the performance of the Chairman of the Board and of the Chief Executive Officer of the Company.

c) The functioning of the Committees, based on the report presented to it by these.

See items: C.1.19 and C.1.20

COMPLIANT

22. That all the directors have the right to receive the additional information they think needed about business which is the competence of the Board. And that, unless the Bylaws or Rules for the Procedure of the Board establish otherwise, they will direct their requirements to the Chairman or Secretary to the Board.

See item: C.1.41

COMPLIANT

23. That all directors have the right to obtain from the company the advice needed to carry out their functions. And that the company provides the adequate channels for exercising this right, which in special circumstances could include external advice paid by the company.

See item: C.1.40

COMPLIANT

24. That the companies establish a programme for orienting new directors which gives them a rapid and adequate understanding of the company, and of its corporate governance rules. And that they provide directors with programmes for updating their knowledge when circumstances so advise.

PARTLY COMPLIANT

There is currently no orientation programme for new directors.

25. That the companies require directors to dedicate to their function the time and effort needed to carry it out with effectiveness, and consequently:

a)that directors inform the Appointments Committee of their other professional obligations, if they could interfere with the required dedication;
b) That the companies establish rules on the number of boards that directors may form part of.

See items: C.1.12, C.1.13 and C.1.17

COMPLIANT

26. That the proposal for appointing or re-electing directors which is made by the Board to the General Shareholder Meeting, and provisional appointments by co-opting, are approved by the Board:
a) On the proposal of the Appointments Committee, for independent directors.
b) After a report from the Appointments Committee, for the other directors.

See item: C.1.3

COMPLIANT

27. That the companies publish on their website and keep updated the following information on their directors:
a) Professional and personal profile;
b) Others boards of directors to which they belong, whether these are listed companies or not;
c) An indication of the corresponding class of director, indicating, for nominee directors, the shareholder they represent or are associated with.
d) The date of the first appointment as a director of the company, and subsequent appointments,

and;
e) Company shares and share options owned by them.

COMPLIANT

28. That nominee directors resign when the shareholder they represent fully sells their stake. And that the number of these directors falls, when the shareholder they represent cuts the stake, to a level which requires the reduction in the number of nominee directors.

See items: A.2, A.3 and C.1.2

EXPLAIN

DON SANTIAGO BERGARECHE BUSQUET was a nominee director representing the significant shareholder BYCOMELS PRENSA, S.L. until this entity was wound up on 13 December 2013, although he remained a nominee director because of being appointed by a shareholder and ahead of the agreement by former shareholders of BYCOMELS PRENSA, S.L. to syndicate their shares, which subsequently took place.

29. That the Board of Directors does not propose the dismissal of any independent director before the ending of the statutory period for which he or she has been appointed, except when there is a just cause for this, noted by the Board after a report from the Appointments Committee. In particular, just cause will be deemed to exist when the director has not complied with the duties inherent in the role, or is implicated in the circumstances that mean the director can no longer be considered as independent, as established in Order ECC/4612/013.

The dismissal of independent directors may also be proposed after public takeover bids, mergers, or other similar operations which represent a change in the share capital structure of the company, when these changes in the structure of the Board reflect the criteria of proportionality indicated in Recommendation 11.

See items: C.1.2, C.1.9, C.1.19 and C.1.27

COMPLIANT

30. That companies establish rules which oblige directors to inform and if applicable resign in those circumstances which could damage the credit and reputation of the company, and in particular, require directors to inform the Board of the penal cases where they are implicated and of the results of any legal processes.

That if a director is tried or committed to trial for one of the crimes noted in Article 213 of the Law on Corporations, the Board will examine the case as soon as possible and in light of the specific circumstances decide if the director may continue in the position. And that the Board discloses this to a reasonable degree on the Annual Corporate Governance Report.

See items: C.1.42, C.1.43

COMPLIANT

31. That all directors clearly express their opposition when they think that any proposal for a decision submitted to the may be contrary to the company's interests. And that, particularly independent directors and directors not affected by the potential conflict of interest, this is also the case concerning decisions which could damage shareholders who are not represented on the Board.

And that when the Board adopts significant or repeated decisions on which the director has expresses reservations, the director draws the necessary conclusions and if he chooses to resign, explains the reasons for this in the letter referred to by the following recommendation.

This Recommendation also covers the Secretary of the Board, even though the Secretary may not be a director.

COMPLIANT

32. That when, either because of resignation or for another reason, a director leaves his role before the end of the mandate, he explains the reasons in a letter sent to all members of the Board. And that, while this will still be stated as a relevant fact, the reason for the departure is also disclosed in the annual corporate governance report.

See item: C.1.9

PARTLY COMPLIANT

BYCOMELS PRENSA, S.L. resigned as nominee director on 12 November 2013, replaced on the board by DON SANTIAGO BERGARECHE BUSQUET. As until this date DON SANTIAGO BERGARECHE BUSQUET was the representative of BYCOMELS PRENSA, S.L. on the Board of Directors, and hence there was no real change in the people on the Board, it was not considered appropriate to publish a relevant fact.

33. That only executive directors are awarded compensation in the form of company shares or shares of group companies, options on shares or instruments linked to the share price, or variable remuneration linked to the company's performance or forecasts.

This recommendation does not cover the award of shares, when this is conditional on the directors maintaining them until they are no longer directors.

COMPLIANT

34. That the remuneration of external directors is enough to reward the dedication, qualification and responsibility demanded by the role, but not so high as to compromise their independence.

COMPLIANT

35. That remuneration related to the results of the company considers any qualifications in the report of the external auditor which reduces these results.

COMPLIANT

36. That for variable remuneration, the policies incorporate the technical measures needed to ensure that this remuneration is related to the professional performance of beneficiaries, and is not simply based on the general performance of the markets or of the sector of the company, or other similar circumstances.

COMPLIANT

37. That when there is an Executive Committee, the structure of participation of the different types of directors is similar to the structure of the Board, and the Secretary is the Secretary of the Board

See items: C.2.1 and C.2.6

COMPLIANT

38. That the Board is always aware of the business treated and the decisions adopted by the Executive Committee, and that all members of the Board receive a copy of the minutes of the meetings of the Executive Committee.

COMPLIANT

39. That the Board of Directors establishes in addition to the Audit Committee required by the Law on Securities Markets, a Committee, or two separate Committees, for Appointments and Remunerations.

That the rules for the composition and functioning of the Audit Committee and of the Committee or Committees of Appointments and Remuneration are included in the Rules for the Procedure of the Board, and include the following:
a) That the Board appoints the members of these Committees, based on the knowledge, abilities and experience of the directors and the scope of each Committee; that it considers their proposals and reforms; and in the first Board meeting after their meetings, they must report their activity and work carried out;
b) That these Committees are exclusively composed of external directors, with a minimum of three. This does not prevent the attendance of executive directors or senior management, when members of the Committee expressly agree on this.
c) That their Chairmen are independent directors.
d) That they can receive external advice, when they deem it necessary for carrying out their functions.
e) That minutes are taken of their meetings, which are sent to all members of the Board.

See items: C.2.1 and C.2.4

PARTLY COMPLIANT

The chairmen of the Audit and Compliance Committee and of the Appointments and Remuneration committee are required to be external, but not also independent. Currently the Chairman of the audit and Compliance Committee is external and a nominee director and the Chairman of the Appointments and Remuneration committee is external and independent.

40. That the supervision of compliance with the internal codes of conduct and rules of corporate governance are allocated to the Audit Committee, or, if they are separate, to the Compliance or Corporate Governance Committee.

See items: C.2.3 and C.2.4

COMPLIANT

That members of the Audit Committee and in particular the Chairman are appointed based on their knowledge and experience in the area of accounting, audit, or risk management.

COMPLIANT

42. That listed companies have an internal audit function which, under the supervision of the Audit Committee, monitors the good performance of the information systems and internal control systems.

See ítem: C.2.3

COMPLIANT

43. That the person in charge of the internal audit function presents the Audit Committee with an annual work programme, directly informs it of any incidents that occur during this, and submits to it at the end of each year a report on his activities.

COMPLIANT

44.That the policy for controlling and managing risks identifies at least:
a) the various types of risks (operational, technological, financial, legal, reputational…) faced by the company, including in the financial risks contingent liabilities and other off balance sheet risks;
b) the establishment of the risk level deemed acceptable by the company;
c) measures available to mitigate the impact of the identified risks if they were to materialise;
d) the information systems and internal control systems used to control and manage these risks, including contingent liabilities and off balance sheet risks.

See item: E

COMPLIANT

45. That it corresponds to the Audit Committee:
1: Concerning information and internal control systems:
a) That the main risks identified as a result of the supervision of the effectiveness of the internal controls of the company and of internal audit, I applicable, are managed and disseminated appropriately.
b) To ensure the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and dismissal of the person responsible for internal audit; propose the budget for the service; receive regular information on its activities, and verify that senior management consider the conclusions and recommendations of its reports.
c) To establish and supervise a mechanism which allows employees to report confidentially and if appropriate anonymously of potentially significant irregularities, especially financial and accounting irregularities, detected at the company.
2: To the external auditor
a) Receive regularly from the external auditor information on the audit and its results, and verify that senior management consider its recommendations.
b) Ensure the independence of the external auditor, and to this end:
i) That the company informs the CNMV as a relevant fact any change of auditor and accompanies it with a declaration on the existence of any disagreements with the outgoing auditor, and if applicable, the content of these.
ii) That if the external auditor resigns, the circumstances motivating this are examined.

See items: C.1.36, C.2.3, C.2.4 and E.2

PARTLY COMPLIANT

The Rules for the Board of Directors do not yet include the establishment of a mechanism by which employees can confidentially inform the company of any potentially significant irregularities, as referred to in 1c), although such a mechanism is currently being implemented.

46. That the Audit Committee can call any employee or manager of the company and require them to appear without the presence of any other manager.

COMPLIANT

47. That the Audit Committee informs the Board, prior to its adoption of corresponding decisions, on the following matters indicated in Recommendation 8:
a) The financial information that as a listed company the company must regularly publish. The Committee must ensure that interim accounts are formulated using the same accounting criteria as annual accounts, and to this end consider whether it is appropriate to have a limited review by the external auditor.
b) The creation or acquisition of holdings in special purpose vehicles or entities established in countries or territories considered to be tax havens, and any other transactions or operations of a similar nature, which, because of their complexity, could diminish the transparency of the group.
c) Transactions with related parties, unless the function for providing a report has been awarded to a different Committee than a supervisory committee.

See items: C.2.3 and C.2.4

COMPLIANT

48. That the Board of Directors aims to present accounts to the General Shareholder Meeting which do not have reservations or qualifications in the audit report, and in the exceptional circumstances when these occur, both the Chairman of the Audit Committee and the auditors shall clearly explain to shareholders the content and scope of these reservations or qualifications.

See item: C.1.38

COMPLIANT

49. That the majority of members of the Appointments Committee, or the Appointments and

Remuneration Committee if it is just one committee, are independent directors.

See item: C.2.1

EXPLAIN

The Rules for the Board of Directors only require that members of the Appointments and Remuneration Committee are external, not that they must also be independent directors. Currently, of the 5 members of the Appointments and Remuneration Committee, 2 are External and Independent (DON MIGUEL ANTOÑANZAS ALVEAR and DON FERNANDO AZAOLA ARTECHE) and 3 are External Nominees (DON GONZALO SOTO AGUIRRE; LIMA, S.L. and MEZOUNA, S.L.).

50. That the appointments committee, in addition to the functions indicated in the previous Recommendations, has the following functions:
a) Assessing the competencies, knowledge and experience necessary for the Board, hence defining the functions and skills needed for candidates to fill any vacancies, and evaluating the time and dedication needed to be able to perform the role well.
b) Examining and organising in an adequate way the succession to the Chair and the chief executive, and make proposals to the Board for an orderly and well planned succession.
c) Reporting on the appointments and dismissals proposed by the chief executive to the Board.
d) Reporting to the Board on the questions of gender diversity indicated in Recommendation 14 of this Code.

See item: C.2.4

COMPLIANT

51. That the Appointments Committee consults the Chairman and the chief executive of the company, especially for matters concerning the executive directors. And that any director may request the Appointments Committee to take into consideration, if he deems them ideal, potential candidates for director vacancies.

COMPLIANT

52. That the Remuneration Committee has, in addition to the functions indicated in the preceding Recommendations, the following tasks:
a) Proposing to the Board of Directors
i) The remuneration policy for directors and senior management;
ii) The individual remuneration of the executive directors and other conditions in their contracts.
iii) The basic conditions of the contracts of senior management.
b) Monitoring the observance of the remuneration policy established by the company

See item: C.2.4

COMPLIANT

53. That the Remuneration Committee consults the Chairman and the chief executive of the company, especially for matters relating to executive directors and senior management.

COMPLIANT

H.- OTHER INFORMATION OF INTEREST

1. If there is any other relevant corporate governance issue at the company or in group entities that has not been included in the sections of this report, but which it is necessary to include for a full and fair view of the governance structure and practices of the group, detail them briefly here.

In the area of corporate governance, the following events that took place after the end of the year

2013 covered by this report but before the publication of the report should be noted:

- On 14 January 2014, the Board of Directors, following a report from the Audit and Compliance Committee, approved a new Internal Rule of Conduct in Securities Markets, replacing the former Internal Code of Conduct, adapting it to the legislation approved in recent years, strengthening it with best practices in the area of proper conduct in the securities markets and developing the completing the procedures covered by the code.

- On 17 February 2014, the Company was notified of the signing of two shareholder agreements between the shareholder Mecamur, S.L., controlled by Don Santiago Bergareche Busquet, and the shareholders Boratepa, S.L. and Edula, S.L. As a result of these shareholder agreements, Boratepa, S.L. (which holds 1,995,078 shares in Vocento, representing about 1.596% of its share capital) and Edula, S.L. (which holds 1,995,077 shares in Vocento, representing about 1.596% of its share capital) have assumed the irreversible commitment to vote in the same way as Mecamur, S.L., or to delegate to Mecamur, S.L., their voting rights and other political rights of their shares in Vocento at its Shareholder Meetings. As a result of these shareholder agreements, D. Santiago Bergareche Busquet is directly or indirectly allocated voting rights corresponding to about 4.788% of share capital, which is a sufficiently large stake for Don Santiago Bergareche Busquet to remain a nominee director.

2. This section may include any other information, clarification or nuance related to the previous sections of the report, if relevant and non-repetitive.

In particular, indicate if the company is subject to any other corporate governance legislation than Spanish, and if so then include the information that is required to be provided and which is different from the information required in the current report.

3. The company may also indicate if it has signed up voluntarily to other codes of ethical principles or good practices, be they international, sector-specific or other. If applicable, identify the code in question and the date of membership.

Vocento's Annual Report on Corporate Governance, covering the year ending 31 December 2013, was unanimously approved by the Board of Directors at its meeting on 27 February 2014, following a favourable report from the Audit and Compliance Committee at its meeting of 25 February 2014.

* * * * *

ANNUAL REPORT OF ACTIVITIES

AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

2013

Approved by the Audit and Compliance Committee on 25 February 2014
Ratified by the Board of Directors on 27 February 2014

TABLE OF CONTENTS

1. Description, purposes and goals
2. The Audit and Compliance Committee
3. Sessions and meetings
4. Functions and competencies
5. Activities undertaken in 2013
6. The Corporate Compliance Unit
7. Internal audit
8. Conclusions from the work undertaken
9. Events after the close of the period

ANNUAL REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

END DATE OF REFERENCE YEAR: 31/12/2013

1. DESCRIPTION, PURPOSES AND GOALS

This Report is a summary of the activities of the Audit and Compliance Committee in its various working areas, and corresponds to the sessions held during this period and the issues addressed.

Its preparation and disclosure is in accordance with Article 18.9 of the Rules for the Board of Directors.

This Annual Report of the activities of the Audit and Compliance Committee is addressed to the Board of Directors of Vocento, S.A. (hereinafter, 'Vocento') and is published with the individual and consolidated Annual Accounts.

2. THE AUDIT AND COMPLIANCE COMMITTEE

BACKGROUND TO THE AUDIT AND COMPLIANCE COMMITTEE

Following an agreement by the Board of Directors of Vocento (then Grupo Correo-Prensa Española), on 18 July 2002, an Audit and Compliance Committee was established, of a voluntary nature and with no executive powers, with the main purpose of supporting the Board of Directors in its oversight functions.

This Committee operated until the stock market listing of Vocento, as result of which, in accordance with the terms of Article 19 of the Company Bylaws and of 18.1 of the Rules for the Board of Directors, the Board of Directors of Vocento on 5 September 2006 established the Audit and Compliance Committee, ahead of the listing and in accordance with Law 44/2002, of 22 November, on Reform Measures of the Financial System.

As a consequence of the publication by the CNMV of "Unified Code of Good Governance" and of the stock marketing listing of Vocento, in 2006 the Committee carried out an analysis of implications of this code for the Audit and Compliance Committees of listed companies, updating the Rules for the Board of Directors, incorporating the new requirements established in the Code.

As a result of the publication on 1 July 2010 of Law 12/2010, which modifies the Law on Auditing Accounts and the Law on Securities Markets, including the Modification of the

Eighteenth Additional Provision on Audit and Compliance Committees, Article 18 of the Rules for the Board of Directors, which covers the structure, functioning, powers and obligations of the Audit and Compliance Committee, was modified in 2010 to incorporate these changes.

Law 12/2010 has increased the responsibility of Audit Committees and Boards of Directors, concerning the accuracy of the financial information that listed companies provide to markets, with it now being the responsibility of Audit Committees to monitor the accuracy of the financial information and to assess the effectiveness of the Internal Control system for financial information.

MEMBERSHIP OF THE AUDIT AND COMPLIANCE COMMITTEE

In accordance with the provisions of the Rules of the Board, the Audit and Compliance Committee is composed of a minimum of three and a maximum of five external directors appointed by the Board of Directors. At least one member must be an independent director.

The Chairman will be appointed by the Board and must be replaced every four years, being eligible for re-election one year after the end of the mandate.

At the current date, the Committee consists of the following members:

Chairman	Appointment	Type
D. Gonzalo Soto	12 June 2012	External, Nominee

Members	Nombramiento	Type
VALJARAFE, S.L.	12 June 2012	External, Nominee
D. Rodrigo Echenique	12 June 2012	Independent
LIMA, S.L.	12 June 2012	External, Nominee

All members of the Audit and Compliance Committee are external directors. In addition, in accordance with the recommendations in this area, all members of the Committee have had financial training and experience.

The Secretary, D. Carlos Pazo, is not a member of the Committee and is Secretary of the Board of Directors of Vocento, in accordance with article 18.1 of the Rules for the Board of Directors.

3. SESSIONS AND MEETINGS

The Audit and Compliance Committee will meet whenever the Board of Directors or its Chair requests a report or the adoption of proposals, within the scope of its competencies and whenever the committee's chair or two members request it or it is appropriate to produce a report for the corresponding agreements to be adopted.

In any event, it will meet on a quarterly basis to review the information that is within its competencies and which will be included in the regular public information to be provided to markets and regulators.

Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have. The Committee may require them to appear without the presence of another manager.

The Committee can also require the attendance of the account auditors at its meetings.

4. FUNCTIONS AND COMPETENCIES

Notwithstanding any other functions assigned it by the Board, the Audit and Compliance Committee has, among others, the following responsibilities as stated in the Rules for the Board, in accordance with the terms of the Law on Securities Markets:

FINANCIAL INFORMATION

- Monitoring the process of preparing accurate financial information for the company and for the group, reviewing compliance with the legal requirements, the correct setting of the consolidation perimeter, and the correct application of accounting criteria.
- Understanding and monitoring the process of preparation and presentation of the financial information required by law.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

- Regularly reviewing the systems for internal control and risk management, so that the main risks are identified, managed and fully understood.
- Monitoring and regularly assessing the effectiveness of the internal control and risk management systems.

- The risk control and risk management policy of the company will identify, at the very least:

  a) the various types of risks (operational, technological, financial, legal, reputational, etc.) faced by the company, including as financial risks contingent liabilities and other off balance sheet risks;

  b) the establishment of the risk level deemed acceptable by the company;

  c) measures available to mitigate the impact of the identified risks if they were to materialise;

  d) the information systems and internal control systems used to control and manage these risks, including contingent liabilities and off balance sheet risks.

EXTERNAL AUDITORS

- Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract.
- Receiving regularly from the external auditor information on the audit plan and its results, and verifying that senior management consider its recommendations
- Ensuring that the company and the auditor respect current legislation about the delivery of non-audit services, limits to the concentration of business with the auditor and in general those norms established to ensure the Independence of auditors.
- Receiving from the external auditors information about issues which could endanger their independence from the company and about any other issues related to the process of auditing the accounts, as well as the information established in legislation on auditing accounts and in the audit technical notes
- Receiving regularly from the external auditors information on the audit plan and its results, and verify that senior management consider its recommendations.
- Each year publishing a report, prior to the report from the account auditors, in which it gives the Committee's opinion of the independence of the external auditor and the additional services apart from auditing provided, referred to above.

CORPORATE GOVERNANCE

- Monitoring compliance with internal codes of conduct and rules of corporate governance, in particular submitting to the Board the proposed Annual Report on Corporate Governance.

INTERNAL AUDIT

- Ensuring the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and dismissal of the person responsible for internal audit; propose the budget for the service; receive regular information on its activities, and verify that senior management consider the conclusions and recommendations of its reports.
- The Company will have an internal audit function that under the supervision of the Audit and Compliance Committee will monitor the functioning of information and internal control systems.
- Receiving from the person in charge of internal audit the annual work plan, any incidents in its implementation, and the annual report of activities from the area.

BOARD

Informing the Board prior to its adoption of any decisions reserved for the Board about the following issues:

- The financial information that the company, as a listed company, must regularly publish. The Committee will ensure that the intermediate accounts are prepared to the same accounting standards as the full year results and hence should consider whether they be subject to a limited review by the external auditor.
- The creation or acquisition of stakes in special purpose vehicles or those incorporated in countries or territories that are considered to be tax havens, and any other similar transactions or operations that could reduce the transparency of the group.
- Transactions with related parties.
- Propose to the Board for consideration by the General Shareholder Meeting the appointment of the external account auditors.
- The Committee will prepare an annual plan of action for each year and an Annual Report about its activities, which it will present to the Board in full. The Management Report of the Company will also include the Annual Report of Activities.

SHAREHOLDER MEETING

Informing the Shareholder Meeting about the issues raised there that fall within the Committee's area of concern.

5. ACTIVITIES UNDERTAKEN IN 2013

MEETINGS OF THE AUDIT COMMITTEE

In 2013, the Audit and Compliance Committee met 6 times. Details of these meetings and the main issues discussed are provided below:

➢ MEETING OF 28 JANUARY 2013

- Report from the auditors on their analysis of goodwill and other assets as of 31/12/2012 and other relevant matters.
- Follow up for the implementation plans for CSC North and CSC Centre-South (the shared service centres).
- Follow up of the corporate simplification plan.
- Follow up of implementation of the system for preventing corporate penal risks,
- Executive summary of the general risks map.
- Proposals for external support for internal audit
- Analysis of monitoring of compliance by the Audit and Compliance Committee.

➢ MEETING OF 25 FEBRUARY 2013

- Report from the account auditors about the annual accounts of Vocento and the consolidated group for 31 December 2012.
- Report from the account auditors confirming their independence from the company and its subsidiaries, and information about the additional services provided.
- Report about the Independence of the Auditors.
- Internal audit report about the Internal Control System for Financial Information: review of controls and annual assessment
- Proposed formulation of the Annual Accounts of Vocento and the consolidated group for 31 December 2012
- Proposed Annual Report on Corporate Governance for 2012, and additional information
- Financial information to send to the CNMV and analysts for 2012 year end
- Proposed Annual Report of Activities of the Audit and Compliance Committee for 2012
- Proposed Annual Report for Internal Audit 2012
- Conclusions about the scope of the monitoring of the SCIIF by internal audit (focus, method of sampling the controls, estimate of resources needed)
- Report about progress in the implementation of the CSC shared services centres and of the system for preventing corporate penal risks

➢ MEETING OF 7 MAY 2013

- Report from external auditors about the internal control recommendations for 2012.
- Requesting from External Auditors the limited review of half-yearly accounts to 30 June 2013
- Review of the Public Quarterly Information to 31 March 2013, to provide to the CNMV

- Report from internal audit about the functioning of the SCIIF controls in the first quarter of 2013
- Report from internal audit about work carried out under the Internal Audit plan for 2013 (review of website, sampling of SCIIF controls for 2013, proposed implementation of ERM, current situation of review of Corporate Governance)
- Various matters (CSC Madrid and Bilbao, system for preventing corporate penal risks, and corporate simplification)

➢ MEETING OF 25 JULY 2013

- Address by President of the Committee:

  - Tax issues.
  - Monitoring of self-assessment by the Audit and Compliance Committee.
  - Thoughts about auditing of Vocento in coming years.

- Report from the external auditor about the limited review of consolidated financial information to 30 June 2013.
- Report from the Chief FInancial Officer about:

  - Functioning of the SCIIF in the first half of 2013.
  - Presentation of half-yearly public financial information for 30-06-2013 to supply to the CNMV and the market.
  - Follow up of the recommendations of the external Auditor and adjustments to the 2012 audit in individual companies.
  - Projects for Corporate Defence and ERM (risk management) and actions carried out at the controlling area of Vocento

- Report from the Director General of Resources about the progress made in the corporate simplification process and the situation of the CSC service centres.
- Report from the Internal Auditor about:

  - Functioning of the SCIIF controls.
  - Review of the Internal Code of Conduct and corporate website.
  - Follow up of the Internal Audit plan.

.

➢ MEETING OF 11 NOVEMBER 2013

- Report from the Chairman of the Audit and Compliance Committee
- Report from the external auditor about the auditing of the Group in 2013. Assessment.
- Measures to take for the external audit of the Group in 2014 and following years.
- Follow up of the Internal Audit Plan for 2013 and general lines of the Internal Audit Plan for 2014.

- Report about the review carried out by Internal Audit of the SCIIF in the third quarter of 2013.
- Report from the Chief Financial Officer about the functioning of the SCIFF in the third quarter of 2013.
- Review of the public quarterly information to 30 September 2013 to be provided to the CNMV.
- Analysis of the process for allocating central costs.
- Follow up of the implementation of the ERM (Enterprise Risk Management) system, Corporate Defence, Controlling and SAP MM.

➢ MEETING OF 18 DECEMBER 2013

- Report from the external auditors about the preliminary conclusions from the review of the consolidated financial statements to 30 September 2013.
- Analysis of main tax issues at the Group
- Annual risk assessment of the financial information of the SCIIF
- Follow up of the Corporate Defence and ERM projects
- Approval of the proposed Internal Rules for Conduct in Securities Markets

The Chairman of the Audit Committee has informed the Board in writing of all the issues discussed in these meetings, and the Secretary of the Committee and of the Board has prepared minutes for each meeting that are available for all Directors in the Secretary's office.

Managers to appear at the Committee in the year include the Chief Financial Officer, the Director General of Human Resources and Organisation, the Director General of Business, the Director of the Legal Department and the internal auditor.

The external auditor participated in the meetings of the Audit Committee when required, providing information about the auditing process and its results.

Half-yearly consolidated financial information is voluntarily audited (limited review), by the account auditors, in accordance with Royal Decree 1362/2007 of 19 October, and Circular 1/2008 from the CNMV.

ASSESSMENT OF THE AUDIT AND COMPLIANCE COMMITTEE

In 2013, the Audit Committee carried out a self-assessment, which was undertaken by the Secretary of the Board. The results of this process were shared with members.

As a result of this self-assessment, the training plan for members of the Committee has been strengthened, with a new annual training programme approved. So far this has

resulted in a training session in September about Corporate Governance, provided by Pwc, and another session about risk management by Boards of Directors, provided in January 2014 by EY.

6. CORPORATE COMPLIANCE UNIT

Article 32.3 of the Rules for the Board establishes a Corporate Compliance Unit with the responsibility of keeping updated the information that Directors have to inform to the company.

In accordance with this mandate, on 5 September 2006 the Board of Directors approved the Vocento Internal Code of Conduct in Securities Markets, establishing in Article 8 the creation of the Corporate Compliance Unit, as a body reporting to the Audit and Compliance Committee and managed by the Secretary to the Board of Directors, who is also a member.

INFORMATION AND COMMUNICATION

The Corporate Compliance Unit has provided quarterly information to the Audit and Compliance Committee about the measures taken to ensure compliance with the terms of Vocento's Internal Code for Conduct in Securities Markets, approved in 2006 and modified in 2008, of the level of compliance and of any incidents. The reports noted any incidents in updating the people and securities involved, and any incidents concerning personal transactions.

In this regard, the Secretary to the Board of Directors regularly sent to the Audit and Compliance Committee the Quarterly Report of the Corporate Compliance Unit, stating the measures taken in order to ensure compliance with the terms of the Internal Code of Conduct, which include the creation of the required documentary records, the written notification to every person covered by the code that they are affected by it, and the obligations this implies, as well as the assessment of the level of compliance and any incidents detected.

7. INTERNAL AUDIT

The company's internal audit function has been operating since 2004, as part of the Audit and Compliance Committee and reporting to the Chief Executive Officer, and it aims to ensure the correct functioning of information systems, internal controls, and risk management.

COMPETENCIES

Its competencies are established by the Internal Audit Statute approved by the Audit and Compliance Committee in 2004, and carries out its work in accordance with the "International Norms for the Professional Practice of Internal Audits," as published by the Internal Auditors Institute of Spain, and in accordance with the Ethics Code of the internal auditor of Vocento.

TRAINING

Proper training is the factor that determines high quality work, and it is a continuous activity for the professionals in the workforce. So it is important to note that the internal audit team has obtained the status of Certified Internal Auditor (CIA), an internationally recognised certification that guarantees excellence in the provision of internal audit services, and the CRMA certificate (Certification in Risk Management Assurance*)* from the Institute of Internal Auditors in the US.

INTERNAL CONTROLS OF FINANCIAL INFORMATION (SCIIF)

In accordance with the legal requirements about the responsibilities of Audit Committees to supervise the effectiveness of internal controls and risk management systems and to supervise the process of preparing and presenting financial information, in 2011 Vocento implemented an Internal Control System for the regulated Financial Information (SCIIF) that it discloses to the market and to regulators. The main aim of this is to provide the Board of Directors with a reasonable level of security about the accuracy of the financial information that Vocento is obliged to publish as a listed company.

Vocento's SCIIF follows the recommendations of the CNMV as contained in the document "Control of financial information at listed companies," and it is fully operational, supported by an IT application.

As an additional guarantee of the accuracy of the financial information, Vocento's SCIIF also benefits from a system of certifications about the accuracy of the information and about the functioning of the internal control systems, signed by the director generals of the companies, the Chief Financial Officer and finally by the Chief Executive Officer.

Among its responsibilities in the area of internal controls, the Audit and Compliance Committee has monitored the effectiveness of the SCIIF, supported by the services of internal audit.

INTERNAL AUDIT PLAN

In accordance with the functions that are its responsibility according to its Statute, the internal auditor presented to the Audit and Compliance Committee for approval the Internal Audit Plan for 2013.

The Internal Audit Plan for 2013 was implemented as planned, and included specific work to review the controls of the System for Internal Control of Financial Information (SCIIF), in each period of disclosure to the market and to regulators of quarterly financial information.

In 2013, a total of 3,483 checks were made of the process for preparing financial information, compared to 2,874 checks in 2012, or an increase of 22.3% due to the incorporation of new companies and processes.

In 2013, to achieve an additional guarantee of the accuracy of financial information , a new process of sampling controls was implemented, using various parameters for efficient sampling, resulting in a fair degree of security for making conclusions about the effectiveness of the SCIIF globally.

In 2013, 1,362 checks of SCIIF controls were carried out, or checks of 39.1% of the total controls carried out by those responsible for the process of preparing financial information. The SCIIF was very effective, as 95.2% of the controls audited were found to be effective.

En 2012, 529 checks were carried out, or 18.5% of all the controls. The increase in the coverage of checks that were reviewed was 157.4% in the year. ,

The conclusions from these reviews were included in the respective reports of internal audit, and the director generals of the companies reviewed and the Audit and Compliance Committee were informed.

Each person responsible can find detailed information about the state of the checks and recommendations in the IT systems for the SCIIF.

As part of the audit plan, work continued on the analysis and assessment of risks to financial information in the process of implementation of Shared Services Centres, which provide accounting and administrative services to group business units in order to improve the efficiency and quality of financial information, thanks to economies of scale and specialization of tasks, and also to help homogenize processes and controls, simplifying both the administrative work and the checks to controls.

Following up recommendations

During the year, work was carried out to follow up recommendations by issuing reports to the Director Generals of business areas and corporate areas, as the parties responsible for the functioning of the internal control system in their respective areas. This following up process aims to ensure that the recommendations made are implemented. For each report,

an action plan was proposed by the parties responsible for the audited processes, including actions to carry out to implement the recommendations.

In 2013, in accordance with internal audit procedures, the recommendations made in the year itself were followed up in order to implement them as soon as possible. Hence there are no recommendations from 2012 which have not resulted in interventions to the reviewed processes. There were 11 follow up reports issued, and some processes were subject to several follow up checks to confirm that the recommendations had been effectively implemented, including working with those responsible for their implementation .

In terms of the SCIIF, the process of monitoring recommendations is continuous, and all controls for which there are recommendations are included in the sample to be audited in the following quarter, in addition to those already audited under the sampling system mentioned before. Any incident in the review of a control generates an automatic report on the IT system and sends to the person responsible for carrying out the control, the supervisor, the director general of the company or area, and the department of corporate planning and control. Using the SCIIF application, all those responsible can be aware at any time of the state of the controls and recommendations. 191 reports with recommendations were prepared and sent to the various people responsible. There were 47 controls still with pending recommendations at the date of this report, out of a total sample of 1,362 audited controls.

INFORMATION AND COMMUNICATION

Over the course of the year, the internal auditor regularly informed the Audit Committee about the internal audit plan, of the conclusions reached, and of the recommendations made, and about the following up and implementation of the plan. The Executive Committee has also been kept informed with the same frequency.

In addition, the internal auditor has met the Chairman of the Audit Committee, without the presence of any other manager or non-member of the committee.

The cooperation of managers and employees has been satisfactory, with no major incidents in the carrying out of the work or any difficulties in accessing information and people; information channels functioned adequately.

8. CONCLUSIONS FROM THE ACTIVITIES UNDERTAKEN

In the period under consideration, the Audit and Compliance Committee has functioned with normality, exercising its competencies fully and without interference, with full respect for both the legislation in force and the norms for its functioning and organisation that are contained in the Rules for the Board of Directors. Over the course of the year, the Audit and Compliance Committee has been supported by the services of Internal Audit, the Corporate

Compliance Unit, and the Account Auditors, providing the functions that are allocated to them.

As a result of their work, the members of the Audit and Compliance Committee:

- Consider that the Committee has satisfactorily completed in the course of the year the functions that have been allocated to it by the Board of Directors and which are included in the Rules for the Board, in particular in terms of the supervision of the process of preparing and disclosing the financial information required by regulations, and the supervision of the internal audit area.
- State their approval of the reasonable effectiveness of the internal control systems associated with the preparation and disclosure of the financial information required by regulations, and of the level of compliance with good corporate governance norms and recommendations.
- Have informed the Board of Directors and Company Management about those aspects that could potentially be improved in their respective areas of responsibility.
- Consider that the critical areas in which progress is needed in 2014 are the implementation and operation of the Corporate Defence system and the improvement and consolidation of the ERM process.

9. EVENTS AFTER THE CLOSE OF THE PERIOD

In 2014, the Audit and Compliance Committee, in order to be able to comply with its responsibilities of:

- Supervising the process of preparing financial information and the internal control systems
- Ensuring the independence of the external auditor
- Informing the Board, before the publication of the financial information that as a listed company must be published regularly
- Supervising internal audit services

held two meetings on 3 and 25 February 2014, in which it:

- Received a report from the account auditors about the analysis they have made about tax credits, goodwill and other assets as of 31 December 2013, and other relevant questions.
- Received from the account auditors written confirmation of their independence from Vocento and associated entities either directly or indirectly, as well as information on the additional services of any type that they have provided, in accordance with the law on account auditors.

- Prior to the publication of the report by the auditor, the Audit and Compliance Committee sent to the Board of Directors a report expressing its favourable opinion about the independence of the auditor from Vocento and its subsidiaries.
- Received a report from the auditors about the annual accounts of Vocento and its consolidated group to 31 December 2013.
- Received an internal audit report about the System of Internal Control of Financial Information.
- Provided a favourable proposal to the Board of Directors for the formulation of the Annual Accounts of Vocento and its consolidated group to 31 December 2013.
- Provided a favourable proposal to the Board of Directors of the Annual Report on Corporate Governance corresponding to 2013 and additional information.
- Reviewed the financial information to send to the CNMV and the market for the full year 2013.
- Provided a favourable proposal to the Board of Directors of the Annual Report of Activities of the Audit and Compliance Committee corresponding to 2013.
- Received from the internal auditor the proposed Annual Report for internal audit for 2013.
- Received from the internal auditor the Annual Plan for internal audit for 2014.

In addition, it should be highlighted that the Board of Directors, at its meeting on 14 January 2014, agreed to approve the new Internal Rules for Conduct in the Securities Markets, replacing the Internal Code of Conduct that had been in force since 2006.

vocento