



**Quarterly Results – First Half 2015**

**July 2015**

## GROUP RESULTS – FIRST HALF 2015

**Adjusted EBITDA increases by 12.3% in June, reaching 109 million Euros (98 million Euros at constant currency)**

- **The Spanish advertising rise, the good performance of education campaigns in southern area, the digital transformation growth and the continued effort of cost control, impulse the operating growth and offset the worst performance of Radio in Latin America, the weakness on added-value calls in Media Capital and the delay of Education Campaign in Spain.**
- **The risk profile of the company is significantly reduced after the closure of the Canal+ operation in April. Net bank debt has been reduced by 681 million euros until June 2015**

### Advertising in Spain continues its recovery during 1H 2015

- Adjusted advertising revenues of the Group in Spain increase by +5.7% in 1H 2015. During the second quarter, growth has been affected by the comparison with 2014 where the World Cup took place.
- Radio in Spain grows by +8.9% increasing in both local (+10.1%), and national (+4.5%) advertising.
- Press consolidates its change in trend, growing by +3.6%, (-1.7% offline; +21.4% online).
- In Portugal, Media Capital advertising revenues stay almost flat (+0.4%); (TVI -0.1% y Radio +8.5%).

### LatAm activities continue its favorable evolution

- In Education, South Area campaigns have closed in their entirety showing a solid behavior: revenues grow by +18%.
- In Radio LatAm, adjusted revenues grow by (+1.0%). Weakness in Chile and Colombia continues but is offset by the favorable evolution in Mexico and Argentina.
- FX evolution during 1H has had a positive impact of 10 million euros on adjusted revenues, and of 10.5 million euros on adjusted EBITDA. This impact will revert to end of the year if current FX rate remains stable.

### The Group accelerates digital transformation

- Digital transformation revenues in adjusted terms increase by 15.3% and reach 94.7 million euros.
- Digital education systems (UNO and Compartir) continue their development in Latin America reaching 815.212 students (+29%).
- Digital advertising in adjusted terms grows by 16.2% in 1H 2015.
- In Press, digital advertising already represents 35.1% of advertising revenues.
- Average unique browsers of the Group's web sites grow by 39% reaching more than 118 million in June.

### Opex and capex control continues

- Operating expenses have fallen meaningfully in Press and Media Capital, while increases in cost in Education and Radio are revenue related increases.
- Capex has been reviewed to channel resources to growth areas, mainly Santillana. During 1H investments amounted to 31.9 million compared to 32.6 million in the same period in 2014.

### Deleveraging and reinforcement of the capital structure

- Canal+ operation was closed on April 30, 2015. Cancellation of 470 million with part of these funds.
- 122 million euros debt reduction with a c. 22% discount with funds coming from Mediaset Spain stake sale.
- 154 million available to further debt buybacks.
- Capital increase of 75 million euros at 15.9 € per share pending to be formalized.
- Total Group net debt reduced by 681 million to 1,901 M€ as of June 30th 2015, comparing to 2,582 million as of December 31<sup>st</sup> 2014.

## Results by business division

### Education

- **All of the South Area Campaigns have been closed in the 1H:** Brazil, Colombia, Costa Rica, Central North America, Uruguay, Chile, Bolivia, Argentina, Paraguay, Peru and Ecuador. These campaigns have mostly shown **good performance in local currency**. Highlighting Brazil, which has shown a good behavior, with growth of 7.2% in local currency, and Argentina which has shown an extraordinary growth of +77% in local currency.
- **North Area Campaigns** (Spain, Mexico, Venezuela and Brazil institutional sales), take place during 2H, and therefore the 1H figures collect practically costs of promotion and marketing of campaigns practically without income. In Spain there have been delays due to the difficulties in the implementation of the new Education Law. Despite these delays, the campaign shows good prospects and their results will impact positively on the year ending.
- **Digital Education Systems continue their development** in Latin America, growing by + 29% the number of students to 815,212. **UNO System** reaches **EBITDA** of 6.6 million euros in 1H 2015
- **Positive FX impact of 8.6 million euros** on Santillana revenues and of 10.6 million euros on EBITDA during 1H 2015. This impact will revert to the end of the year if current FX holds.
- **Adjusted revenue in local currency has increased by +10.2 %** (Brazil, 9.5%; Peru, +5.7%; Argentina, +77%).
- **Adjusted EBITDA grows by +9.3% in local currency (+13.4% in euros).**

### Radio

- **Advertising** in Spain grows by **+8,9 %** in 1H 2015 despite the World Cup effect of 2014.
- Strong **operational improvement in Spain**, which increased its adjusted EBITDA by + 60.8% in 1H 2015 reaching 12.1 million euros, compared to 7.5 million euros in 1H 2014.
- **Advertising in LatAm** decreases due to the Chile and Colombia worst performance, offset by a good evolution in Mexico and Argentina.
- Effort in **cost control continues**, but the costs increase in 1H 2015, as a result of new programs promotion and revenues related to expenses (+5% in adjusted terms).
- **Positive FX impact** (1.6 million euros on revenues and -0.1 million on EBITDA).
- **Radio LatAm adjusted revenues** in local currency, fall by **-1.5%** in 1H 2015 versus 1H 2014.
- **Adjusted EBITDA** in Radio in 1H 2015 reached 29.6 million euros at constant currency (+5.1% compared to 1H 2014).

### Press

- **Adjusted advertising revenues** in 1H 2015 increase by +3.6% (El País +8.4%, AS -1.3%).
- **Adjusted traditional advertising** falls by (-1.7%) which is offset by the good behavior of the **digital advertising growth** of +21.4% (representing 35% of the total advertising revenue of the division already). **Events advertising** falls by -31% due to the delay of the number of events compared with same period of 2014.
- **Circulation revenues** fall by -13.4%.
- **Strong cost control** in every item (-10.5% in adjusted terms and -5.2% in staff costs).
- **Press adjusted EBITDA** reaches 6.3 million euros in 1H 2015 compared to 7.3 million euros in 1H 2014.

### Media Capital

- **Advertising revenues** increase in 1H 2015 by +0.4% (TV, -0.1%; Radio, +8.5%). It has to be said that advertising recovery in Portugal started in second half of 2013.
- **Decline in other revenues** in 1H 2015 (-37%), mainly due to the drop in value added call services.
- **Adjusted EBITDA** reaches 17.1 million euros and falls by -11.7% despite the strong effort in costs control (decrease of -6.3% in adjusted costs).

## Consolidated P&L

The comparison of the results of the first semester of 2015 and 2014 is affected by extraordinary items recorded in revenues, expenses, amortizations & provisions. To conduct a homogeneous comparison, we are presenting a profit and loss account adjusting these extraordinary items:

Eur Million	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Operating Revenues</b>	<b>650,02</b>	<b>688,00</b>	<b>(5,5)</b>	<b>313,59</b>	<b>350,50</b>	<b>(10,5)</b>
<b>EBITDA</b>	<b>85,15</b>	<b>88,37</b>	<b>(3,6)</b>	<b>29,33</b>	<b>50,73</b>	<b>(42,2)</b>
EBITDA Margin	13,1%	12,8%		9,4%	14,5%	
<b>EBIT</b>	<b>33,79</b>	<b>14,56</b>	<b>132,2</b>	<b>0,93</b>	<b>6,10</b>	<b>(84,7)</b>
EBIT Margin	5,2%	2,1%		0,3%	1,7%	
<b>Net financial result</b>	<b>(63,45)</b>	<b>(50,91)</b>	<b>(24,6)</b>	<b>(50,19)</b>	<b>(5,55)</b>	<b>-</b>
Interest on debt	(49,16)	(64,77)	24,1	(21,64)	(30,95)	30,1
Other financial results	(14,29)	13,85	-	(28,54)	25,40	-
<b>Result from associates</b>	<b>2,13</b>	<b>(4,00)</b>	<b>153,2</b>	<b>1,32</b>	<b>(0,35)</b>	<b>-</b>
<b>Profit before tax</b>	<b>(27,53)</b>	<b>(40,36)</b>	<b>31,8</b>	<b>(47,94)</b>	<b>0,20</b>	<b>-</b>
Income tax expense	54,55	(23,40)	-	60,15	(33,62)	-
<b>Results from discontinued activities</b>	<b>(0,28)</b>	<b>(2.104,80)</b>	<b>100,0</b>	<b>(0,92)</b>	<b>(2.083,25)</b>	<b>100,0</b>
<b>Minority interest</b>	<b>(15,94)</b>	<b>5,43</b>	<b>-</b>	<b>(9,17)</b>	<b>1,10</b>	<b>-</b>
<b>Net profit</b>	<b>10,80</b>	<b>(2.163,13)</b>	<b>100,5</b>	<b>2,11</b>	<b>(2.115,56)</b>	<b>100,1</b>
<b>Adjusted Operating Revenues</b>	<b>660,97</b>	<b>636,54</b>	<b>3,8</b>	<b>319,05</b>	<b>312,96</b>	<b>1,9</b>
<b>Adjusted EBITDA</b>	<b>108,74</b>	<b>96,95</b>	<b>12,2</b>	<b>40,79</b>	<b>43,30</b>	<b>(5,8)</b>
Adjusted EBITDA Margin	16,5%	15,2%		12,8%	13,8%	
<b>Adjusted EBIT</b>	<b>56,76</b>	<b>36,51</b>	<b>55,5</b>	<b>12,08</b>	<b>8,60</b>	<b>40,4</b>
Adjusted EBIT Margin	8,6%	5,7%		3,8%	2,7%	
<b>Results at constant currency</b>	<b>2015</b>	<b>2014</b>	<b>% Chg.</b>	<b>2015</b>	<b>2014</b>	<b>% Chg.</b>
<b>Operating revenues at constant currency</b>	<b>650,93</b>	<b>636,54</b>	<b>2,3</b>	<b>318,89</b>	<b>312,96</b>	<b>1,9</b>
<b>EBITDA at constant currency</b>	<b>98,26</b>	<b>96,95</b>	<b>1,3</b>	<b>36,46</b>	<b>43,30</b>	<b>(15,8)</b>
Adjusted EBITDA Margin	15,1%	15,2%		11,4%	13,8%	
<b>EBIT at constant currency</b>	<b>46,92</b>	<b>36,51</b>	<b>28,5</b>	<b>8,32</b>	<b>8,60</b>	<b>(3,3)</b>
Adjusted EBIT Margin	7,2%	5,7%		2,6%	2,7%	

During 1H 2015, excluding extraordinary items and exchange rate impact:

- Operating revenue grow by 2.3%
- Adjusted EBITDA grow by 1.3%.
- Stable margins at 15%.

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## 1\_ Market environment

### a\_ Economic environment in Spain and Portugal

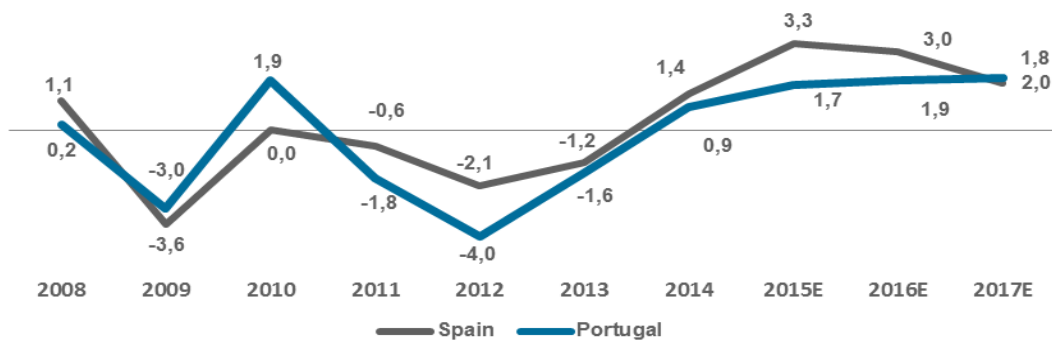
The year 2015 continues the growth that was settled last year, assuming the return of positive growth rates for Spain and Portugal, and laying the foundations of a new economic environment.

From the beginning of the crisis in 2007, the environmental adversity in both countries had been its dominant feature. Starting in 1H 2013, a continuous positive quarterly change in trend has been recorded and confirmed in 2014 (+1.4% in Spain and +0.9% in Portugal for the whole year).

Consensus forecast is that the change in trend will consolidate during 2015 (+3.3% in Spain and 1.7% in Portugal) and 2016 (+2.6% in Spain and +1.9% in Portugal). These forecasts have improved several decimal places since the last in April this year.

- **Spanish** GDP fell by -1.2% in 2013 and increased +2.7% in 1Q 2015.
- As for **Portugal**, in 2013 GDP fell by -1.6% by 2015 has been confirmed the recovery of the growth path reaching a +1.5% in the first quarter of the year.

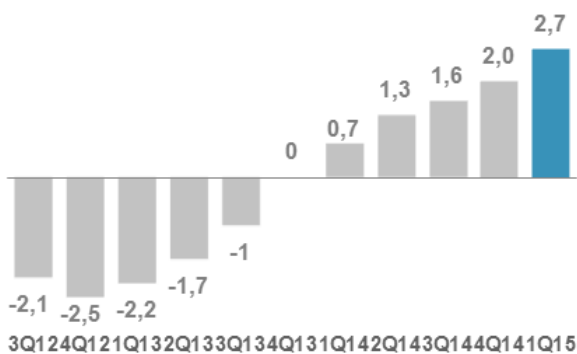
GDP growth in Spain & Portugal (%)



Source: INE (Spanish statistic institute), Bank of Portugal, June 2015; updated to base 2010 data

Quarterly GDP growth in Spain & Portugal (%)

#### Spain



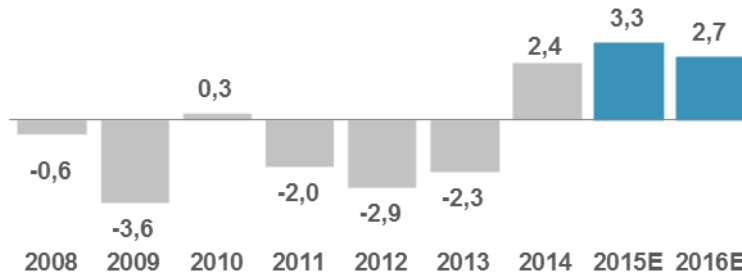
#### Portugal



Source: INE, Bank of Portugal

The improvement observed in the economic environment has had its reflection in private consumption. Private consumption in Spain went from a fall of -2.9% in 2012 and a fall of -2.3% in 2013 (according to INE), to an increase of +2.4% in 2014, after several years of declines. According to the consensus projections compiled by FUNCAS, the mentioned improvement allows for a growth estimate of +3.3% for 2015 and +2.7% for 2016.

**Annual growth of private consumption in Spain (inter-annual variation %)**

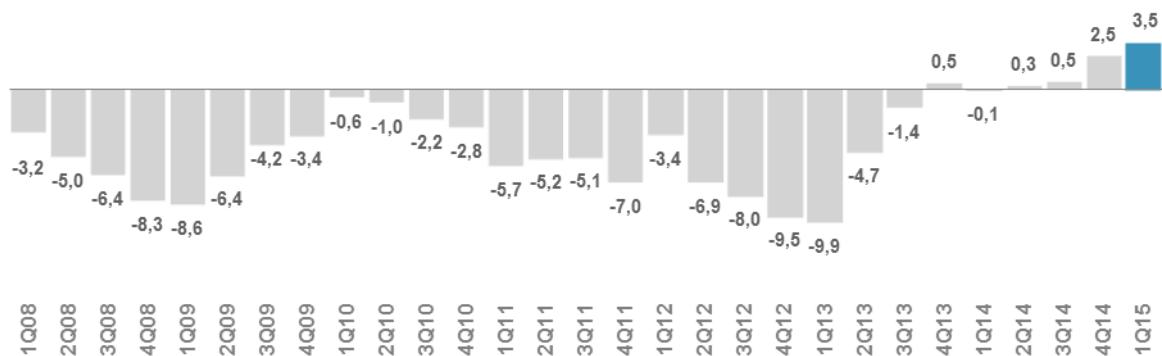


Source: FUNCAS (consensus) June 2015

In terms of quarterly evolution, private consumption has also showed a significant turnaround from 2013 when it happened to fall -9.9% in Q2 to grow by +0.5% in Q4. According to INE, private consumption has remained flat during the firsts three quarters of 2014 (slight decrease of -0.1% in 2Q, growth of 0.3% in the first semester and growth of +0.5 in 3Q), to record an remarkable +2.5% growth in 4Q. Therefore, this variable shows a slight growth of 0.8% in average quarterly rates.

Growth trend is confirmed in 2015 with an average increase of 3 between January and May 2015. (Provisional data).

**Quarterly growth of private consumption in Spain (%)**



Source: INE (Spanish statistic institute)

For 2015 an improvement in the economic environment is expected for both Spain and Portugal. Starting from 2014 GDP growth of +1.4% in Spain and +0.9% in Portugal, for 2015 expected growth rates are +3.3% (INE) and +1.7% (Bank of Portugal) respectively.

### b\_ Advertising Market Evolution

The Group's divisions are directly exposed to the Spanish advertising market through Radio, Press and Digital, as well as Pay TV, though less so. In addition the Group is also exposed to the Portuguese advertising market through its FTA TV (TVI) and Radio businesses.

During 2013, advertising investment showed a change in trend, in line with that of the economic environment. According to public sources (i2p) **advertising investment in Spain fell by -10.1% in 2013** compared to a fall of -18.0% in 2012. This consecutive trend is confirmed in 2014, year in which advertising market has recorded a total growth of +5%.

Annual growth of advertising investment in Spain (%)

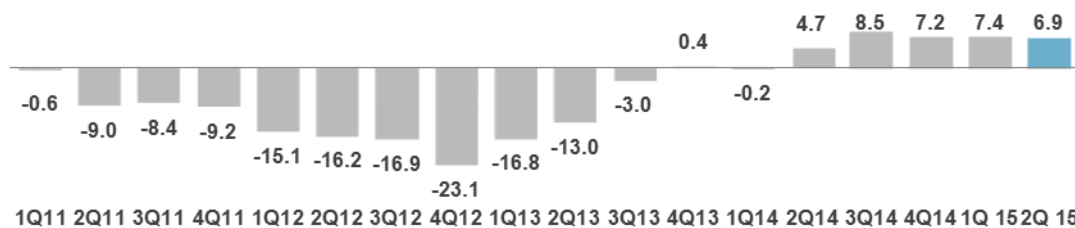


Source: i2p (February 2015)

The behavior of the **advertising in the tight quarters of 2013 and 2014 has shown this important improvement** gradually. Advertising investment in Spain went from a fall of -16.8% in 2Q 2013 to a growth of +0.4% in 4Q 2013. In 1Q 2014, the advertising investment in Spain still showed an irregular behavior with a fall of -0.2%, which was corrected in the 1H of 2014 with an increase of +4.7%. This trend was confirmed in the 3Q of 2014, where quarterly growth is reached from the +8.5%, and ending the year with a growth of 7.2%.

In 2Q 2015, the advertising grows by 6.9%, showing the strengthening of this positive trend, although at a less growth than during the Q1, due to a cyclical effect of increased advertising investment in the public sector by the approach of local and regional elections of May.

Quarterly growth of advertising investment in Spain (%)

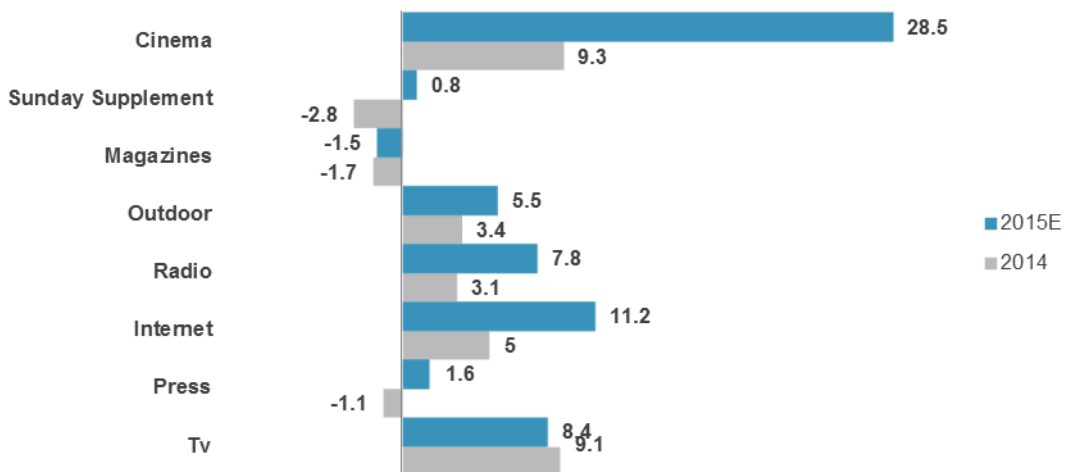


Source: i2p (July 2015)

**The evolution by sectors shows the improvement in 2014**, with a positive performance of all sectors except Press, Magazines and Sunday Supplement, where the falls have been relaxed compared to 2013, as observed in 2Q, 3Q and 4Q 2014.

Advertising investment in Spain (%)



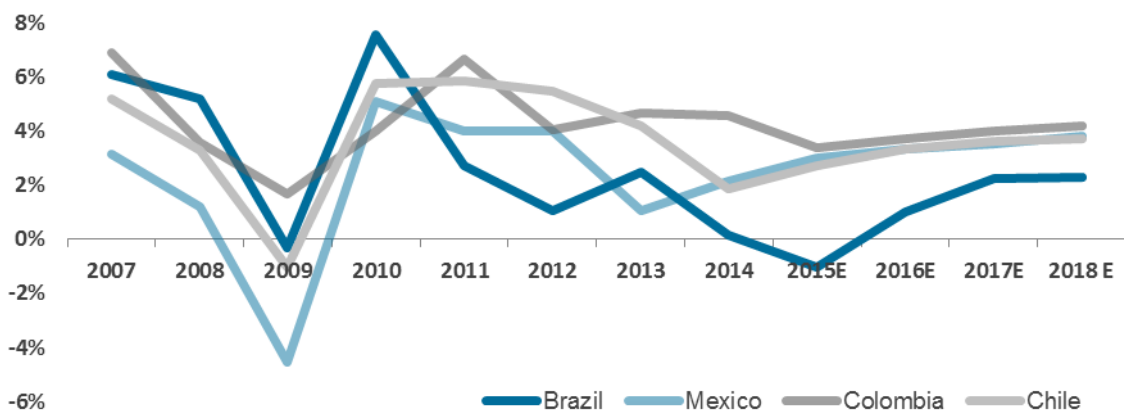


Source: i2p (July 2015)

### c\_ Economic environment in Latin America

Growth in countries to which PRISA is exposed has been uneven during 2014, with economic conditions worsening in some countries (especially Brazil, Colombia and Chile), while showing larger growth in others (Mexico). Growth trend will be recovered in all countries according to IMF 2015, 2016 and 2017 estimates (April 2015), except Brazil, which is expected to show a growth of 1% in 2016 reaching a 2.3% in 2017.

LatAm GDP growth (%)



Source: IMF (April 2015)

Group's results in Latin America are impacted by **exchange rates** in the region as a consequence of the economic cycle.

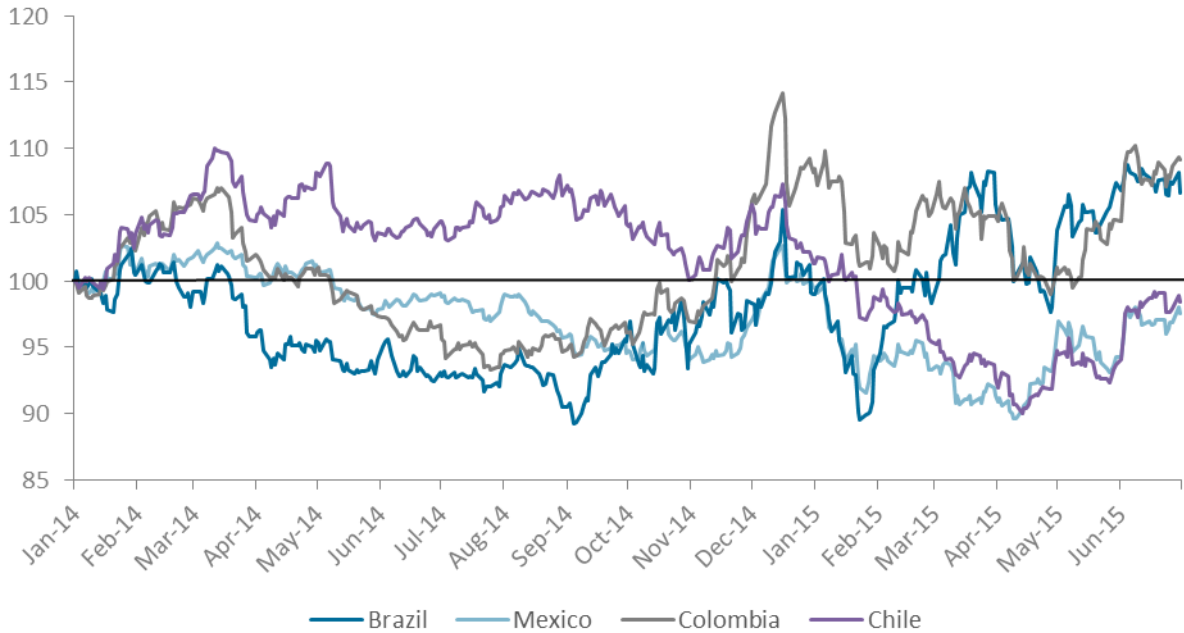
High volatility in exchange rates for the main LatAm currencies has been the dominant factor during 2014.

During 2015, currencies show uneven evolution (Brazil and Colombia appreciate in the last months while Mexico and Chile depreciate during the whole period),

The FX impact has been positive on Group results, reaching 9.3 million euros in revenue and 10.2 in EBITDA.

**FX Evolution vs. Euro 2014 - 2015**

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	Brazil	Mexico	Colombia	Chile
<b>1Q 2014</b>	3,24	18,13	2.747,88	756,11
<b>2Q 2014</b>	3,06	17,83	2.624,31	760,69
<b>3Q 2014</b>	3,01	17,38	2.531,21	764,94
<b>4Q 2014</b>	3,18	17,34	2.720,13	747,23
<b>1Q 2015</b>	3,22	16,84	2.782,63	703,37
<b>2Q 2015</b>	3,40	16,96	2.766,99	684,08
<b>3Q 2015</b>	n.a.	n.a.	n.a.	n.a.
<b>4Q 2015</b>	n.a.	n.a.	n.a.	n.a.

Source: Bloomberg

## 2\_ Main operating indicators

### a\_ Group operating results

Group Operating Results	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Operating Revenues</b>	<b>650,02</b>	<b>688,00</b>	<b>(5,5)</b>	<b>313,59</b>	<b>350,50</b>	<b>(10,5)</b>
Spain	244,19	283,32	(13,8)	146,61	175,62	(16,5)
Portugal	81,13	88,16	(8,0)	44,10	48,78	(9,6)
Latam	324,71	316,52	2,6	122,88	126,10	(2,6)
<b>Operating expenses</b>	<b>564,87</b>	<b>599,63</b>	<b>(5,8)</b>	<b>284,26</b>	<b>299,77</b>	<b>(5,2)</b>
Spain	261,58	291,79	(10,4)	138,68	149,22	(7,1)
Portugal	66,46	70,76	(6,1)	34,13	36,64	(6,9)
Latam	236,83	237,08	(,1)	111,45	113,91	(2,2)
<b>EBITDA</b>	<b>85,15</b>	<b>88,37</b>	<b>(3,6)</b>	<b>29,33</b>	<b>50,73</b>	<b>(42,2)</b>
<i>EBITDA Margin</i>	0,13	0,13	2,3	(,04)	0,02	-
Spain	(17,39)	(8,47)	(105,5)	7,93	26,40	(70,0)
Portugal	14,66	17,40	(15,7)	9,97	12,14	(17,8)
Latam	87,88	79,44	10,6	11,43	12,19	(6,3)
<b>EBIT</b>	<b>33,79</b>	<b>14,56</b>	<b>132,2</b>	<b>0,93</b>	<b>6,10</b>	<b>(84,7)</b>
<i>EBIT Margin</i>	5,2%	2,1%		(,05)	(,00)	
Spain	(31,74)	(43,20)	26,5	0,91	2,37	(61,7)
Portugal	10,95	13,26	(17,4)	8,04	10,16	(20,9)
Latam	54,57	44,50	22,6	(8,01)	(6,43)	(24,6)
<b>Adjusted Operating Revenues</b>	<b>660,97</b>	<b>636,54</b>	<b>3,8</b>	<b>319,05</b>	<b>312,96</b>	<b>1,9</b>
<b>Adjusted EBITDA</b>	<b>108,74</b>	<b>96,95</b>	<b>12,2</b>	<b>40,79</b>	<b>43,30</b>	<b>(5,8)</b>
<i>Adjusted EBITDA Margin</i>	16,5%	15,2%		12,8%	13,8%	
<b>Adjusted EBIT</b>	<b>56,76</b>	<b>36,51</b>	<b>55,5</b>	<b>12,08</b>	<b>8,60</b>	<b>40,4</b>
<i>Adjusted EBIT Margin</i>	8,6%	5,7%		3,8%	2,7%	

### b\_ Extraordinary impact and changes in consolidation perimeter

We show below the main extraordinary impacts:

Extraordinary Items	JANUARY - JUNE		APRIL - JUNE	
	2015	2014	2015	2014
<b>One-offs in operating revenues</b>	<b>(10.95)</b>	<b>51.47</b>	<b>(5.46)</b>	<b>37.54</b>
Advertising sponsorship adjustment	0.00	1.47	0.00	1.02
Consolidation perimeter adjustment - Mx & CR	(10.95)	(9.64)	(5.46)	(5.65)
Trade Publishing	0.00	59.64	0.00	42.17
<b>One-offs in operating expenses</b>	<b>12.64</b>	<b>60.05</b>	<b>5.99</b>	<b>30.11</b>
Redundancies	19.50	29.84	9.29	17.20
Advertising sponsorship adjustment	0.00	1.47	0.00	1.02
Consolidation perimeter adjustment - Mx & CR	(6.87)	(6.10)	(3.30)	(3.53)
Trade Publishing	0.00	28.84	0.00	15.42
Non recurrent retirement complement	0.00	6.00	0.00	0.00
<b>One-offs in amortization &amp; provisions</b>	<b>(0.62)</b>	<b>13.37</b>	<b>(0.31)</b>	<b>9.93</b>
Trade Publishing	0.00	7.15	0.00	3.44
Consolidation perimeter adjustment - Mx & CR	(0.62)	(0.57)	(0.31)	(0.30)

- Advertising sponsorships:** Revenues and expenses from the sponsorship of certain events which are considered extraordinary, though they have no impact at EBITDA level.
- Change in the consolidation perimeter:** starting January 2013, Group accounts record Mexico and Costa Rica shareholdings using the equity method. Adjusted data includes the impact of these results.
- In June 2014, the **Trade Publishing business was sold**, and no longer consolidates within Grupo PRISA (previously was part of Santillana).

- d) **Redundancies:** The extraordinary expenses from redundancies **falls compared to** 2014. In 1H 2015 redundancies have reached 19.50 million euros compared to the 29.9 million euros during the same period in 2014.

### c\_ Foreign exchange impact

As previously explained, the exchange rate has had a positive impact in the Group's operating results. The exchange rate impact has been of 9.3 million euros at operating revenue level, 10.2 million at EBITDA level and 9.6 million at EBIT level.

The following table shows **the evolution of Revenues, EBITDA and EBIT at constant currency**,

- Operating Revenues would have grown by +2.3% instead of growing by +3.8%.
- Adjusted EBITDA have grown by +1.3% instead of growing by +12.3%.

Eur Million	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Adjusted Operating Revenues</b>	<b>660,97</b>	<b>636,54</b>	<b>3,8</b>	<b>319,05</b>	<b>312,96</b>	<b>1,9</b>
Spain	244,19	247,61	(1,4)	146,61	145,07	1,1
International	416,79	388,93	7,2	172,44	167,90	2,7
Portugal	81,13	88,16	(8,0)	44,10	48,78	(9,6)
Latam	335,66	300,77	11,6	128,34	119,12	7,7
<b>Adjusted EBITDA</b>	<b>108,74</b>	<b>96,95</b>	<b>12,2</b>	<b>40,79</b>	<b>43,30</b>	<b>(5,8)</b>
Spain	(1,41)	(0,34)	-	16,05	18,25	(12,1)
International	110,15	97,29	13,2	24,74	25,06	(1,2)
Portugal	15,20	18,34	(17,2)	10,00	12,98	(23,0)
Latam	94,95	78,94	20,3	14,75	12,07	22,1
<i>Adjusted EBITDA Margin</i>	16%	15%		12,8%	13,8%	
<b>Adjusted EBIT</b>	<b>56,76</b>	<b>36,51</b>	<b>55,5</b>	<b>12,08</b>	<b>8,60</b>	<b>40,4</b>
Spain	(15,75)	(21,13)	25,4	9,02	4,45	102,8
International	72,52	57,64	25,8	3,06	4,16	(26,4)
Portugal	11,49	14,20	(19,1)	8,07	11,01	(26,7)
Latam	61,03	43,43	40,5	(5,01)	(6,85)	26,9
<i>Adjusted EBIT Margin</i>	8,6%	5,7%		3,8%	2,7%	

Results at constant currency Eur Million	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Adjusted Operating Revenues</b>	<b>650,9</b>	<b>636,5</b>	<b>2,3</b>	<b>318,89</b>	<b>312,96</b>	<b>1,9</b>
Spain	244,2	247,6	(1,4)	146,61	145,07	1,1
International	406,7	388,9	4,6	172,28	167,90	2,6
Portugal	81,1	88,2	(8,0)	44,10	48,78	(9,6)
Latam	325,6	300,8	8,3	128,18	119,12	7,6
<b>Adjusted EBITDA</b>	<b>98,3</b>	<b>96,9</b>	<b>1,3</b>	<b>36,46</b>	<b>43,30</b>	<b>(15,8)</b>
Spain	(1,4)	(0,34)	-	16,05	18,25	(12,1)
International	99,7	97,3	2,4	20,42	25,06	(18,5)
Portugal	15,2	18,3	(17,2)	10,00	12,98	(23,0)
Latam	84,5	78,9	7,0	10,42	12,07	(13,7)
<i>Adjusted EBITDA Margin</i>	15%	15%		11,4%	13,8%	
<b>Adjusted EBIT</b>	<b>46,9</b>	<b>36,5</b>	<b>28,5</b>	<b>8,32</b>	<b>8,60</b>	<b>(3,29)</b>
Spain	(15,8)	(21,1)	25,4	9,02	4,45	102,79
International	62,7	57,6	8,7	(,70)	4,16	(116,9)
Portugal	11,5	14,2	(19,1)	8,07	11,01	(26,7)
Latam	51,2	43,4	17,9	(8,77)	(6,85)	(27,9)
<i>Adjusted EBIT Margin</i>	7,2%	5,7%		2,6%	2,7%	

### 3\_ Education business

EDUCATION	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Revenues</b>	<b>300.28</b>	<b>324.42</b>	<b>(7.4%)</b>	<b>123.18</b>	<b>153.49</b>	<b>(19.7%)</b>
Spain	36.69	69.13	(46.9%)	35.43	62.65	(43.4%)
International	263.59	255.29	3.3%	87.75	90.84	(3.4%)
<b>Operating expenses</b>	<b>235.85</b>	<b>255.01</b>	<b>(7.5%)</b>	<b>116.06</b>	<b>129.76</b>	<b>(10.6%)</b>
<b>EBITDA</b>	<b>64.43</b>	<b>69.42</b>	<b>(7.2%)</b>	<b>7.12</b>	<b>23.73</b>	<b>(70.0%)</b>
% margin	21.5%	21.4%		5.8%	15.5%	
<b>EBIT</b>	<b>31.61</b>	<b>27.03</b>	<b>17.0%</b>	<b>(12.33)</b>	<b>(1.45)</b>	<b>---</b>
% margin	10.5%	8.3%		(10.0%)	(0.9%)	
<b>One-offs in operating revenues</b>	<b>0.00</b>	<b>59.64</b>		<b>0.00</b>	<b>42.17</b>	
Trade Publishing	0.00	59.64		0.00	42.17	
<b>One-offs in operating expenses</b>	<b>1.29</b>	<b>40.72</b>		<b>0.70</b>	<b>26.49</b>	
Redundancies	1.29	11.88		0.70	11.07	
Trade Publishing	0.00	28.84		0.00	15.42	
<b>One-offs in Amort. &amp; Provisions</b>	<b>0.00</b>	<b>7.15</b>		<b>0.00</b>	<b>3.44</b>	
Trade Publishing	0.00	7.15		0.00	3.44	
<b>Adjusted Revenue</b>	<b>300.28</b>	<b>264.78</b>	<b>13.4%</b>	<b>123.18</b>	<b>111.32</b>	<b>10.7%</b>
Spain	36.69	34.88	5.2%	35.43	33.11	7.0%
International	263.59	229.90	14.7%	87.75	78.21	12.2%
Portugal	0.74	0.76	(2.7%)	0.71	0.55	27.3%
Latam	262.84	229.14	14.7%	87.04	77.65	12.1%
<b>Adjusted EBITDA</b>	<b>65.72</b>	<b>50.46</b>	<b>30.3%</b>	<b>7.82</b>	<b>8.01</b>	<b>(2.3%)</b>
Spain	(10.49)	(6.53)	(60.7%)	6.64	11.00	(39.6%)
International	76.22	56.98	33.8%	1.18	(3.0)	139.5%
Portugal	(1.47)	(1.99)	25.9%	(0.7)	(1.2)	37.9%
Latam	77.69	58.97	31.7%	1.91	(1.8)	---
% adjusted margin	21.9%	19.1%		6.3%	7.2%	
<b>Adjusted EBIT</b>	<b>32.91</b>	<b>22.01</b>	<b>49.5%</b>	<b>(11.6)</b>	<b>(6.9)</b>	<b>(67.5%)</b>
% adjusted margin	11.0%	8.3%		(9.4%)	-6.2%	
<b>Adjusted Revenue at constant fx rate</b>	<b>291.67</b>	<b>264.78</b>	<b>10.2%</b>	<b>123.34</b>	<b>111.32</b>	<b>10.8%</b>
Spain	36.69	34.88	5.2%	35.43	33.11	7.0%
International	254.98	229.90	10.9%	87.90	78.21	12.4%
Portugal	0.74	0.76	(2.7%)	0.71	0.55	27.3%
Latam	254.24	229.14	11.0%	87.20	77.65	12.3%
<b>Adjusted EBITDA</b>	<b>55.15</b>	<b>50.46</b>	<b>9.3%</b>	<b>3.26</b>	<b>8.01</b>	<b>(59.2%)</b>
Spain	(10.49)	(6.53)	(60.7%)	6.64	11.00	(39.6%)
International	65.65	56.98	15.2%	(3.4)	(3.0)	(12.9%)
Portugal	(1.47)	(1.99)	25.9%	(0.7)	(1.2)	37.9%
Latam	67.12	58.97	13.8%	(2.6)	(1.8)	(45.7%)
% adjusted margin	18.9%	19.1%		2.6%	7.2%	
<b>Adjusted EBIT</b>	<b>22.90</b>	<b>22.01</b>	<b>4.0%</b>	<b>(15.7)</b>	<b>(6.9)</b>	<b>(125.6%)</b>
% adjusted margin	7.9%	8.3%		(12.7%)	-6.2%	

In 2014, Prisa **sold the Trade Publishing division** and therefore it has left its consolidation perimeter. From July 2014 onwards, this activity is **not part of the results** of the Education business of Prisa.

The impact of this transaction is included in the extraordinary items table above as Trade Publishing which belonged to Education business. This implies adjusted figures for the year 2014, eliminating such activity of education accounts.

These items affect revenues and expenses and include the gain on sale and the goodwill impairment of the Trade Publishing activity in Brazil.

## a\_ Market position

Santillana, PRISA's education business, maintains a leading position in practically all countries where it operates. In Spain, Santillana has a market share of 19%.

We detail below the market share and position of Santillana in its main markets, according to the latest data available:

### Market share and position of PRISA's education business

Country	Market Share	Market Position
Spain	19%	1
Brazil	21%	1
Mexico	15.5%	1
Argentina	27.7%	1
Chile	37.4%	1
Colombia	17%	1
Portugal	6.7%	3

Source: PRISA internal estimates as of December 2014, Mexico: 23 % including UNO

## b\_ Operating revenues

Operating Revenues in 1H 2015 have been impacted by the following elements:

- **The evolution of exchange rates**, which have a favourable impact of 8.6 million euros in revenues
- The **sale of Trade Publishing Division** in June 2014 impacts cumulative results of 2014 and are included in adjoining tables and as adjustments to that period.

In the revenues evolution of 1H 2015 there is to highlight:

**a) The evolution of the South Area campaigns**, which altogether show a good behavior.

- **In Brazil**, the growth in regular campaign and institutional sales, has allowed for a revenue growth of +9.7% (+7.2% in local currency)
- **Argentina**, good evolution of Compartir is added to the campaign as a whole (+100% in euros and +77.6 in local currency).

**b) North Area campaigns** (Spain, Mexico and Venezuela mainly), take place during second half every year and therefore 1H 2015 results are unrepresentative of the overall campaign performance. There is to highlight the delays suffered in the campaign in Spain, over the same period of the previous year, because of the difficulties in the adoption of the new Education Act. The campaign shows good prospects, despite these delays that will be corrected throughout the 2H, impacting positively on the annual closure.

**c) Learning Systems UNO maintain their growth (+9.5%)**. EBITDA reach +6.5 million euros in 1H 2015 compared to +6.4 million euros in 1H 2014. (+1.8%)

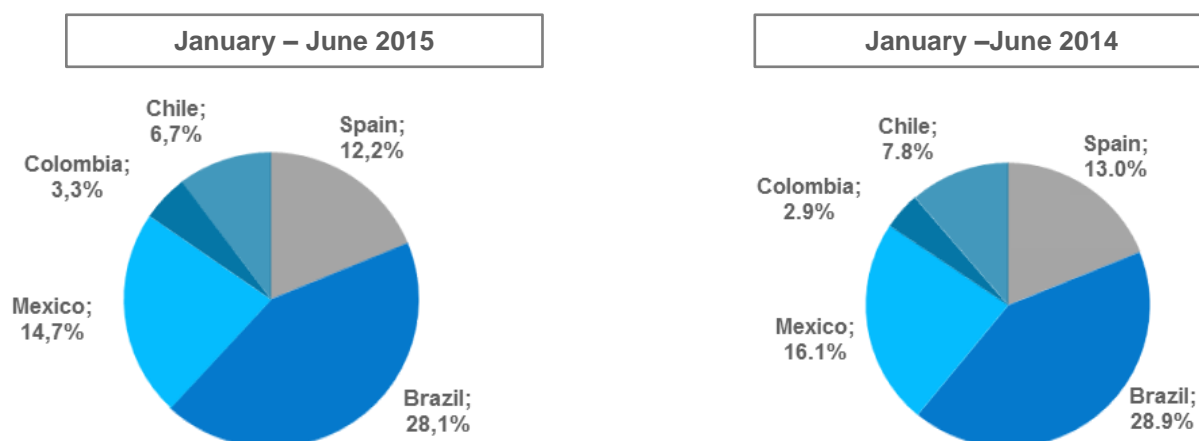
Excluding the **FX impact** and the General editions effect, adjusted revenues grow by 10.2% in the 1H 2015 compared to same period of 2014.

The contribution to the division's Revenues of the different countries where Santillana is present, separating the contribution of traditional Education (including education system Compartir) and education Sistema UNO is as follows:

EDUCATION	REVENUE			LOCAL CCY REVENUE		
	1H 2015	1H 2014	Var %	1H 2015	1H 2014	Var %
<b>Santillana Total</b>	<b>300,3</b>	<b>264,8</b>	<b>13,4%</b>			<b>10,2</b>
<b>Traditional Education &amp; Compartir</b>	<b>264,6</b>	<b>232,4</b>	<b>13,9%</b>			
Spain	36,1	34,0	6,0%	36,07	34,02	6,0%
Portugal	0,7	0,8	-2,7%	0,74	0,76	-2,7%
Brazil	66,4	60,5	9,7%	209,97	195,82	7,2%
Mexico	32,1	31,0	3,5%	548,60	550,59	-0,4%
Argentina	37,1	18,6	100,0%	360,05	202,70	77,6%
Chile	20,2	20,7	-2,6%	14.173,34	15.714,88	-9,8%
Colombia	4,8	3,4	41,0%	13,71	9,69	41,6%
Other countries	67,1	63,3	6,0%			---
<b>UNO system</b>	<b>35,1</b>	<b>32,1</b>	<b>9,5%</b>			
Spain	0,08	0,1	-23,5%	0,08	0,10	-23,5%
Brazil	17,8	16,1	10,6%	59,44	50,30	18,2%
México	12,2	11,6	4,7%	202,87	210,37	-3,6%
Colombia	5,1	4,3	19,2%	14,11	11,64	21,2%
<b>Spain Global</b>	<b>0,5</b>	<b>0,3</b>	<b>19,2%</b>	<b>0,5</b>	<b>0,3</b>	<b>85,3%</b>

Excluding FX rates and the impact of the trade Publishing business, adjusted revenues grow by 10.2% and adjusted EBITDA grows by 9.3%.

#### Geographical split of education revenues (%)



### c\_ Operating expenses and capex

Adjusted **operating expenses increase in 1H 2015 by 9.4% reaching 234.6 million euros.**  
 With regard to **Capex**, Santillana undertakes investments for a total of 25.8 million euros in 1H 2015.

### d\_ EBITDA

Adjusted Education EBITDA reached 65.7 million euros in 1H 2015 (+30.2%). This result has been **positively impacted by FX rates evolution by 10.6 million euros.**

At constant FX rates, education business would have reached 57.1 million euros, a growth in its adjusted EBITDA by +9.3%. This positive exchange of 10.6 million euros will revert in its entirety to the end of the year, when stored types here at end of the year.

**The adjusted EBITDA contribution of the different countries** where Santillana is present, separating the contribution of the different business lines (traditional education and Compartir, UNO system and other) is as follows:

EDUCATION	ADJUSTED EBITDA			LOCAL CCY ADJUSTED EBITDA		
	1H 2015	1H 2014	Var %	1H 2015	1H 2014	Var %
<b>Santillana Total</b>	<b>65,7</b>	<b>50,5</b>	<b>30,2%</b>			
<b>Traditional Education &amp; Compartir</b>	<b>70,7</b>	<b>55,4</b>	<b>27,5%</b>			
Spain	1,3	3,2	-58,0%	1,34	34,02	-96,1%
Portugal	-1,5	-2,0	-25,9%	(1,47)	0,76	-292,9%
Brazil	19,4	13,8	41,0%	56,14	195,82	-71,3%
Mexico	4,9	6,6	-26,0%	87,12	550,59	-84,2%
Argentina	19,3	8,4	129,9%	185,25	202,70	-8,6%
Chile	8,0	9,6	-17,1%	5.637,81	15.714,88	-64,1%
Colombia	-0,2	-1,6	-90,6%	(,35)	9,69	-103,6%
Other countries	19,3	17,4	10,9%	0,00	0,00	
<b>UNO system</b>	<b>6,52</b>	<b>6,4</b>	<b>1,8%</b>	<b>0,00</b>	<b>0,10</b>	
Spain	-0,1	-0,1	-17,0%	(,05)	50,30	-100,1%
Brazil	2,1	2,8	-26,8%	7,84	210,37	-96,3%
Mexico	3,1	3,0	3,2%	50,29	11,64	332,0%
Colombia	1,4	0,6	120,2%	4,0	0,3	1259,7%
<b>Spain Global</b>	<b>-11,5</b>	<b>-11,4</b>	<b>0,9%</b>	<b>(11,48)</b>	<b>0,29</b>	<b>(40,5)</b>

### e\_ Digital development – Digital education systems (UNO & Compartir)

**Sistema UNO:** It is a complete pedagogic service, constructed through the collaboration with the school management, offering forming and evaluation, a bilingual education and the digitalization of the education system (including the class). It is a system that includes the school owners, directors, teachers, pupils and parents.

#### The proposal includes:

- **Content:** printed material (pupil, teacher, class) and digital material (pupil and teacher)
- **Digital platform:** hardware (ipads, servers, projectors etc.) and software (apps, support...)
- **Evaluation:** school and national exams (MAPCO, PISA, Cambridge)
- **Training:** for directors, teachers, pupils and parents, through conferences, seminars, events, tutorials and digital services etc.

#### Business model:

- The business is B2B, with direct agreements with the schools (4 year agreements) and direct payment by the parents.
- The Price is higher than the traditional package of books offered to schools.
- The digitalization of classes is offered, as well as the chance of having a Tablet (ipad) per pupil.
- It implies the transformation of printed material with digital elements to a system which is fully digital.
- The education process development is planned and managed completely through Sistema UNO.

**The geographical presence:** Sistema UNO has been launched in Brazil, Mexico and Colombia with considerable success in each of the three



**The results:** In 1H 2015, the results of Sistema UNO continue showing a good behavior in revenues (32.1 M€ in 2014 and of 35,1M€ in 2015. EBITDA reaches 6.5 million euros versus 6.4 million euros in 1H 2014.

**KPIs:**

- **Brazil:** Sistema UNO is present in **397** schools and reaches **139,637** pupils.
- **Colombia:** Sistema UNO is present in **77** schools and reaches **27,726** pupils.
- **Mexico:** Sistema UNO is present in **403** schools and reaches **116,257** pupils.
- **Total: Sistema UNO** is present in **877** schools and reaches **283,620** pupils.

**Sistema COMPARTIR:** An initiative directed towards facilitating the incorporation of technology to schools in a less radical way than Sistema UNO. It implies the introduction to the digital world instead of an alternative education proposal for the schools. It provides the schools with a solution to face the need of introduce technological changes, when they are more reluctant of abandoning the traditional education system of printed books.

**The proposal:** offers text books which are enriched with digital content and access to hardware and software at preferential prices to slowly increase the digital exposure of the school.

- **Content:** same content as traditional education but with additional services.
- **Evaluation.**
- **Digitalization of classrooms:** including hardware to improve the education experience of pupils.
- **Online content:** Santillana plus (web page for pupils and teachers) and Twig (educational videos in biology, physics, chemistry and natural science).
- **Learning Management System (LMS):** integration of the learning community (pupil, teacher, parents) in a customizable platform which simplifies the education management.

**Business model:**

- The business is B2B, with agreements with the schools (for 3 years) with a payment per subscription
- The system is given directly to the schools
- There are several options so that the individual needs of the schools are met
- Santillana has an agreement with hardware providers for the schools that adopt Compartir

**Geographical presence:** Sistema Compartir is much more extended than UNO, with presence in Argentina, Brazil, Northern and Southern Central America, Chile, Colombia, Ecuador, Mexico and Dominican Republic. In February 2015 was launched in Peru.

The contribution to revenues and EBITDA of these campaigns are included together with those of traditional education shown in the tables above.

for its KPIs, **Sistema Compartir** reaches **1,517** schools and **531,592** pupils.

## 4\_ Radio business

RADIO	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Revenues</b>	<b>150.08</b>	<b>143.89</b>	<b>4.3%</b>	<b>84.45</b>	<b>82.06</b>	<b>2.9%</b>
Advertising	137.33	132.17	3.9%	76.56	75.49	1.4%
<i>Spain</i>	84.39	77.49	8.9%	46.22	44.04	4.9%
<i>International</i>	52.93	54.56	(3.0%)	30.35	31.40	(3.3%)
<i>Other*</i>	0.01	0.12	(94.7%)	(0.01)	0.05	(115.3%)
Others	12.75	11.73	8.7%	7.89	6.57	20.1%
<b>Operating expenses</b>	<b>130.96</b>	<b>123.22</b>	<b>6.3%</b>	<b>66.99</b>	<b>63.75</b>	<b>5.1%</b>
<b>EBITDA</b>	<b>19.12</b>	<b>20.68</b>	<b>(7.5%)</b>	<b>17.46</b>	<b>18.32</b>	<b>(4.7%)</b>
<i>% margin</i>	12.7%	14.4%		20.7%	22.3%	
<b>EBIT</b>	<b>12.70</b>	<b>13.29</b>	<b>(4.4%)</b>	<b>13.87</b>	<b>14.23</b>	<b>(2.5%)</b>
<i>% margin</i>	8.5%	9.2%		16.4%	17.3%	
<i>* Includes Music &amp; Consolidation adjustments</i>						
<b>One-offs in operating revenues</b>	<b>(10.95)</b>	<b>(9.64)</b>		<b>(5.46)</b>	<b>(5.65)</b>	
Consolidation Perimeter Adjustment - Mx & CR	(10.95)	(9.64)		(5.46)	(5.65)	
<b>One-offs in operating expenses</b>	<b>(0.45)</b>	<b>(2.09)</b>		<b>(0.75)</b>	<b>(1.36)</b>	
Redundancies	5.68	3.41		2.141	1.514	
Contractors Redundancies	0.73	0.66		0.41	0.66	
Consolidation Perimeter Adjustment - Mx & CR	(6.86)	(6.16)		(3.30)	(3.53)	
<b>One-offs in Amort. &amp; Provisions</b>	<b>(0.62)</b>	<b>(0.57)</b>		<b>(0.31)</b>	<b>(0.30)</b>	
Consolidation Perimeter Adjustment - Mx & CR	(0.62)	(0.57)		(0.31)	(0.30)	
<b>Adjusted Revenues</b>	<b>161.03</b>	<b>153.53</b>	<b>4.9%</b>	<b>89.91</b>	<b>87.71</b>	<b>2.5%</b>
Spain	93.90	85.71	9.6%	51.19	48.23	6.1%
Latam	66.98	66.33	1.0%	37.97	38.41	(1.1%)
Adjustments & others	0.15	1.3		0.76	0.85	
<b>Adjusted EBITDA</b>	<b>29.62</b>	<b>28.22</b>	<b>5.0%</b>	<b>22.18</b>	<b>22.60</b>	<b>(1.9%)</b>
Spain	12.14	7.547	60.8%	9.70	8.44	14.9%
Latam	18.32	20.17	(9.2%)	12.64	13.62	(7.2%)
Adjustments & others	(0.8)	0.47		(0.2)	0.50	
<i>% adjusted margin</i>	18.4%	18.4%		24.7%	25.8%	
<b>Adjusted EBIT</b>	<b>22.59</b>	<b>20.26</b>	<b>11.5%</b>	<b>18.27</b>	<b>18.22</b>	<b>0.3%</b>
<i>% adjusted margin</i>	14.0%	13.2%		20.3%	20.8%	
<b>Adjusted Revenues at constant fx rate</b>	<b>159.41</b>	<b>153.53</b>	<b>3.8%</b>	<b>89.44</b>	<b>87.71</b>	<b>2.0%</b>
Spain	93.90	85.71	9.6%	51.19	48.23	6.1%
Latam	65.36	66.33	(1.5%)	37.50	38.41	(2.4%)
Adjustments & others	0.15	1.3		0.76	0.85	
<b>Adjusted EBITDA at constant fx rate</b>	<b>29.69</b>	<b>28.22</b>	<b>5.2%</b>	<b>22.39</b>	<b>22.60</b>	<b>(1.0%)</b>
Spain	12.14	7.547	60.8%	9.70	8.44	14.9%
Latam	18.39	20.17	(8.8%)	12.85	13.62	(5.7%)
Adjustments & others	(0.8)	0.47		(0.2)	0.50	
<i>% adjusted margin</i>	18.6%	18.4%		25.0%	25.8%	
<b>Adjusted EBIT</b>	<b>22.74</b>	<b>20.26</b>	<b>12.2%</b>	<b>18.53</b>	<b>18.22</b>	<b>1.7%</b>
<i>% adjusted margin</i>	14.3%	13.2%		20.7%	20.8%	

In 2014, Mexico and Costa Rica investments begun consolidation under the equity method (they are no longer proportionally consolidated).

This situation is due to a change in international accounting rules (adopted by the EU), which was introduced from January 2013 onwards.

The results of Mexico and Costa Rica are included within adjusted results, with the aim of providing for a better understanding of the global business both in 2014 and 2015.

**a\_ Market position**

In Spain, we highlight the competitive strength of PRISA's radio business through its stations (Cadena Ser, 40 Principales, Cadena Dial, M-80, Radiolé and Máxima FM). According to the latest EGM survey, **Cadena Ser maintains absolute leadership in the market with 4.766 thousand listeners** (market share of 40% of Spain's generalist radio). **Cadena 40 and Cadena Dial hold first and second place in the music radio market in Spain with audience shares of 23% and 17% respectively.**

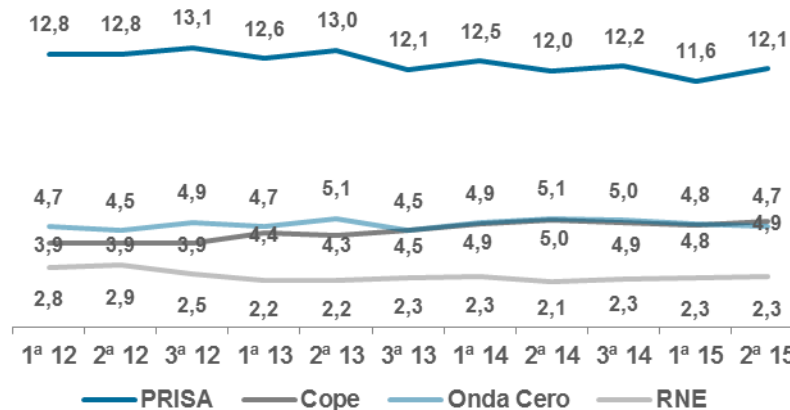
We detail below the number of listeners of PRISA in Spain:

Thsd. Listeners	Listeners		
	1H 2015	Rank	Share
<b>Talk Radio</b>	<b>4,766</b>	<b>1</b>	<b>40%</b>
Cadena SER	4,766		40%
<b>Music Radio</b>	<b>7,339</b>	<b>1</b>	<b>52%</b>
40 Principales	3,178		23%
Dial	2,346		17%
Máxima FM	615		4%
M80	595		4%
Radiolé	605		4%
<b>Total</b>	<b>12,105</b>		

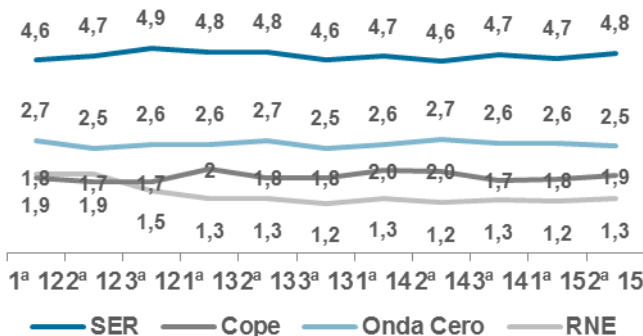
Source: EGM Second report 2015

The strong leading position held by PRISA radio in Spain has been recurrent over time. We show below the evolution of the audience share of radio stations in Spain according to EGM.

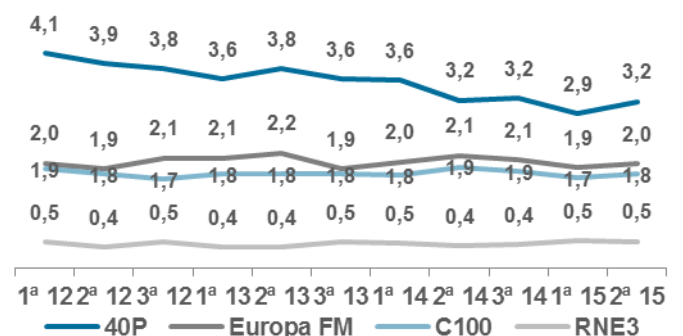
**Audience share evolution in Spain (thousand listeners)**



**Cadena Ser**



**40 principales**

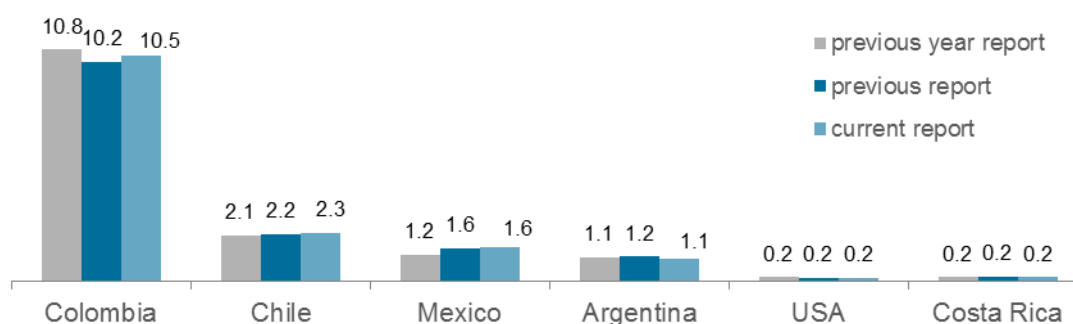


Source: EGM Second report 2015

As for international radio, PRISA maintains a leading position in Chile and Colombia (with respective market share of 50% and 37%) and third position in Mexico (14%). We detail below the market position of PRISA's international radio stations as of the latest information available (January- May 2015):

Thsd. Listeners	Listeners		
	1H 2015	Rank	Share
Colombia	10,481	1	37%
Chile	2,263	1	50%
México	1,612	3	14%
Argentina	1,051	4	9%
USA	159	4	4%
Costa Rica	194	n/a	11%

International radio audience (thousand listeners)



Source: ECAR (Colombia), IPSOS (Chile), INRA (Mexico), IBOPE (Argentina), latest available information as of January-May 2015

## b\_ Operating revenues

In 1H 2015, **Radio Revenues reached 161.1 million euros**, which means an increase of +4.9% compared with 1H 2014. This increase is mainly due to:

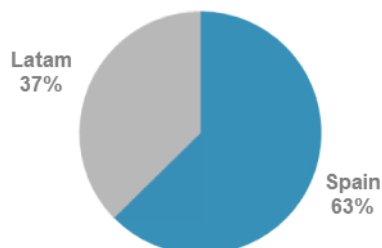
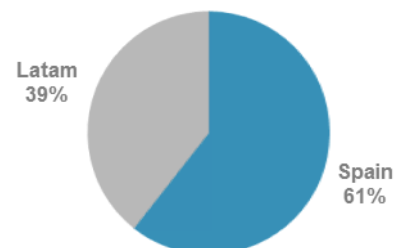
- **Increase in advertising revenues in Spain** (+8.9%)
- **LatAm advertising** performance (-1.4%)
- **Favourable FX impact**, of 1.6 million euros.

Additionally, **Mexico and Costa Rica cease to be proportionally consolidated and start to be integrated through equity consolidation** both in 2013 and 2014

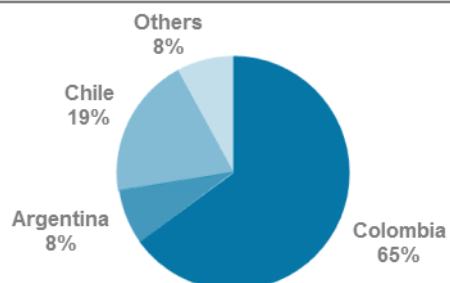
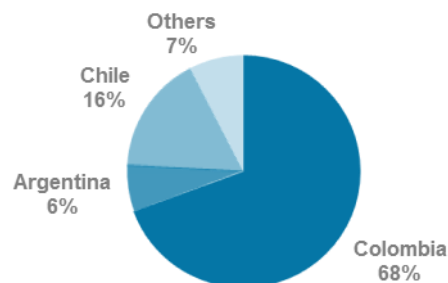
At constant currency and including Mexico and Costa Rica, **Radio adjusted revenue** would reached **159.4 million euros** in 1H 2015, growing by **+3.8% versus 1H 2014**.

### Radio Revenues by geographical origin:

- Spain:** Radio Spain adjusted revenues (without Music) reach 93.9 million euros in 1H 2015 (+9.6 % versus 1H 2014).
- International:** International radio adjusted Revenues, including Mexico and Costa Rica, reach **67 million euros** in 1H 2015 (+0.9% versus 1S 2014). The contribution from these two countries and the favorable exchange rate offset weak behavior in Chile and Colombia.

**Revenues by geography (%)**
**January – June 2015\***

**January – June 2014**


\* Data impacted by deconsolidation of Mexico & Costa Rica. Without this impact LatAm Revenues would have reached 41% of the division's revenues.

**International contribution of the different countries (%)**
**January – June 2015\***

**January – June 2014**


\* Data impacted by deconsolidation of Mexico & Costa Rica, without this impact country take up would be Colombia, 56.1%; Mexico, 13.5%; Argentina, 6.5%; Chile, 17.3%; All others, 6.6%.

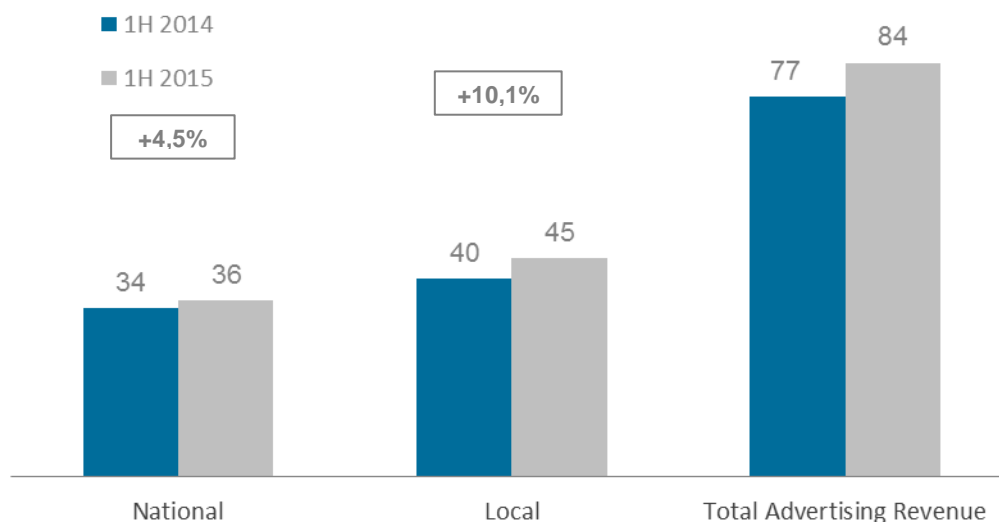
**Radio revenues by concept:**

- a) **Advertising revenues:** Radio advertising Revenues increase by +3.9% in 1H 2015 reaching 137.3 million euros and representing 91% of the division's revenues. There is to highlight the different performance in Spain and International radio.

**Spanish total advertising revenues** (without Music ad revenue) reach 84.4 million euros, increasing by +8.9 and represent 61% of total ad revenue.

Local advertising revenue consolidates its growth trend in 1H 2015 (+10.1%, with 15 consecutive months growing).

National advertising revenue shows clear improvement (+4.5%) versus 1H 2014.



**International advertising revenues**, that reach 52.9 million euros, fall by -3%, and by a low performance in Colombia and Chile, partially offset by good evolution in Argentina and favorable FX rate. Including Mexico and Costa Rica, international advertising revenues remain almost flat (-0.79%).

**b) Other Revenues:** reach -0.8 million euros (+6.4% versus 1H 2014). These revenues include services, product sales and other.

### c\_ Operating expenses and Capex

**The Group maintains its strong effort in cost control.** However, OPEX in 1H 2015 has risen +6.3 % versus 1H 2014.

This increase is mainly due to new programming promotion expenses (needed to establish a reasonable base audience level) and cost associated to revenue increase, as barter deal expenses and revenue proportionate expenses (station fees, programming contractors and intellectual property).

Adjusted by extraordinary elements, (mainly redundancies) and perimeter, OPEX would have increased by +5.4% and +1.7% considering the exchange rate impact.

In terms of investments, Radio has make investments of 2.8 million euros in 1H 2015.

### d\_ EBITDA

**Radio EBITDA** was positive in **19.12 million** euros in 1H 2015, which compares with 20.68 million in 1H 2014.

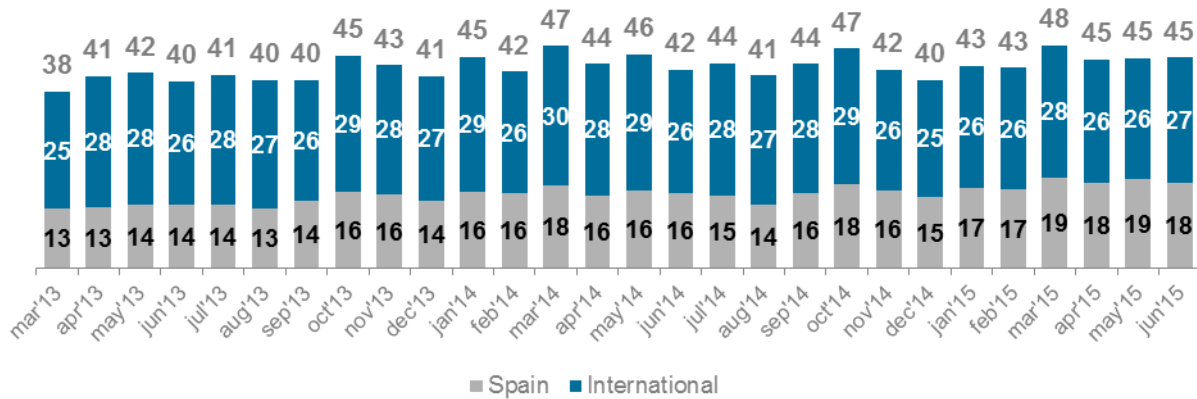
Considering Mexico and Costa Rica performance and **adjusted by extraordinary items and FX**, EBITDA would have reached **29.65 million euros** compared to 28.22 million in 1H 2014 (**+5%**).

We highlight the **improvement in Spain** that grows **60.8%** in 1H 2015 reaching 12.14 million euros compared to 7.5 million euros in same period 2014.

**e\_ Digital development**

**We highlight the strength and growth of listening hours of radio through digital means.** In the past year, monthly listening hours have grown from 38 million in March 2013 to 43 million in June 2015 (latest data available), with a positive evolution in both Spain and international Radio.

**Listening hours of digital radio (million hours)**



**The support of the digital activity to radio results in:**

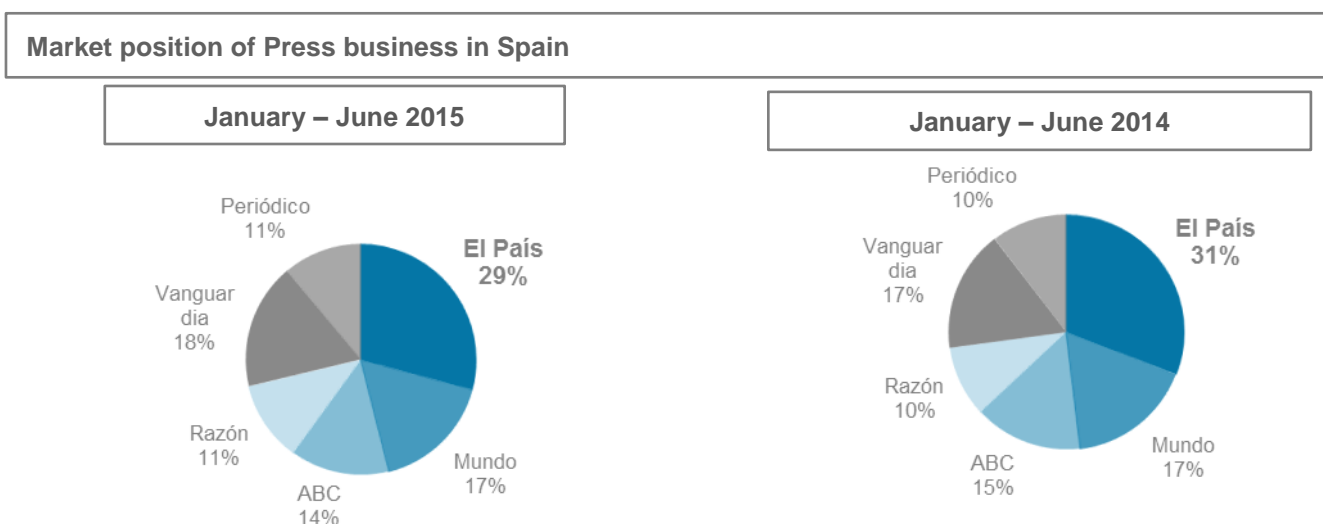
- **Strong growth of unique browsers** to the radio web sites (as of June 2015, latest data available): unique browsers to Radio Spain web sites grew by +48.2% and reach 11.8 million on average. As for international radio, unique browsers according to Omniture grow by +76% and reach 17.4 million on average. Overall Radio Browsers reach 29.3 million users, growing by 63%.

## 5\_ Press business

PRESS	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Revenues</b>	<b>116,99</b>	<b>132,40</b>	<b>(11,6%)</b>	<b>61,01</b>	<b>66,61</b>	<b>(8,4%)</b>
<i>Advertising</i>	52,10	51,75	0,7%	29,18	29,88	(2,3%)
<i>Circulation</i>	48,13	55,60	(13,4%)	23,77	27,35	(13,1%)
<i>Add-ons and others</i>	16,76	25,05	(33,1%)	8,06	9,37	(14,0%)
<b>Operating expenses</b>	<b>119,46</b>	<b>136,57</b>	<b>(12,5%)</b>	<b>59,55</b>	<b>64,80</b>	<b>(8,1%)</b>
<b>EBITDA</b>	<b>(2,47)</b>	<b>(4,17)</b>	<b>40,8%</b>	<b>1,47</b>	<b>1,80</b>	<b>(18,5%)</b>
<i>% margin</i>	(2,1%)	(3,2%)		2,4%	2,7%	
<b>EBIT</b>	<b>(6,26)</b>	<b>(14,45)</b>	<b>56,7%</b>	<b>0,59</b>	<b>(4,68)</b>	<b>112,7%</b>
<i>% margin</i>	(5,3%)	(10,9%)		1,0%	(7,0%)	
<b>One-offs in operating revenues</b>	<b>0,00</b>	<b>1,47</b>		<b>0,00</b>	<b>1,02</b>	
<i>Advertising sponsorship adjustment</i>	0,00	1,47		0,00	1,02	
<b>One-offs in operating expenses</b>	<b>8,79</b>	<b>12,95</b>		<b>5,60</b>	<b>3,76</b>	
<i>Redundancies</i>	8,79	11,49		5,60	2,74	
<i>Advertising sponsorship adjustment</i>	0,00	1,47		0,00	1,02	
<b>Adjusted Revenues</b>	<b>116,99</b>	<b>130,94</b>	<b>(10,6%)</b>	<b>61,01</b>	<b>65,59</b>	<b>(7,0%)</b>
<i>Advertising</i>	52,10	50,29	3,6%	29,18	28,86	1,1%
<i>Circulation</i>	48,13	55,60	(13,4%)	23,77	27,35	(13,1%)
<i>Add-ons and others</i>	16,76	25,05	(33,1%)	8,06	9,37	(14,0%)
<b>Adjusted EBITDA</b>	<b>6,317</b>	<b>7,31</b>	<b>(13,6%)</b>	<b>7,07</b>	<b>4,55</b>	<b>55,5%</b>
<i>% adjusted margin</i>	5,4%	5,6%		11,6%	6,9%	
<b>Adjusted EBIT</b>	<b>2,527</b>	<b>(2,97)</b>	<b>185,2%</b>	<b>6,19</b>	<b>(1,9)</b>	<b>---</b>
<i>% adjusted margin</i>	2,2%	(2,3%)		10,1%	(2,9%)	
<b>Ingresos ajustados a tipo de cambio constante</b>	<b>116,99</b>	<b>130,94</b>	<b>(10,6%)</b>	<b>61,01</b>	<b>65,59</b>	<b>(7,0%)</b>
<b>Adjusted EBITDA</b>	<b>6,32</b>	<b>7,31</b>	<b>(13,6%)</b>	<b>7,07</b>	<b>4,55</b>	<b>55,5%</b>
<i>% adjusted margin</i>	5,4%	5,6%		6,7%	1,3%	---
<b>Adjusted EBIT</b>	<b>2,53</b>	<b>(3,0)</b>	<b>185,2%</b>	<b>6,19</b>	<b>(1,9)</b>	<b>---</b>
<i>% adjusted margin</i>	2,2%	(2,3%)		8,7%	(0,7%)	---

### a\_ Market position

El País maintains its absolute leading position in Spain, with a market share of 29% according to the latest OJD available data (May 2015).



Source: OJD May 2015, last data available



## b\_ Operating revenues

Revenues in Press business fall by **-11.6% in 1H 2015**, reaching 117 million euros.

Regardless of the **recovery of press ad sales market**, the fall in circulation and the lack of significant add on promotions, due to calendar reasons, has made up for this fall. This fall has been partially offset by growth in digital advertising which has grown by +20.5% in 1H 2015 compared to same period 2014.

**Advertising Revenues** grew by +0.7% (El País, +4.3%; AS, -1.3%), adjusted advertising revenues grew by +3.6% (El País, +8.2%; AS, -1.3%).

**Adjusted advertising revenues**; adjusted for sponsorship revenue without EBITDA impact, Press advertising revenue evolution has been as follows:

- Print advertising Revenues fall by -1.7%.
- Digital advertising revenue, grow by +21.4 % in the period and already represent 35,1% of total adjusted advertising revenues
- The development of new business lines (Event Management) falls by -31% due to the delay of the number of Events (comparatively with 2014) during the second half of the year.

Eur-million	January - June		
	2015	2014	VAR %
Advertising	52.1	50.3	3.6%
Off-line	31.9	32.5	-1.7%
On-line	18.3	15.0	21.4%
Event Management	1.9	2.7	-31.0%

**Circulation revenues** fell by -13.4%. Fall in circulation is partially offset by price increases. As per print media circulation figures, the evolution per newspaper, according to OJD latest data available (OJD May 2015) is as follows:

	JANUARY - JUNE		
	2015	2014	Var (%)
El País	231,713	275,327	-16%
As	133,496	150,767	-11%
Cinco Días	24,651	27,577	-11%

Circulation at **El País** falls by -16.4%, **AS** by -9.7% and **Cinco Días** by -4.3%

- **The rest of Press revenues** reach **69 million euros** in 1H 2015, showing a fall of -10.3%. **As per add-on revenues**, it has to be highlighted that regardless their lower revenue volume (during 1H 2014 add-ons were especially intense), their profitability stays in the same level as those of 1H 2014.

## c\_ Operating expenses and Capex

**OPEX decreases** during 1H 2015 by **-10.5%**. Cost restructuring continues where severance payments reach 8.7 million euros compared to 11.5 million euros of 1H 2014. **Excluding non-recurrent impacts**, **OPEX** would have fallen by **-12.5%** (12.95 million euros).

The Capex of press unit has made investments of EUR 1 million in 1H 2015

**d\_ EBITDA**

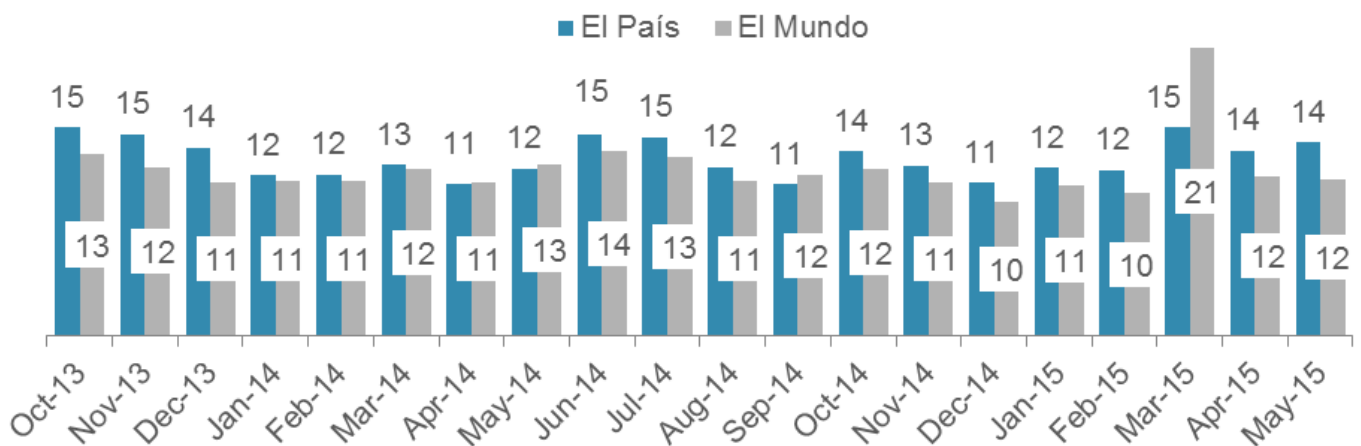
**EBITDA in 1H 2015** improves by +40.8%, improving from a loss 4.2 million euros in 1H 2014 to a loss of 2.5 million euros in 1H 2015.

Excluding the impact of **extraordinaire**, adjusted **EBITDA** reach 6.3 million euros compared to 7.3 million euros of 1H 2014 (-13.6%).

**e\_ Digital development**

- **Adjusted Digital advertising Revenues grow by +21.4%** and represent 35.1% of the division's ad Revenues
- **Unique browsers to El País.com** in 1H 2015 (as of May 2015 latest data available) grow by +37 reaching 47.6 million on average.
- **In terms of unique users**, according to comScore in generalist press in 1H 2015 (as of May 2015 latest data available), El País maintains a leading position reaching 13.51 million monthly average users. In addition, in sport press, AS holds second position to Marca reaching 6.7 million monthly average users. Methodology update: digital audience data are impacted by a methodology change by comScore, which specially impacts in As.com. Omniture unique browser data have been adjusted accordingly.

**Digital audience (millions of unique users)**



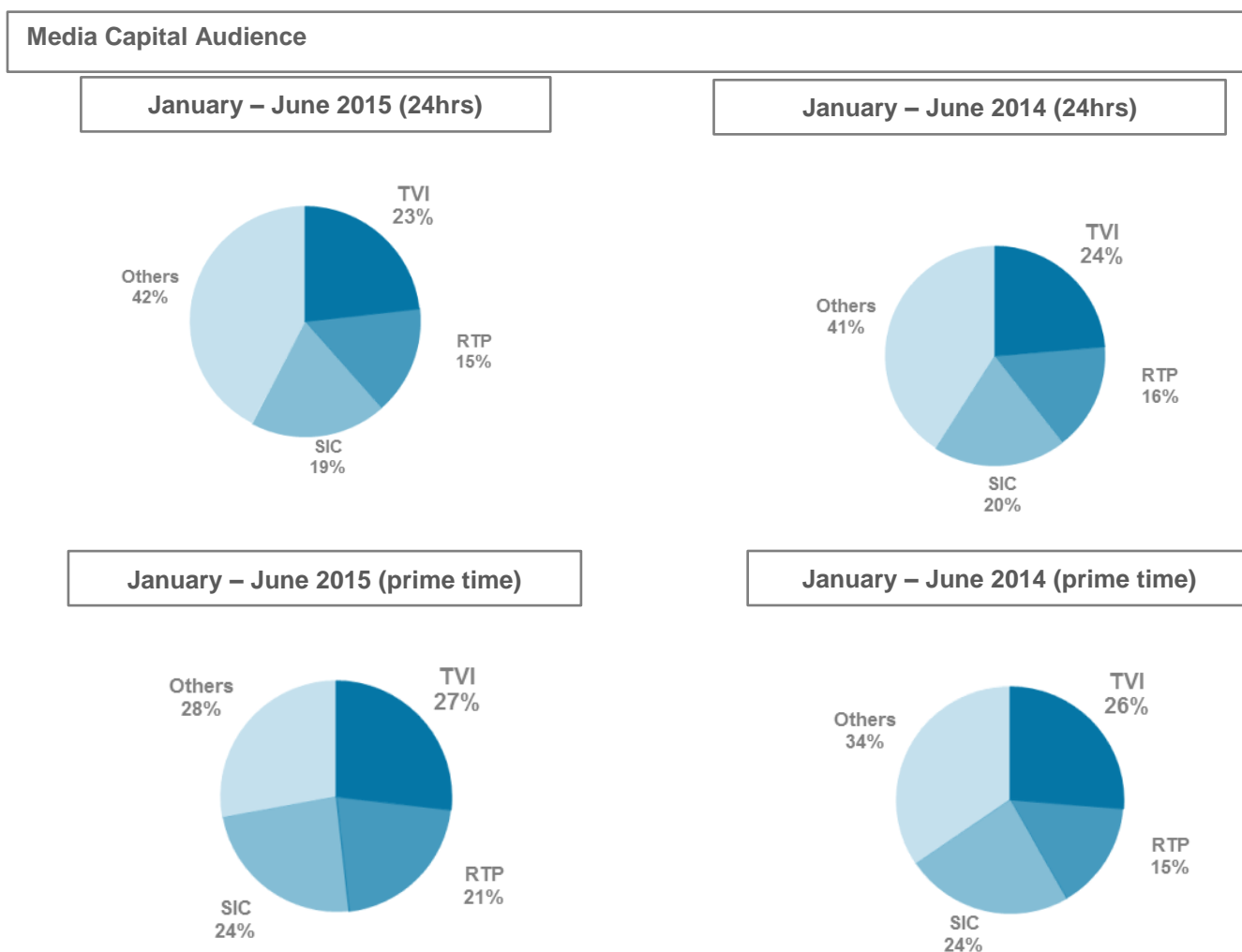
- El País Brazil was launched during 2013.
- El País Mexico digital newsroom was substantially enhanced in 2014.

## 6\_ Media Capital

MEDIA CAPITAL	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Revenues</b>	<b>82.33</b>	<b>88.96</b>	<b>(7.5%)</b>	<b>44.39</b>	<b>49.10</b>	<b>(9.6%)</b>
Advertising	56.89	56.64	0.4%	33.16	33.09	0.2%
Other	25.44	32.32	(21.3%)	11.24	16.01	(29.8%)
<b>Operating expenses</b>	<b>65.91</b>	<b>70.64</b>	<b>(6.7%)</b>	<b>33.56</b>	<b>36.15</b>	<b>(7.2%)</b>
<b>EBITDA</b>	<b>16.42</b>	<b>18.31</b>	<b>(10.3%)</b>	<b>10.84</b>	<b>12.94</b>	<b>(16.3%)</b>
% margin	19.9%	20.6%		24.4%	26.4%	
<b>EBIT</b>	<b>12.50</b>	<b>13.81</b>	<b>(9.5%)</b>	<b>8.70</b>	<b>10.76</b>	<b>(19.2%)</b>
% margin	15.2%	15.5%		19.6%	21.9%	
<b>One- offs in operating expenses</b>	<b>0.70</b>	<b>1.06</b>		<b>0.10</b>	<b>0.79</b>	
Redundancies	0.70	1.06		0.10	0.79	
<b>Adjusted EBITDA</b>	<b>17.11</b>	<b>19.37</b>	<b>(11.7%)</b>	<b>10.94</b>	<b>13.73</b>	<b>(20.4%)</b>
% adjusted margin	20.8%	21.8%		24.6%	28.0%	
<b>Adjusted EBIT</b>	<b>13.19</b>	<b>14.87</b>	<b>(11.3%)</b>	<b>8.80</b>	<b>11.55</b>	<b>(23.8%)</b>
% adjusted margin	16.0%	16.7%		19.8%	23.5%	

### a\_ Market position

TVI maintains market leadership in 24 hours and prime time, reaching a daily audience share of 23% and 27% respectively.



Source: Gfk June 2015

**Media Capital's consolidated radio audience share** (after the change of methodology in audience measurement that takes into account the new Census population) reaches 37.3% in 1H 2015. Per station:

- **Radio Comercial** maintains its market leadership with an audience share of 26.5%
- **M80**, music radio, improves its audience share to 6.2%
- **Cidade FM** maintains its leadership amongst radio stations for youngsters, with a 3.2% audience share

## **b\_ Operating revenues**

Media Capital registered revenues in 1H 2015 of 82.3 million euros (-7.5% versus 1H 2014).

**TVI**, leading FTA TV in Portugal reached in 1H 2015 revenues of 67.9 million euros, representing a fall of -6.8% compared to 1H 2014. This fall has the following components

- Improving in ad revenues with a less fall of -0.1% in 1H 2015.
- Lower services revenues. Such reduction was due to the impact of the sector's self-regulation in what regards TV shows whose main revenue stream comes from flat rate call competitions, which was introduced in July 2014. International sales partially offset this reduction.

**Media Capital's Radio business** shows its strength, with revenues that grow by +6.6%. Advertising revenues grow by +8.5%.

## **c\_ Operating expenses and Capex**

OPEX: adjusted expenses fall by -6.3% in 1H 2015. Media Capital maintains a **capex** of 2.2 million euros in 1H 2015.

## **d\_ EBITDA**

Adjusted EBITDA reaches 17.1 million Euros, with a fall a -11.7% compared to 1H 2014. Despite the good behavior of the advertising market and a great effort in cost control, the result has been affected mainly by the fall in value-added calls.

## **e\_ Digital development**

- Digital advertising reaches 1.7 million euros in 1H 2015, although the relative weight for Media Capital is still limited.
- Unique browsers to its web sites grow by 10.5%, reaching 5.9 million on monthly average in 1H 2015 (according to Netscope as of February 2015, latest data available).
- The first half of 2015 was also marked by the launching of TVI Player, a service that consists of an own platform optimised for the visualisation of programs and videos of the TVI universe in a digital environment

## 7\_From EBIT to Net Profit

Eur Million	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>EBIT</b>	<b>33.79</b>	<b>14.56</b>	<b>132.2</b>	<b>0.93</b>	<b>6.10</b>	<b>(84.7)</b>
EBIT Margin	5.2%	2.1%		0.3%	1.7%	
<b>Net financial result</b>	<b>(63.45)</b>	<b>(50.91)</b>	<b>(24.6)</b>	<b>(50.19)</b>	<b>(5.55)</b>	-
Interest on debt	(49.16)	(64.77)	24.1	(21.64)	(30.95)	30.1
Other financial results	(14.29)	13.85	-	(28.54)	25.40	-
<b>Result from associates</b>	<b>2.13</b>	<b>(4.00)</b>	<b>153.2</b>	<b>1.32</b>	<b>(0.35)</b>	-
<b>Profit before tax</b>	<b>(27.53)</b>	<b>(40.36)</b>	<b>31.8</b>	<b>(47.94)</b>	<b>0.20</b>	-
Income tax expense	54.55	(23.40)	-	60.15	(33.62)	-
<b>Results from discontinued activities</b>	<b>(0.28)</b>	<b>(2,104.80)</b>	<b>100.0</b>	<b>(0.92)</b>	<b>(2,083.25)</b>	<b>100.0</b>
<b>Minority interest</b>	<b>(15.94)</b>	<b>5.43</b>	-	<b>(9.17)</b>	<b>1.10</b>	-
<b>Net profit</b>	<b>10.80</b>	<b>(2,163.13)</b>	<b>100.5</b>	<b>2.11</b>	<b>(2,115.56)</b>	<b>100.1</b>

### a\_ Net financial result:

It gets worse at 12.5 million euros, including an improvement in “**Interest expenses**”, 15.6 million euros, and a worsening in “**Other financial results**” of -28.14 million euros mainly due to the profit from debt buyback, that net out the higher debt formalization costs and expenses associated with the cancellation of debt of Tranch 1.

### b\_ Equity consolidated results

Equity consolidated results include the results of Radio Mexico and Costa Rica in both 1H 2015 and 1H 2014.

### c\_ Corporate tax

Includes a tax asset of 54 million euros as a result of the selling of Canal +.

### c\_ Result from discontinued operations

This line includes the result from DTS operations up to the 56% stake sale administrative approval.

### d\_ Minority results

Minority interests are explained by DLJ's 25% share in Santillana, and the minority interests in the Radio business and DTS.

## 8\_ Financial Position

### a\_ Cash flow statement

#### January - June

€ Million	2015	2014	Chg.
<b>Financial investments &amp; cash equivalents at beginning of the period</b>	<b>280,32</b>	<b>277,13</b>	<b>3,19</b>
EBITDA (excluding redundancies) - provisions	96,50	87,13	9,37
Change in working capital	(11,47)	(66,62)	55,15
<b>Operating cash flow</b>	<b>85,03</b>	<b>20,51</b>	<b>64,52</b>
Operating investments/disinvestments (Capex)	(31,87)	(34,41)	2,55
Financial assets investments/disinvestments	722,77	116,92	605,85
<b>Cash flow from investing activities</b>	<b>690,91</b>	<b>82,51</b>	<b>608,40</b>
Warrants exercised	0,00	1,81	(1,81)
Interests paid	(25,82)	(13,73)	(12,09)
Dividends paid	(1,58)	(2,96)	1,38
Other financial expenses	(10,02)	(5,13)	(4,89)
<b>Cash Flow from financing activities excluding increase/amortization of debt</b>	<b>(37,42)</b>	<b>(20,02)</b>	<b>(17,40)</b>
Increase/amortization of bank debt	(577,91)	(89,71)	(488,20)
<b>Cash flow from financing activities</b>	<b>(615,32)</b>	<b>(109,73)</b>	<b>(505,60)</b>
Taxes paid	(25,32)	(22,94)	(2,38)
Fx impact	(16,00)	(6,75)	(9,25)
Redundancies	(16,65)	(16,87)	0,22
Perimeter effect	(1,33)	(7,81)	6,49
Others	(1,51)	(9,49)	7,98
<b>Other cash flow impacts</b>	<b>(60,81)</b>	<b>(63,86)</b>	<b>3,05</b>
<b>Variation of cash flows in the period (I)+(II)+(III)+(IV)</b>	<b>99,80</b>	<b>(70,57)</b>	<b>170,38</b>
<b>Variation of cash flows in the period from discontinued operations</b>	<b>0,00</b>	<b>(7,30)</b>	<b>7,30</b>
<b>Financial investments &amp; cash equivalents at the end of the period</b>	<b>380,12</b>	<b>199,26</b>	<b>180,86</b>

## Cash flow from investing activities

We show below the detail of Capex per business unit:

CAPEX			
	June 2015	June 2014	Var.
Education	(25.81)	(32.00)	6.19
Radio	(2.78)	(1.85)	(0.93)
Press	(0.96)	(1.02)	0.06
Audiovisual (Media Capital)	(2.19)	(1.01)	(1.18)
Other	(0.14)	(0.07)	(0.07)
<b>Capex (investment)</b>	<b>(31.87)</b>	<b>(35.94)</b>	<b>4.07</b>
Capex (desinvestment)	0.01	1.53	(1.53)
<b>Total</b>	<b>(31.87)</b>	<b>(34.41)</b>	<b>2.55</b>

Additions during 1H 2015 correspond mainly to investments made by education digital developments and systems of learning and prototyping.

Investments in fixed assets financial detail:

To June 2014, in other (individual Prisa) are included in the cash flow of investment funds from the sale of 3.69% of Mediaset Spain (120.95 M€).

By 2015, includes the sale of the 3.63% stake in Mediaset Spain (162 M€) and the payment of 80% of the initial retail price of Distribuidora de Television Digital, S.A (565,45M€).

## Cash flow from financing activities

- The cash flow reflects **the lower payment of interest compared to 2014**, as the payment schedule has been modified (monthly payments in 2015).
- Under the line "Other financial payments / receipts", dividend receipts from Radiópolis are recorded for 5.6 million euros of Tranche 1.

**Disposal/amortization of debt** with credit institutions in 2015 includes:

Amortization of debt in PRISA with part of the funds from the sale of DTS (469,7M€) and 3.63% of Mediaset Spain (cancellation of debt amounting to 121,6M€)

**b\_ Net financial position**

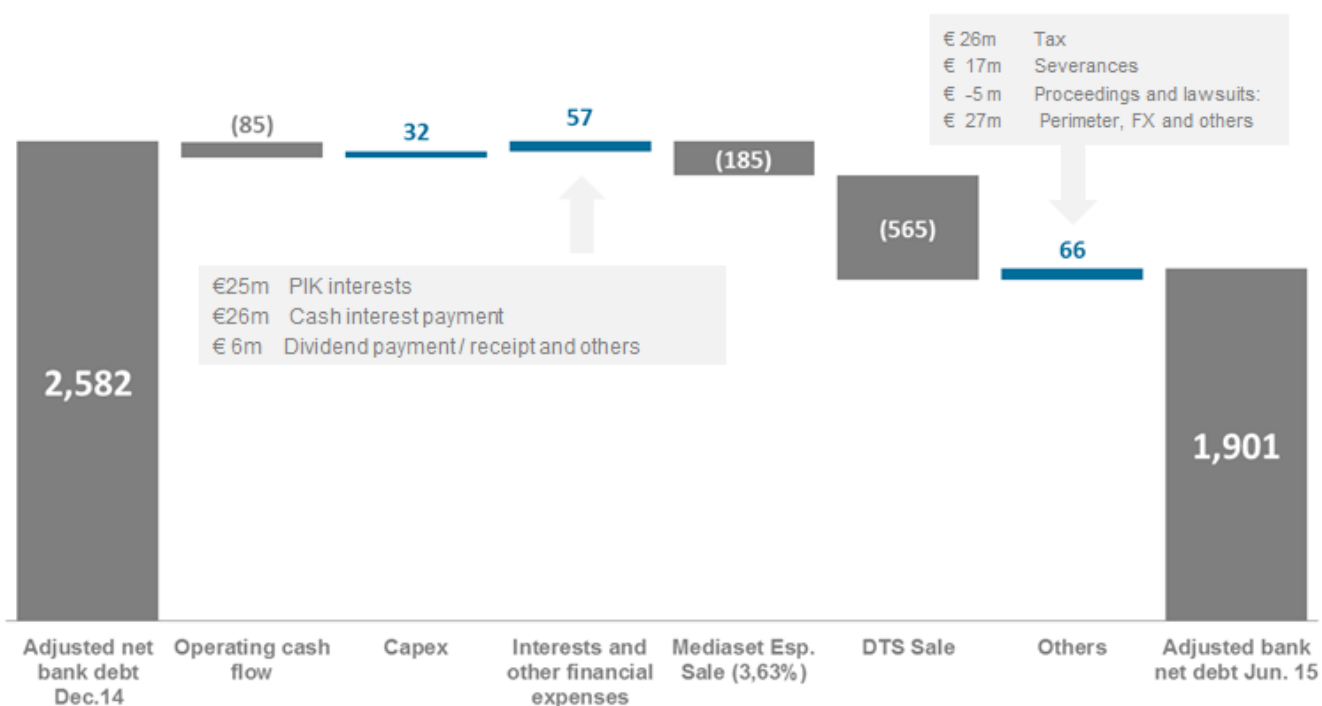
	06/30/2015	12/31/2014
Financial debt	2.213,34	2.754,26
Cash & cash equivalents+Short term financial investments	(380,12)	(280,32)
<b>Net financial debt</b>	<b>1.833,22</b>	<b>2.473,94</b>
Refinancing Costs	67,81	108,30
<b>Adjusted Net financial debt</b>	<b>1.901,03</b>	<b>2.582,25</b>
Other financial debt	139,81	118,40
DLJ Preferred dividend	139,81	118,21
Others	0,01	0,19
<b>Total net debt</b>	<b>1.973,04</b>	<b>2.592,34</b>
<b>Total net debt Adjusted</b>	<b>2.040,85</b>	<b>2.700,65</b>

\* As per 30th June 2015, current financial investments do not include the estimated amount pending collection by the operation of sale of Canal +.

Under the heading of "other financial debt" it is include payment obligations for the preferred dividend to DLJ for its 25% stake in Santillana.

"Debt arrangement expenses" for financial debt are presented in the Balance Sheet reducing the debt with creditor entities. These expenses will impact our P&L according to the maturity of their associated loans.

The evolution of Grupo Prisa total adjusted net debt is as follows:





## 9 Asset sale operations

### a Mediaset Spain sale

During 1H 2015, PRISA proceeded to place a pack of shares of Mediaset España, representing 3.63% (14,787,426 shares) of the share capital of that company.

### b DTS Sale operation

In June 2014, the Board of Directors of Prisa has formalized with Telefónica de Contenidos, S.A.U. the agreement to sell of all the shares DTS held by Prisa, representing 56% of the share capital of DTS, for an amount of EUR 750 million, which is subject to the usual adjustments in this type of transaction until the transaction closes.

Mediaset España, shareholder of DTS, had an initial period of 15 calendar days since this moment, and then extended until July 4<sup>th</sup>, 2014, in order to exercise the pre-emptive right or the tag-along right in accordance with the provisions included in the bylaws and the shareholder's agreement. After expiration of this period, Mediaset España had not exercised any of the rights above mentioned.

The closing of the transaction is subject to the non-opposition of a representative panel of Prisa's financing banks and the authorization of the competition authorities. The deal execution is subject to the mandatory competition authority clearance, which could impose conditions or require commitments for the approval of this operation. On June 20<sup>th</sup>, 2014, this representative panel of Prisa's financing banks communicated they did not oppose to the operation.

This transaction, deducted the costs in order to conduct the sale, generated at that moment an accounting loss in the consolidated Prisa Group accounts of EUR 2,064,921 million and in the individual accounts of Prisa of EUR 750,383 thousand that will place the company in an equity imbalance situation.

On April 30, 2015, Prisa executed with Telefónica de Contenidos, S.A.U. the contract of sale of the shares of DTS, Distribuidora de Television Digital, S.A. ("DTS"), through which PRISA transmitted to Telefónica all shares which was holder, representing 56% of the capital of the company, once obtained the relevant regulatory authorizations.

The initial price of the sale amounts to 706.812 thousand euros, Prisa so far has received from Telefónica the initial payment of 565.450 thousand euros, corresponding to 80% of the price. Depending on the amount finally charged by DTS of Mediapro as a result of the award issued in the framework of the arbitration procedure called by DTS Mediapro and adjustments referred to in the contract review, the final price of the sale will be adjusted.

As provided for in the financing contracts of the group, due to the patrimonial situation of the dominant society motivated by the agreement for the sale of 56% of DTS, in the month of September of 2014 and April 2015 were formalized two separate processes of automatic conversion of debt of Tranch 3 on loan for an amount of 506.834 thousand euros and 19.750 thousand euros respectively.

The results of this transaction are presented in the income statement consolidated "Resulting from operations in discontinuation" and the assets and liabilities of this business as "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale" in the consolidated balance sheet. The administrative authorization of the transaction record, has been transferred by the Community authorities to the Spanish supervisory authorities, the CNMC (Comisión Nacional de los Mercados y la Competencia). CNC. This record is in phase of processing by the Commission.

### **c\_ Capital Increase**

The Board of Directors of PRISA held 27th February 2015 has approved a capital increase for a total value of Euro 74,999,999.49, with an issue price (nominal value and share premium) of Euro 0.53 per share. The share capital increase will be subscribed by International Media Group ("International Media Group") and fully disbursed by means of a capital contribution at the time of the subscription.

The capital increase will be formalized through the issuance of a total of 141,509,433 Class A shares, of Euro 0.10 nominal value each with a share premium of Euro 0.43 per share and excluding the pre-emption right for subscription of shares. This price represents a premium of 104 percent, approximately, on the average weighted price of the shares of PRISA during the last three months.

The capital increase is subject to (i) the obtaining of the obligatory report from the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value ("valor teórico") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors' report drafted for these purposes, and (ii) the completion of a legal and finance due diligence. The Company expects that both conditions are met during the next weeks.

Once the capital increase is subscribed and disbursed and the corresponding capital increase public deed is filed with the Commercial Registry, a prospectus ("Folleto Informativo") will be submitted before the CNMV for its register in order the new shares to be admitted to trading.

## 10\_Balance Sheet

At June 30, 2015, as a consequence of the losses registered, the parent's equity to be considered for the purpose of the dissolution and/or capital reduction as outlined in Capital Companies Law (including participating loans in force at year end) amounts to EUR 119,635 thousand; this amount is below two-thirds of share capital, although it is above half of the share capital. Therefore, the Company is in a situation of economic imbalance. Directors estimate that equity of the Company will be reestablished within the legal deadline and consider, among other measures, debt buy backs at discount or other corporate transactions, such as the capital increase of EUR 75 million pending of subscription at the time.

**APPENDIX****1\_ Balance sheet****2\_ Accumulated financial data by business line**

- a\_ Operating revenues.
- b\_ Advertising revenues.
- c\_ Operating expenses.
- d\_ EBITDA.
- e\_ EBIT

**3\_ Accumulated financial data by concept**

- a\_ Operating revenues.
- b\_ Operating expenses

**4\_ Other relevant events****5\_ Group structure**

## 1\_Balance Sheet

€ Million	ASSETS	
	06/30/2015	12/31/2014
<b>FIXED ASSETS</b>	<b>1,457.45</b>	<b>1,536.75</b>
Property, plant and equipment	132.24	142.68
Goodwill	597.84	599.96
Intangible assets	136.34	137.20
Long term financial investments	34.47	185.65
Investment in associates	43.52	46.09
Deferred tax assets	509.36	421.35
Other non current assets	3.69	3.83
<b>CURRENT ASSETS</b>	<b>1,115.37</b>	<b>936.01</b>
Inventories	165.94	159.24
Accounts receivable	406.93	496.45
Short term financial investments	246.39	127.89
Cash & cash equivalents	296.11	152.43
<b>ASSETS HELD FOR SALE</b>	<b>0.06</b>	<b>1,118.81</b>
<b>TOTAL ASSETS</b>	<b>2,572.89</b>	<b>3,591.57</b>
€ Million	LIABILITIES	
	06/30/2015	12/31/2014
<b>SHAREHOLDERS EQUITY</b>	<b>-416.04</b>	<b>-617.77</b>
Issued capital	215.81	215.81
Reserves	-714.65	1,544.59
Income attributable to the parent company	10.80	(2,236.83)
Minority interest	72.01	(141.34)
<b>NON CURRENT LIABILITIES</b>	<b>2,444.52</b>	<b>2,984.52</b>
Long term financial debt	2,118.34	2,645.51
Other long term financial liabilities	128.26	118.36
Deferred tax liabilities	39.09	60.01
Provisions	118.29	115.96
Other non current liabilities	40.54	44.68
<b>CURRENT LIABILITIES</b>	<b>544.40</b>	<b>606.34</b>
Short term financial debt	95.01	108.76
Other current financial liabilities	11.59	0.91
Trade accounts payable	284.17	317.52
Other short term liabilities	133.34	133.47
Accrual accounts	20.29	45.68
<b>LIABILITIES HELD FOR SALE</b>	<b>0.00</b>	<b>618.48</b>
<b>TOTAL LIABILITIES</b>	<b>2,572.88</b>	<b>3,591.57</b>

Assets and Liabilities held for sale includes the reclassification of the assets and liabilities of Canal +.

## 2\_ Accumulated Financial Data by Business Line

### a\_ Operating revenues

OPERATING REVENUES	JANUARY - JUNE			% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	% Chg.	2015	2014
Millones de euros										
<b>Media Capital</b>	<b>82.33</b>	<b>88.96</b>	<b>(7.5)</b>	<b>12.7%</b>	<b>12.9%</b>	<b>44.39</b>	<b>49.10</b>	<b>(9.6)</b>	<b>14.2%</b>	<b>14.0%</b>
<b>Education - Publishing</b>	<b>300.28</b>	<b>324.42</b>	<b>(7.4)</b>	<b>46.2%</b>	<b>47.2%</b>	<b>123.18</b>	<b>153.49</b>	<b>(19.7)</b>	<b>39.3%</b>	<b>43.8%</b>
Spain & Portugal	37.43	69.90	(46.4)			36.14	63.20	(42.8)		
Latam & USA	262.84	254.53	3.3			87.04	90.29	(3.6)		
<b>Radio</b>	<b>150.08</b>	<b>143.89</b>	<b>4.3</b>	<b>23.1%</b>	<b>20.9%</b>	<b>84.45</b>	<b>82.06</b>	<b>2.9</b>	<b>26.9%</b>	<b>23.4%</b>
Radio in Spain	93.90	85.71	9.6			51.19	48.23	6.1		
International Radio	56.03	56.70	(1.2)			32.51	32.76	(0.8)		
Music	4.74	7.05	(32.8)			3.11	3.98	(21.9)		
Consolidation Adjustments	(4.59)	(5.57)	17.6			(2.35)	(2.91)	19.1		
<b>Press</b>	<b>116.99</b>	<b>132.40</b>	<b>(11.6)</b>	<b>18.0%</b>	<b>19.2%</b>	<b>61.01</b>	<b>66.61</b>	<b>(8.4)</b>	<b>19.5%</b>	<b>19.0%</b>
El País	82.96	92.98	(10.8)			43.00	45.33	(5.1)		
AS	24.34	28.39	(14.3)			12.91	15.14	(14.7)		
Cinco Días	5.86	6.06	(3.2)			3.02	3.30	(8.5)		
Magazines	4.33	5.69	(23.8)			2.29	3.32	(30.9)		
Printing*	5.38	5.09	5.6			2.84	2.60	9.3		
Distribution**	n.a.	n.a.	n.a.					-		
Other & Consolidation Adjustments	(5.88)	(5.80)	(1.4)			(3.05)	(3.09)	1.1		
<b>Other and Consolidation Adjustments</b>	<b>0.34</b>	<b>(1.67)</b>	<b>120.5</b>	<b>0.1%</b>	<b>(0.2%)</b>	<b>0.55</b>	<b>(0.75)</b>	<b>173.2</b>	<b>0.2%</b>	<b>(0.2%)</b>
Prisa Brand Solutions	9.55	9.62	(0.7)			4.67	4.80	(2.7)		
Others***	(9.20)	(11.29)	18.5			(4.12)	(5.55)	25.8		
<b>TOTAL</b>	<b>650.02</b>	<b>688.00</b>	<b>(5.5)</b>	<b>100%</b>	<b>100%</b>	<b>313.59</b>	<b>350.50</b>	<b>(10.5)</b>	<b>100%</b>	<b>100%</b>

\*\*\* Others include mainly the activities from Head Quarters.

Equity Method includes Radio businesses in Mexico and Costa Rica.

### b\_ Advertising revenues

#### Advertising by Company

ADVERTISING	JANUARY - JUNE			% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	% Chg.	2015	2014
Eur Million										
<b>Media Capital</b>	<b>56.89</b>	<b>56.64</b>	<b>0.4</b>	<b>23.5%</b>	<b>23.8%</b>	<b>33.16</b>	<b>33.09</b>	<b>0.2</b>	<b>24%</b>	<b>24.1%</b>
<b>Radio*</b>	<b>137.33</b>	<b>132.17</b>	<b>3.9</b>	<b>56.7%</b>	<b>55.5%</b>	<b>76.56</b>	<b>75.49</b>	<b>1.4</b>	<b>56.0%</b>	<b>55.1%</b>
Radio in Spain	84.39	77.49	8.9			46.22	44.04	4.9		
International Radio	52.93	54.56	(3.0)			30.35	31.40	(3.3)		
Music	0.03	0.14	(78.9)			0.01	0.07	(81.7)		
Consolidation Adjustments	(0.02)	(0.02)	(16.4)			(0.02)	(0.02)	(8.4)		
<b>Press</b>	<b>52.10</b>	<b>51.75</b>	<b>0.7</b>	<b>21.5%</b>	<b>21.8%</b>	<b>29.18</b>	<b>29.88</b>	<b>(2.3)</b>	<b>21.4%</b>	<b>21.8%</b>
El País	37.31	35.78	4.3			20.90	20.21	3.4		
AS	9.19	9.30	(1.3)			5.22	5.66	(7.7)		
Cinco Días	3.65	3.41	6.9			1.95	2.11	(7.4)		
Magazines	0.93	2.85	(67.3)			0.41	1.65	(75.2)		
Other & Consolidation Adjustments	1.02	0.41	150.9			0.70	0.25	173.3		
<b>Other &amp; Consolidation Adjustments</b>	<b>(3.94)</b>	<b>(2.62)</b>	<b>(50.1)</b>	<b>(1.6%)</b>	<b>(1.1%)</b>	<b>(2.29)</b>	<b>(1.41)</b>	<b>(62.0)</b>	<b>(1.7%)</b>	<b>(1.0%)</b>
<b>TOTAL</b>	<b>242.38</b>	<b>237.93</b>	<b>1.9</b>	<b>100%</b>	<b>100%</b>	<b>136.61</b>	<b>137.05</b>	<b>(0.3)</b>	<b>100%</b>	<b>100%</b>

\* In Radio Advertising Revenues, has taken place a reclassification of Event Advertising Revenues, previously included as Other Revenues.

Equity Method includes Radio businesses in Mexico and Costa Rica.

## Advertising by Geographical Area

ADVERTISING	JANUARY - JUNE			% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	% Chg.	2015	2014
Eur Million										
<b>TOTAL</b>	<b>242.38</b>	<b>237.93</b>	<b>1.9</b>	<b>100.0%</b>	<b>100.0%</b>	<b>136.61</b>	<b>137.05</b>	<b>(0.3)</b>	<b>100%</b>	<b>100.0%</b>
Spain	132.04	126.43	4.4			72.83	72.28	0.8		
International	110.35	111.50	(1.0)			63.78	64.77	(1.5)		
Portugal	56.89	56.62	0.5			33.16	33.09	0.2		
Latam	53.46	54.88	(2.6)			30.62	31.68	(3.3)		
<b>Spain</b>	<b>132.04</b>	<b>126.43</b>	<b>4.4</b>	<b>54.5%</b>	<b>53.1%</b>	<b>72.83</b>	<b>72.28</b>	<b>0.8</b>	<b>53.3%</b>	<b>52.7%</b>
Press	51.29	51.38	(0.2)			28.67	29.59	(3.1)		
Radio	84.39	77.49	8.9			46.22	44.04	4.9		
Consolidation Adjustments	(3.65)	(2.44)				(2.05)	(1.35)			
<b>International</b>	<b>110.35</b>	<b>111.50</b>	<b>(1.0)</b>	<b>45.5%</b>	<b>46.9%</b>	<b>63.78</b>	<b>64.77</b>	<b>(1.5)</b>	<b>46.7%</b>	<b>47.3%</b>
Portugal	56.89	56.62	0.5			33.16	33.09	0.2		
Media Capital	56.89	56.62	0.5			33.16	33.09	0.2		
Latam	53.46	54.88	(2.6)			30.62	31.68	(3.3)		
Press	0.81	0.37	117.8			0.52	0.29	80.2		
Radio	52.93	54.56	(3.0)			30.35	31.40	(3.3)		
Other & Consolidation Adjustments	(0.28)	(0.04)	-			(0.24)	(0.00)	-		

\* In Radio Advertising Revenues, has taken place a reclassification of Event Advertising Revenues, previously included as Other Revenues.

## Adjusted advertising by Geographical Area

ADVERTISING - adjusted	JANUARY - JUNE			% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	% Chg.	2015	2014
Eur Million										
<b>TOTAL</b>	<b>253.16</b>	<b>246.01</b>	<b>2.9</b>	<b>100.0%</b>	<b>100.0%</b>	<b>142.01</b>	<b>141.65</b>	<b>0.3</b>	<b>100%</b>	<b>100.0%</b>
Spain	132.04	124.97	5.7			72.83	71.26	2.2		
International	121.13	121.05	0.1			69.18	70.39	(1.7)		
Portugal	56.89	56.62	0.5			33.16	33.09	0.2		
Latam	64.24	64.43	(0.3)			36.03	37.30	(3.4)		
<b>Spain</b>	<b>132.04</b>	<b>124.97</b>	<b>5.7</b>	<b>52.2%</b>	<b>50.8%</b>	<b>72.83</b>	<b>71.26</b>	<b>2.2</b>	<b>51.3%</b>	<b>50.3%</b>
Press	52.10	50.29	3.60			29.48	28.95	1.8		
Radio	84.39	77.49	8.9			46.22	44.04	4.9		
Consolidation Adjustments	(4.46)	(2.81)				(2.86)	(1.72)			
<b>International</b>	<b>121.13</b>	<b>121.05</b>	<b>0.1</b>	<b>47.8%</b>	<b>49.2%</b>	<b>69.18</b>	<b>70.39</b>	<b>(1.7)</b>	<b>48.7%</b>	<b>49.7%</b>
Portugal	56.89	56.62	0.5			33.16	33.09	0.2		
Media Capital	56.89	56.62	0.5			33.16	33.09	0.2		
Latam	64.24	64.43	(0.3)			36.03	37.30	(3.4)		
Press	0.81	0.37	117.8			0.52	0.29	80.2		
Radio	63.71	64.11	(0.6)			35.75	37.03	(3.4)		
Other & Consolidation Adjustments	(0.28)	(0.05)	-			(0.24)	(0.01)	-		

\* In Radio Advertising Revenues, has taken place a reclassification of Event Advertising Revenues, previously included as Other Revenues.

## c\_ Operating expenses

Operating expenses includes only OPEX, excluding amortizations and provisions

OPERATING EXPENSES	JANUARY - JUNE			% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	% Chg.	2015	2014
<b>Eur Million</b>										
<b>Media Capital</b>	65.91	70.64	(6.7)	11.7%	11.8%	33.56	36.15	(7.2)	11.8%	12.1%
<b>Education - Publishing</b>	235.85	255.01	(7.5)	41.8%	42.5%	116.06	129.76	(10.6)	40.8%	43.3%
Spain & Portugal	49.63	64.53	(23.1)			30.31	40.00	(24.2)		
Latam & USA	186.22	190.48	(2.2)			85.75	89.75	(4.5)		
<b>Radio</b>	130.96	123.22	6.3	23.2%	20.5%	66.99	63.75	5.1	23.6%	21.3%
Radio in Spain	86.63	80.73	7.3			43.90	41.82	5.0		
International Radio	43.31	40.99	5.6			22.16	21.29	4.1		
Music and others	5.61	7.06	(20.5)			3.28	3.54	(7.4)		
Consolidation Adjustments	(4.45)	(5.57)	20.0			(2.22)	(2.91)	23.4		
<b>Press</b>	119.46	136.57	(12.5)	21.1%	22.8%	59.55	64.80	(8.1)	20.9%	21.6%
El Pais	89.84	101.83	(11.8)			45.06	46.66	(3.4)		
AS	21.63	25.04	(13.6)			10.84	13.06	(17.0)		
Cinco Dias	5.63	6.10	(7.7)			2.77	3.11	(10.8)		
Magazines	4.28	5.72	(25.3)			1.96	3.12	(37.1)		
Printing*	3.40	3.25	4.8			1.81	1.71	5.9		
Distribution**	n.a.	n.a.	n.a.			0.0%	0.0%	-		
Other & Consolidation Adjustments	(5.32)	(5.38)	1.1			(2.90)	(2.85)	(1.6)		
<b>Other and Consolidation Adjustments</b>	12.70	14.20	(10.6)	2.2%	2.4%	8.10	5.31	52.6	2.9%	1.8%
Prisa Brand Solutions	9.82	9.07	8.3			4.27	4.51	(5.4)		
Others***	2.87	5.13	(44.0)			3.83	0.80	-		
<b>TOTAL</b>	<b>564.87</b>	<b>599.63</b>	<b>(5.8)</b>	<b>100%</b>	<b>100%</b>	<b>284.26</b>	<b>299.77</b>	<b>(5.2)</b>	<b>100%</b>	<b>100%</b>

\*\*\* Others include mainly the activities from Head Quarters.

\*Equity Method includes Radio business in Mexico and Costa Rica.

\*\*\* Others include mainly the activities from Head Quarters.

## d\_ EBITDA

EBITDA	JANUARY - JUNE			MARGIN		% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	2015	2014	% Chg.	2015	2014
<b>Eur Million</b>												
<b>Media Capital</b>	16.42	18.31	(10.3)	19.9%	20.6%	19.3%	20.7%	10.84	12.94	(16.3)	36.9%	25.5%
<b>Education - Publishing</b>	64.43	69.42	(7.2)	21.5%	21.4%	75.7%	78.6%	7.12	23.73	(70.0)	24.3%	46.8%
Spain & Portugal	(12.19)	5.37	-					5.83	23.20	(74.9)		
Latam & USA	76.63	64.05	19.6					1.30	0.53	142.1		
<b>Radio</b>	19.12	20.68	(7.5)	12.7%	14.4%	22.5%	23.4%	17.46	18.32	(4.7)	59.5%	36.1%
Radio in Spain	7.27	4.98	46.0					7.28	6.41	13.6		
International Radio	12.72	15.71	(19.0)					10.34	11.47	(9.8)		
Music and others	(0.87)	(0.01)	-					(0.17)	0.43	(140.3)		
<b>Press</b>	(2.47)	(4.17)	40.8	(2.1%)	(3.2%)	(2.9%)	(4.7%)	1.47	1.80	(18.5)	5.0%	3.6%
El Pais	(6.88)	(8.85)	22.3					(2.06)	(1.33)	(55.0)		
AS	2.72	3.35	(18.8)					2.07	2.08	(0.5)		
Cinco Dias	0.23	(0.05)	-					0.25	0.19	28.6		
Magazines	0.06	(0.04)	-					0.33	0.20	68.0		
Printing*	1.98	1.85	7.1					1.04	0.90	15.8		
Distribution**	n.a.	n.a.	n.a.					-	-	-		
Other & Consolidation Adjustments	(0.57)	(0.43)	(32.9)					(0.16)	(0.24)	33.3		
<b>Other and Consolidation Adjustments</b>	(12.35)	(15.87)	22.1	(3608.8%)	949.3%	(14.5%)	(18.0%)	(7.55)	(6.06)	(24.6)	(25.8%)	(12.0%)
Prisa Brand Solutions	(0.28)	0.55	(150.7)					0.40	0.29	39.0		
Others***	(12.08)	(16.42)	26.4					(7.95)	(6.35)	(25.2)		
<b>TOTAL</b>	<b>85.15</b>	<b>88.37</b>	<b>(3.64)</b>	<b>13.1%</b>	<b>12.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>29.33</b>	<b>50.73</b>	<b>(42.18)</b>	<b>100.0%</b>	<b>100.0%</b>

\*\*\* Others include mainly the activities from Head Quarters.

Equity Method includes Radio business in Mexico and Costa Rica.



**e\_ EBIT**

EBIT	JANUARY - JUNE			MARGIN		% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	2015	2014	% Chg.	2015	2014
<b>Media Capital</b>	12.50	13.81	(9.5)	15.2%	15.5%	37.0%	94.9%	8.70	10.76	(19.2)	933.6%	176.5%
<b>Education - Publishing</b>	31.61	27.03	17.0	10.5%	8.3%	93.6%	185.7%	(12.33)	(1.45)	-	(1323.7%)	(23.7%)
Spain & Portugal	(13.66)	(4.94)	(176.5)					4.73	14.80	(68.0)		
Latam & USA	45.28	31.97	41.6					(17.07)	(16.25)	(5.0)		
<b>Radio</b>	12.70	13.29	(4.4)	8.5%	9.2%	37.6%	91.3%	13.87	14.23	(2.5)	1488.6%	233.3%
Radio in Spain	2.86	0.58	-					4.77	4.27	11.6		
International Radio	10.91	12.97	(15.9)					9.36	9.68	(3.3)		
Music and others	(1.07)	(0.22)	-					(0.28)	0.31	(188.6)		
<b>Press</b>	(6.26)	(14.45)	56.7	(5.3%)	(10.9%)	(18.5%)	(99.3%)	0.59	(4.68)	112.7	63.6%	(76.7%)
El Pais	(9.32)	(15.92)	41.5					(2.70)	(6.00)	55.0		
AS	2.07	2.66	(22.0)					2.07	1.78	16.3		
Cinco Dias	0.19	(0.09)	-					0.32	0.24	31.6		
Magazines	0.19	(0.73)	126.2					0.50	(0.39)	-		
Printing*	0.96	0.15	-					0.53	(0.01)	-		
Distribution**	n.a.	n.a.	n.a.									
Other & Consolidation Adjustments	(0.35)	(0.53)	33.0					(0.13)	(0.30)	56.9		
<b>Other and Consolidation Adjustments</b>	(16.77)	(25.12)	33.3	(4897.7%)	1502.9%	(49.6%)	(172.6%)	(9.89)	(12.77)	22.5	(1062.0%)	(209.4%)
Prisa Brand Solutions	(0.37)	0.45	(181.8)					0.35	0.24	46.1		
Others***	(16.40)	(25.57)	35.9					(10.24)	(13.00)	21.3		
<b>TOTAL</b>	<b>33.79</b>	<b>14.56</b>	<b>132.15</b>	<b>5.2%</b>	<b>2.1%</b>	<b>100%</b>	<b>100%</b>	<b>0.93</b>	<b>6.10</b>	<b>(84.72)</b>	<b>100%</b>	<b>100%</b>

\*\*\* Others include mainly the activities from Head Quarters.

Equity Method includes Radio business in Mexico and Costa Rica.

### 3\_ Accumulated Financial Data by Concept

#### a\_ Operating revenues

Eur Million	JANUARY - JUNE			% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	% Chg.	2014	2014
<b>Total operating revenues</b>	<b>650,02</b>	<b>688,00</b>	<b>(5,5)</b>	<b>100%</b>	<b>100%</b>	<b>313,59</b>	<b>350,50</b>	<b>(10,5)</b>	<b>100,0%</b>	<b>100,0%</b>
Advertising	242,38	237,93	1,9	37,3%	34,6%	136,61	137,05	(0,3)	43,6%	39,1%
Books and training	294,70	294,08	0,2	45,3%	42,7%	120,22	126,57	(5,0)	38,3%	36,1%
Newspapers and magazine sales	48,13	54,34	(11,4)	7,4%	7,9%	23,77	26,76	(11,2)	7,6%	7,6%
Other revenues	64,80	101,65	(36,3)	10,0%	14,8%	32,99	60,12	(45,1)	10,5%	17,2%
Add Ons	9,61	18,36	(47,7)	1,5%	2,7%	3,81	7,78	(51,0)	1,2%	2,2%
Audiovisual production revenues	11,37	11,10	2,5	1,7%	1,6%	5,50	5,48	0,4	1,8%	1,6%
Other revenues	43,82	72,19	(39,3)	6,7%	10,5%	23,67	46,85	(49,5)	7,5%	13,4%
<b>One-offs in operating revenues</b>	<b>(10,95)</b>	<b>23,58</b>				<b>(5,46)</b>	<b>0,00</b>			
Advertising sponsorship adjustment	0,00	1,47				0,00	1,02			
Radio Mexico & Costa Rica adjustment	(10,95)	(9,64)				(5,46)	(5,65)			
Digital R&D deductions	0,00	0,00								
Trade Publishing	0,00	23,58				0,00	0,00			

#### b\_ Operating expenses

Eur Million	JANUARY - JUNE			% OF TOTAL		APRIL - JUNE			% OF TOTAL	
	2015	2014	% Chg.	2015	2014	2015	2014	% Chg.	2015	2014
<b>Total operating expenses</b>	<b>564,87</b>	<b>599,63</b>	<b>(5,80)</b>	<b>100,0%</b>	<b>100,0%</b>	<b>284,26</b>	<b>299,77</b>	<b>(5,17)</b>	<b>100,0%</b>	<b>100,0%</b>
Purchases	97,68	114,25	(14,5)	17,3%	19,1%	46,21	53,01	(12,8)	16,3%	17,7%
Outside services	252,72	264,19	(4,3)	44,7%	44,1%	130,65	137,24	(4,8)	46,0%	45,8%
Staff costs	214,28	221,09	(3,1)	37,9%	36,9%	107,46	109,46	(1,8)	37,8%	36,5%
Other operating expenses	0,19	0,10	97,6	0,0%	0,0%	-0,06	0,07	(196,2)	0,0%	0,0%
<b>One-offs in operating expenses</b>	<b>12,64</b>	<b>59,84</b>				<b>5,99</b>	<b>29,90</b>			
Redundancies contractors	18,77	29,18				8,88	16,55			
Redundancies	0,73	0,66				0,41	0,66			
Advertising sponsorship adjustment	0,00	1,47				0,00	1,02			
Radio Mexico & Costa Rica adjustment	(6,86)	(6,10)				(3,30)	(3,53)			
Non recurrent retirement complement	0,00	6,00				0,00	0,00			
Ediciones Generales	0,00	28,63				0,00	15,21			
<b>Total adjusted operating expenses</b>	<b>552,23</b>	<b>539,80</b>	<b>2,3</b>	<b>100,0%</b>	<b>100,0%</b>	<b>278,26</b>	<b>269,87</b>	<b>3,1</b>	<b>100,0%</b>	<b>100,0%</b>
Purchases	97,98	105,16	(6,8)	19,5%	20,9%	46,36	48,34	(4,1)	16,7%	17,9%
Outside services	256,30	246,14	4,1	45,5%	43,2%	132,25	130,59	1,3	47,5%	48,4%
Staff costs	197,77	188,40	5,0	35,0%	35,9%	99,72	90,88	9,7	35,8%	33,7%
Other operating expenses	0,19	0,10	97,6	0,0%	0,0%	-0,06	0,07	(196,2)	0,0%	0,0%

**c\_ Opex by geographical origin (adjusted by extraordinaire):**

Eur Million	JANUARY - JUNE			APRIL - JUNE		
	2015	2014	% Chg.	2015	2014	% Chg.
<b>Purchases</b>	<b>97.98</b>	<b>105.16</b>	<b>(6.83)</b>	<b>46.36</b>	<b>48.34</b>	<b>(4.10)</b>
Spain	32.51	31.98	1.6	19.38	18.10	7.1
International	65.47	73.18	(10.5)	26.98	30.24	(10.8)
<b>Outside services</b>	<b>256.30</b>	<b>245.93</b>	<b>4.21</b>	<b>132.25</b>	<b>130.37</b>	<b>1.44</b>
Spain	112.15	117.96	(4.9)	59.97	63.69	(5.8)
International	144.15	127.98	12.6	72.28	66.69	8.4
<b>Staff costs</b>	<b>197.77</b>	<b>188.40</b>	<b>4.98</b>	<b>99.72</b>	<b>90.88</b>	<b>9.73</b>
Spain	100.75	97.91	2.9	51.28	44.97	14.0
International	97.02	90.49	7.2	48.44	45.91	5.5
<b>Other operating expenses</b>	<b>0.19</b>	<b>0.10</b>	<b>97.57</b>	<b>(0.06)</b>	<b>0.07</b>	<b>(196.20)</b>
<b>Total adjusted operating expenses</b>	<b>552.23</b>	<b>539.59</b>	<b>2.34</b>	<b>278.26</b>	<b>269.66</b>	<b>3.19</b>
Spain	245.60	247.94	(0.95)	130.57	126.82	2.96
International	306.64	291.64	5.14	147.69	142.84	3.40

*Excluding non recurring items*

## **4\_ Other Relevant Facts**

### **a\_ Shares Centralization and exchange**

On May 22, 2015, took effect the pooling and exchange of PRISA shares agreed upon at the ordinary General meeting of shareholders held on April 20, 2015.

According to this agreement and at the same General Meeting agreed capital reduction, PRISA social capital was established in the sum of 215.807.874 EUR represented by 71.935.958 shares of three euro of nominal value each. The national agency of encoding of values assigned to PRISA actions resulting from the grouping Code ISIN ES0171743901. They are entitled to one new share for each thirty old shares that appear eligible as PRISA shareholders at the close of the markets as of 21st may 2015. The new shares have been admitted to trading on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia, through the system of interconnection market (Mercado Continuo) on 22 may 2015.

## 5\_ Group Structure

The PRISA Group's business activities are organized into the following groupings: **Audiovisual**, **Education-Publishing**, **Radio** and **Press**. Its **Digital** activity operates across all of these areas and supports this structure:

Educación	Radio	Prensa	Audiovisual
<ul style="list-style-type: none"> <li>• Educación</li> <li>• Formación</li> <li>• Sistemas de Enseñanza Digital</li> </ul>	<ul style="list-style-type: none"> <li>• Radio en España</li> <li>• Radio Internacional</li> <li>• Música y eventos</li> </ul>	<ul style="list-style-type: none"> <li>• El País</li> <li>• As</li> <li>• Cinco Días</li> <li>• Revistas</li> </ul>	<ul style="list-style-type: none"> <li>• Tv en abierto</li> <li>• Producción audiovisual</li> <li>• Vídeo</li> </ul>

Since 2013, the Distribution business is classified as Discontinued Operations in the Press divisions, whilst in 2012 it was included in the Press Division through Global Consolidation. In September 2013, the Distribution division was sold.

(1) Additionally, the Printing division, **Dédalo**, since April 1<sup>st</sup> 2012 was integrated through Global consolidation at Group Level (compared to equity consolidation before April 2012). Since the beginning of 2013 it is integrated in the Press Division

(2) **Media Capital** is included in the Audiovisual division because, although it includes other activities, most of its revenue comes from TVI (free-to-air television) and Plural (audiovisual production).

(3) **Magazines**: since June 1<sup>st</sup> 2013, Magazines in Portugal are no longer consolidated in the Group.

(4) **Meristation**: Since May 1<sup>st</sup> 2013, Meristation consolidates at Press unit (Magazines). To this date, consolidates in Digital.