



**1H 2018 Results**

**PROMOTORA DE INFORMACIONES, S.A.**

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## GENERAL OVERVIEW

**In 1H2018, adjusted EBITDA in local currency and excluding IFRS15 temporary impact increases by 13.5%**

**Operating results of the first 6 months of 2018 in line with company expectations:  
Significant progress on cost savings generation derived from the implementation of efficiency measures**

**Media Capital integrated into the consolidation perimeter**

**Refinancing agreement entered into force with debt amortization of 480 million euros  
and maturities extended until 2022**

### 1H 2018 Operating results, main headlines:

- **Education business shows EBITDA growth of 9.0% excluding FX effect and IFRS15 impact with revenues growing 5.9%. Positive evolution of the education concluded campaigns (Southern Area) with advance of public sales in Brazil (replacement sales), and negative FX impact mainly coming from the evolution of the currencies in Argentina and Brazil.**
- **In Media, The radio shows operational improvement of 28.6%** driven by the good behavior in Spain (Revenue growth of 2% with EBITDA growth of 31.7%) and in LatAm (revenues growth of 7% in local currency and 17.3% growth in EBITDA). **Press continues growing in digital, with operating trends improvement in Q2 and showing progress on the implementation of efficiency measures.**
- **Media Capital improves its operating revenues by 9%** with a growth in its advertising revenues of 3%.
- **The implementation of the efficiency plan announced generates cost savings of €19.8 million in the 1H 2018.** (€8.5 Mn in 1Q). **The impact on EBITDA amounts €15.7 million** (€6.9 Mn in 1Q).
- **The FX has had in 1H 2018 a negative impact on revenues of -55.1 million euros and of -18.6 million in EBITDA.**
- **The net debt as of June 30<sup>th</sup> reaches €973 million compared to €1.422Mn in December 2017, once the refinancing agreement has entered into force and Media Capital has been integrated into the consolidation perimeter.**
- **In accordance with the results of the first semester, the company confirms its guidance for the 2018 period.**

### Message from the CEO, Manuel Mirat:

“During the first six months of the 2018 year, businesses have evolved in line with the objectives set for the period, significant progress has been made in the savings generation derived from the implementation of the efficiency plan, and the refinancing agreement reached with the banks has entered into force on June 29th, extending the maturities of the debt 5 years and without significant contractual amortizations until 2022. During the period, and fulfilling the priority of focusing on assets that generate cashflow and profitability, asset disposals have been executed (Real State and Santillana USA)”.

As of June 18, 2018, the termination of the contract of Sale signed between Prisa and the subsidiary of Altice NV, MEO-Serviços de Comunicação e Multimédia, S.A. ("MEO") took place, as a result of the non-fulfillment on the long-stop date agreed by the parties of the last condition precedent pending to be satisfied, which consisted of obtaining the relevant authorization to the transaction from the Antitrust Authority in Portugal by MEO. “Media Capital is a very solid asset, leader in Portugal, strong cashflow generator (dividend of 17.6 million approved to receive in the 3Q) and with very positive results in a favorable macro environment. The goal of the company is to maximize its value”.

***“After the capital increase made at the beginning of the year and with the refinancing agreement closed, Prisa has managed to achieve a financial structure supported by the cashflow generation of its existing assets perimeter, with flexibility for growth and value creation. The company's objective is to continue improving its financial structure until reaching a net debt/consolidated EBITDA ratio in 2020 below 3x”.***



## BUSINESS EVOLUTION

### EDUCATION

- **On January 1, 2018, the IFRS15** has entered into force, establishing a new model of revenue recognition that implies deferring the recognition of revenues from the sale of services over time as the provision of the service is occurring. This regulation temporarily affects the business of learning systems (UNO and Compartir) as campaigns take place. The implementation of this standard has resulted in 1H 2018 a negative temporary impact on revenues of -3.1 million and -2.7 million in EBITDA.
- **Negative FX impact on 1H 2018 of 50.3 million euros in revenues and 18.8 million euros in EBITDA** mainly for the FX evolution in Brazil and Argentina.
- **Santillana's total revenue** in constant currency and excluding the temporary impact of IFRS15 **grows by 5.9% reaching 347 million euros.**
- **Southern Area campaign concluded showing positive behavior on revenues and EBITDA (growths of 10.9% and 18.8% respectively in constant currency and excluding IFRS15).** Northern Area campaigns show the beginning of campaign pending to conclude in 3Q.
- **Digital Education Systems (UNO and COMPARTIR) continue their expansion** in Latin America, growing in number of students (+8%) reaching over 1 million.
- **Comparable EBITDA (102.7 million euros) excluding FX and temporary effect IFRS15 grows by 9%.**

### MEDIA

#### RADIO

- According to the last EGM, Prisa Radio in Spain **maintains its leadership** both in radio generalist and in musical.
- **In Spain, gross advertising revenues of Prisa Radio** grows by 3.9% in 1H 2018. Local advertising shows a growth of 2.9% while national registers growth of 3.9%.
- **In LatAm, total revenues grow 7.4% in constant currency (-1.9% in euros).** Highlights the positive behavior in constant currency of Colombia and Chile whose revenues increase respectively by 11.3% and 8.0%.
- **Negative FX impact** of -4.1 million euros in revenues and of -0.1 in EBITDA.
- **Adjusted EBITDA** at constant currency improves by 6.3 million of euros (+28.6%) **reaching 28.3M€ mainly explained by the operational improvement both in Spain and in LatAm.**

#### PRESS

- **El País consolidates its position as the first Spanish-language newspaper in the world media ranking, and AS emphasize its leadership in digital in America.**
- **Press revenues fall by 8%** in the period. The increase in digital advertising and other digital businesses does not compensate the fall in traditional advertising and in circulation.
- **Total advertising revenues decline by 2.5%. Digital advertising grows by 9%** representing already 51% of total advertising revenues. Highlights AS whose digital revenues represents 76% of the total.
- In the 1H2018 are recorded **an average of 129 million unique browsers with a growth of 22%.**
- **Strong cost control which declines by -6.6%.** Implementation of the printing agreement and other measures that will continue to generate efficiencies over the course of the year.
- **Press adjusted EBITDA reaches 4 million euros** versus 6 million in the same period of 2017.

### MEDIA CAPITAL

- **Media Capital reinforces its leadership position in Portugal in terms of market share and profitability.**
- IFRS15, has supposed an increase in revenues and expenses in the same amount (5 million euros). Excluding this impact, revenues grows by 3.7%.
- **AD Revenues in the period grows by 2.6%.**
- **TVI maintains its leadership in both 24 hours and prime time,** reaching a daily average audience of 25% and 27%, respectively, on total Television.
- **Radio grows its revenues by 4%** with an operational improvement of 19.6%. The set of Media Capital radios continue to grow their audiences to reach 38%.
- **Adjusted EBITDA (19.9 million euros) grows by 9.1%.**



## CONSOLIDATED P&L

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Operating Adjusted Results</b>						
Operating Adjusted Revenues	621,7	655,0	(5,1)	300,7	292,5	2,8
Adjusted EBITDA	128,2	131,8	(2,7)	56,8	40,9	38,8
Adjusted EBITDA Margin	20,6%	20,1%		18,9%	14,0%	
Adjusted EBIT	94,2	93,1	1,1	37,8	23,1	63,6
Adjusted EBIT Margin	15,1%	14,2%		12,6%	7,9%	
<b>Operating Adjusted Results at constant currency</b>						
Operating Adjusted Revenues on constant currency	676,8	655,0	3,3	319,6	292,5	9,3
Adjusted EBITDA on constant currency	146,9	131,8	11,4	58,3	40,9	42,6
Adjusted EBITDA Margin	21,7%	20,1%		18,3%	14,0%	
Adjusted EBIT on constant currency	109,1	93,1	17,1	37,2	23,1	60,9
Adjusted EBIT Margin	16,1%	14,2%		11,6%	7,9%	
<b>Comparable results - at constant currency &amp; excluding IFRS effect</b>						
Comparable Operating Revenues	674,9	655,0	3,0	312,2	292,5	6,7
Comparable Adjusted EBITDA	149,6	131,8	13,5	56,1	40,9	37,1
Adjusted EBITDA Margin	22,2%	20,1%		18,0%	14,0%	
<b>Reported Results</b>						
Operating Revenues	629,1	655,0	(4,0)	308,1	292,5	5,3
EBITDA	114,6	118,5	(3,4)	54,1	35,7	51,4
EBITDA Margin	18,2%	18,1%		17,6%	12,2%	
EBIT	80,5	79,9	0,8	35,1	17,9	95,8
EBIT Margin	12,8%	12,2%		11,4%	6,1%	
Financial Result	(44,1)	(26,3)	(67,9)	(28,5)	(8,9)	---
Interests on debt	(25,2)	(26,9)	6,4	(12,6)	(12,5)	(0,3)
Other financial results	(18,9)	0,7	---	(15,9)	3,6	---
Result from associates	2,4	0,6	---	1,7	0,3	---
Profit before tax	38,8	54,1	(28,3)	8,3	9,3	(10,9)
Income tax expense	22,8	25,1	(9,0)	9,4	8,7	8,6
Results from discontinued activities	0,0	(1,0)	100,0	0,0	0,0	---
Minority interest	15,6	14,2	10,1	10,2	8,6	18,9
Net Profit	0,4	13,9	(97,1)	(11,4)	(8,0)	(42,2)

**During 1H2018, in local currency and excluding IFRS15 effect, revenues grows by 3% and EBITDA grows by 13.5%.**

- Negative FX Impact on revenues of -55.1 million and -18.6 million on EBITDA.
- Temporary impact derived from the entry into force of IFRS15 with positive effect on revenues of 1.9 million euros and negative of 2.7 million on EBITDA.
- Significant improvement in costs savings resulting from the implementation of the efficiency plan: €19.8 Mn savings on expenses with an EBITDA impact of €15.7Mn.
- Improvement on margins on EBITDA and EBIT level.
- Reduction of Interest expenses in the period.
- Other financial results include in 2018 the accounting impact arising from the signing of new refinancing agreement.



## EDUCATION

	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
€ Millions						
<b>Operating Adjusted Results</b>						
<b>Operating Revenues</b>	<b>294,0</b>	<b>328,0</b>	<b>(10,4)</b>	<b>120,2</b>	<b>112,4</b>	<b>6,9</b>
Spain	37,3	46,5	(19,9)	35,2	42,9	(17,8)
International	256,7	281,5	(8,8)	85,0	69,6	22,2
<b>Adjusted EBITDA</b>	<b>81,1</b>	<b>94,2</b>	<b>(13,9)</b>	<b>18,2</b>	<b>11,2</b>	<b>62,3</b>
Spain	(5,1)	2,4	---	10,5	17,5	(40,0)
International	86,2	91,8	(6,1)	7,7	(6,3)	---
<i>Adjusted EBITDA Margin</i>	27,6%	28,7%		15,1%	10,0%	
<b>Adjusted EBIT</b>	<b>59,0</b>	<b>70,8</b>	<b>(16,6)</b>	<b>5,6</b>	<b>0,1</b>	<b>---</b>
<i>Adjusted EBIT Margin</i>	20,1%	21,6%		4,7%	0,1%	
<b>Operating Adjusted Results at constant currency</b>						
<b>Operating Revenues on constant currency</b>	<b>344,2</b>	<b>328,0</b>	<b>4,9</b>	<b>137,4</b>	<b>112,4</b>	<b>22,2</b>
Spain	37,3	46,5	(19,9)	35,2	42,9	(17,8)
International	306,9	281,5	9,0	102,1	69,6	46,8
<b>Adjusted EBITDA on constant currency</b>	<b>100,0</b>	<b>94,2</b>	<b>6,1</b>	<b>20,0</b>	<b>11,2</b>	<b>78,3</b>
Spain	(5,1)	2,4	---	10,5	17,5	(40,0)
International	105,1	91,8	14,4	9,5	(6,3)	---
<i>Adjusted EBITDA Margin</i>	29,0%	28,7%		14,5%	10,0%	
<b>Adjusted EBIT on constant currency</b>	<b>74,3</b>	<b>70,8</b>	<b>5,0</b>	<b>5,3</b>	<b>0,1</b>	<b>---</b>
<i>Adjusted EBIT Margin</i>	21,6%	21,6%		3,9%	0,1%	
<b>Comparable results - at constant currency &amp; excluding IFRS effect</b>						
<b>Comparable Operating Revenues</b>	<b>347,3</b>	<b>328,0</b>	<b>5,9</b>	<b>141,4</b>	<b>112,4</b>	<b>25,7</b>
Spain	37,3	46,5	(19,9)	35,2	42,9	(17,8)
International	310,0	281,5	10,1	106,1	69,6	52,5
<b>Comparable Adjusted EBITDA</b>	<b>102,7</b>	<b>94,2</b>	<b>9,0</b>	<b>25,8</b>	<b>11,2</b>	<b>130,5</b>
Spain	(5,1)	2,4	---	10,5	17,5	(40,0)
International	107,8	91,8	17,3	15,3	(6,3)	---
<i>Adjusted EBITDA Margin</i>	29,6%	28,7%		18,3%	10,0%	
<b>Reported Results</b>						
<b>Operating Revenues</b>	<b>301,3</b>	<b>328,0</b>	<b>(8,1)</b>	<b>127,6</b>	<b>112,4</b>	<b>13,5</b>
Spain	37,3	46,5	(19,9)	35,2	42,9	(17,8)
International	264,0	281,5	(6,2)	92,4	69,6	32,8
<b>Operating Expenses</b>	<b>215,5</b>	<b>236,1</b>	<b>(8,7)</b>	<b>103,5</b>	<b>102,1</b>	<b>1,4</b>
Spain	42,7	44,9	(5,1)	24,7	25,4	(2,4)
International	172,8	191,2	(9,6)	78,8	76,8	2,7
<b>EBITDA</b>	<b>85,9</b>	<b>91,9</b>	<b>(6,6)</b>	<b>24,1</b>	<b>10,3</b>	<b>133,3</b>
Spain	(5,4)	1,6	---	10,5	17,5	(40,0)
International	91,2	90,3	1,0	13,6	(7,2)	---
<i>EBITDA Margin</i>	28,5%	28,0%		18,9%	9,2%	
<b>EBIT</b>	<b>63,8</b>	<b>68,5</b>	<b>(6,9)</b>	<b>11,5</b>	<b>(0,8)</b>	<b>---</b>
<i>EBIT Margin</i>	21,2%	20,9%		9,0%	-0,7%	
€ Millions						
<b>Extraordinary Effects</b>						
<b>One-offs in Operating Revenues</b>	<b>7,4</b>	<b>0,0</b>	<b>---</b>	<b>7,4</b>	<b>0,0</b>	<b>---</b>
Santillana USA disposal	7,4	0,0	---	7,4	0,0	---
<b>One-offs in Operating Expenses</b>	<b>(2,7)</b>	<b>(2,3)</b>	<b>(15,8)</b>	<b>(1,5)</b>	<b>(0,9)</b>	<b>(69,0)</b>
Redundancies	(2,7)	(2,3)	(15,8)	(1,5)	(0,9)	(69,0)



## EDUCATION

### Breakdown of Revenues and EBITDA, traditional education and Compartir and UNO

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Operating Revenues</b>						
<b>Total Santillana</b>	<b>294,0</b>	<b>328,0</b>	<b>(10,4)</b>	<b>120,2</b>	<b>112,4</b>	<b>6,9</b>
Traditional Education and Compartir	267,3	299,1	(10,6)	108,9	101,7	7,1
South Campaign	174,2	197,4	(11,8)	29,7	14,4	106,7
North Campaign	93,1	101,6	(8,4)	79,1	87,3	(9,4)
UNO System	26,7	28,9	(7,7)	11,3	10,7	5,6
<b>Operating Revenues at constant currency</b>						
<b>Total Santillana</b>	<b>344,2</b>	<b>328,0</b>	<b>4,9</b>	<b>137,4</b>	<b>112,4</b>	<b>22,2</b>
Traditional Education and Compartir	313,3	299,1	4,8	124,0	101,7	21,9
South Campaign	212,8	197,4	7,8	39,1	14,4	171,9
North Campaign	100,5	101,6	(1,2)	84,9	87,3	(2,8)
UNO System	30,9	28,9	7,0	13,4	10,7	25,0
<b>Comparable Operating Revenues (*)</b>						
<b>Total Santillana</b>	<b>347,3</b>	<b>328,0</b>	<b>5,9</b>	<b>141,4</b>	<b>112,4</b>	<b>25,7</b>
Traditional Education and Compartir	317,8	299,1	6,3	124,6	101,7	22,5
South Campaign	219,0	197,4	10,9	44,1	14,4	---
North Campaign	98,8	101,6	(2,8)	80,5	87,3	(7,8)
UNO System	29,5	28,9	2,1	7,7	10,7	(28,5)
<b>Adjusted EBITDA</b>						
<b>Total Santillana</b>	<b>81,1</b>	<b>94,2</b>	<b>(13,9)</b>	<b>18,2</b>	<b>11,2</b>	<b>62,3</b>
Traditional Education and Compartir	75,6	85,3	(11,3)	16,5	9,2	79,7
South Campaign	69,9	76,3	(8,4)	(10,4)	(24,3)	57,1
North Campaign	5,8	9,0	(35,8)	26,9	33,4	(19,6)
UNO System	5,5	8,9	(38,4)	1,7	2,0	(15,8)
<b>Adjusted EBITDA at constant currency</b>						
<b>Total Santillana</b>	<b>100,0</b>	<b>94,2</b>	<b>6,1</b>	<b>20,0</b>	<b>11,2</b>	<b>78,3</b>
Traditional Education and Compartir	93,5	85,3	9,6	17,8	9,2	94,0
South Campaign	86,0	76,3	12,6	(11,2)	(24,3)	53,7
North Campaign	7,5	9,0	(16,0)	29,0	33,4	(13,3)
UNO System	6,5	8,9	(27,4)	2,2	2,0	7,6
<b>Comparable Adjusted EBITDA (*)</b>						
<b>Total Santillana</b>	<b>102,7</b>	<b>94,2</b>	<b>9,0</b>	<b>18,0</b>	<b>11,2</b>	<b>61,1</b>
Traditional Education and Compartir	97,2	85,3	14,0	17,0	9,2	86,1
South Campaign	90,7	76,3	18,8	(11,5)	(24,3)	52,7
North Campaign	6,5	9,0	(27,3)	28,5	33,4	(14,7)
UNO System	5,5	8,9	(38,7)	1,0	2,0	(51,1)

(\*) at constant currency and excluding IRFS15 effect.



## EDUCATION

### A\_MARKET POSITION

Santillana, PRISA's education business, maintains a leading position in practically all countries where it operates. 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 private textbooks excluding languages

COUNTRY	Share	Market Share
Spain	20,1%	1
Brazil	21,9%	2
Mexico	16,6%	1
Argentina	39,6%	1
Chile	28,4%	1
Colombia	34,4%	1

Source: PRISA internal estimates , last available.  
(Colombia, Argentina, Mexico and Chile includes Norma).

### B\_CHANGE IN REGULATION: IFRS15

On January 1, 2018 IFRS15 has entered into force, establishing a new model of recognition of revenues that obliges to defer over time the revenues derived from the sale of services: the sale and the expenditure of the services will be recorded monthly in twelve months from the start of the school year. This legislation temporarily affects the business of learning systems while campaigns take place. **The implementation of this standard has resulted in 1H2018 a negative temporary impact on revenues of -3.1 million and -2.7 million in EBITDA.**

### C\_OPERATIONAL EVOLUTION

#### Main considerations in the comparison of operational performance of Santillana results in the 1H 2018 versus 1H 2017:

- In 1H2018:
  - Advance of sales of replacements in Brazil to 1H2018 (7 million euros of revenues). In 2017 these sales were produced in the 3Q.
  - Positive evolution of Southern area campaigns in general.
  - Northern area campaigns affected by Spain's delay and positive behavior of public sales in Mexico.
  - Sale of Santillana USA and real estate in Argentina.
- In 1H2017:
  - An extraordinary institutional sale in Brazil (EJA) amounting 8 million euros was registered.
  - Real state asset in Barcelona with a capital gain of 1.7 million euros.

In 1H2018 revenues evolution, it should be noted that the campaigns have behaved in line with the expected, with a significant FX impact and temporarily affected by the entry into force of IFRS15. **Excluding both effects, revenues grows by 5.9% compared to same period 2017.**

- a) **Southern Area campaigns:** Brazil, Colombia, Costa Rica, Central America, Uruguay, Chile, Bolivia, Argentina, Paraguay and Peru. These regular sales campaigns are almost finished and have behaved as a whole in line with expectations. In the 1H of 2018 there has been an advance of institutional sales of replacement in Brazil that in 2017 were produced in the 3Q. This advance has compensated the lack of extraordinary institutional sales in Brazil of 8 million euros during 1H2017.
- b) **Northern area Campaigns:** Spain, Mexico, Puerto Rico, Dominican Republic and Ecuador. These campaigns shows more impact on the 3Q. The figures recorded so far show the start of a delayed campaign in Spain with respect to the same period 2017 and positive behavior in Mexico that grows in local currency 25% driven by the good evolution of public sales. .
- c) **Digital learning systems (UNO and Compartir)** Their expansion continues in Latin America, increasing by 8% the number of students to surpass the million
- d) **Negative FX impact** in 1H2018 mainly explained by the FX evolution in Brazil and Argentina. The negative impact has been of 50.3 million euros in revenue and 18.8 million euros in EBITDA.
- e) **Comparable EBITDA** excluding FX and IFRS15 effect grows by 9% until reach 102.7 million euros.





## RADIO

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Operating Adjusted Results</b>						
<b>Operating Revenues</b>	<b>136,0</b>	<b>136,8</b>	<b>(0,6)</b>	<b>77,1</b>	<b>75,8</b>	<b>1,8</b>
Spain	93,6	91,8	2,0	53,7	50,1	7,1
Latam	43,8	44,7	(1,9)	24,4	24,7	(1,2)
Music	2,5	4,7	(47,6)	1,1	3,4	(66,6)
Adjustments & others	(4,0)	(4,5)	11,0	(2,1)	(2,4)	13,9
<b>Operating Revenues w/MX&amp;CR</b>	<b>146,6</b>	<b>146,8</b>	<b>(0,1)</b>	<b>83,1</b>	<b>81,1</b>	<b>2,4</b>
<b>Adjusted EBITDA</b>	<b>28,2</b>	<b>22,0</b>	<b>28,2</b>	<b>21,2</b>	<b>16,3</b>	<b>29,9</b>
Spain	18,8	14,3	31,7	14,6	9,8	49,1
Latam	9,8	8,4	15,8	6,7	6,7	0,3
Music	(0,4)	(0,7)	48,6	(0,1)	(0,1)	29,6
Adjustments & others	(0,0)	0,0	---	(0,0)	0,0	---
<i>Adjusted EBITDA Margin</i>	<i>20,7%</i>	<i>16,1%</i>		<i>27,5%</i>	<i>21,6%</i>	
<b>Adjusted EBITDA w/MX&amp;CR</b>	<b>32,6</b>	<b>25,9</b>	<b>25,7</b>	<b>23,9</b>	<b>18,6</b>	<b>28,2</b>
<b>Adjusted EBIT</b>	<b>23,3</b>	<b>15,9</b>	<b>46,4</b>	<b>18,5</b>	<b>14,2</b>	<b>30,3</b>
Spain	16,1	11,5	39,7	13,3	8,7	53,1
Latam	7,9	5,5	44,9	5,7	5,7	(1,0)
Music	(0,3)	(1,1)	70,9	(0,0)	(0,2)	83,6
Adjustments & others	(0,4)	0,0	---	(0,4)	0,0	---
<i>Adjusted EBIT Margin</i>	<i>17,1%</i>	<i>11,6%</i>		<i>24,0%</i>	<i>18,7%</i>	
<b>Adjusted EBIT w/MX&amp;CR</b>	<b>27,1</b>	<b>19,4</b>	<b>40,2</b>	<b>21,0</b>	<b>16,3</b>	<b>28,6</b>
	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>
<b>Operating Adjusted Results at constant currency</b>						
<b>Operating Revenues on constant currency</b>	<b>140,1</b>	<b>136,8</b>	<b>2,5</b>	<b>78,6</b>	<b>75,8</b>	<b>3,7</b>
Spain	93,6	91,8	2,0	53,7	50,1	7,1
Latam	48,0	44,7	7,4	25,9	24,7	4,9
Music	2,5	4,7	(46,5)	1,1	3,4	(66,4)
Adjustments & others	(4,0)	(4,5)	9,3	(2,1)	(2,4)	12,8
<b>Operating Revenues on ctt ccy w/MX&amp;CR</b>	<b>151,9</b>	<b>146,8</b>	<b>3,5</b>	<b>85,3</b>	<b>81,1</b>	<b>5,2</b>
<b>Adjusted EBITDA on constant currency</b>	<b>28,3</b>	<b>22,0</b>	<b>28,6</b>	<b>21,1</b>	<b>16,3</b>	<b>29,2</b>
Spain	18,8	14,3	31,7	14,6	9,8	49,1
Latam	9,9	8,4	17,3	6,6	6,7	(1,3)
Music	(0,4)	(0,7)	44,9	(0,1)	(0,1)	29,9
Adjustments & others	(0,0)	0,0	---	(0,0)	0,0	---
<i>Adjusted EBITDA Margin</i>	<i>20,2%</i>	<i>16,1%</i>		<i>26,8%</i>	<i>21,6%</i>	
<b>Adjusted EBITDA on ctt ccy w/MX&amp;CR</b>	<b>33,1</b>	<b>25,9</b>	<b>27,9</b>	<b>24,1</b>	<b>18,6</b>	<b>29,5</b>
<b>Adjusted EBIT on constant currency</b>	<b>23,2</b>	<b>15,9</b>	<b>46,0</b>	<b>18,3</b>	<b>14,2</b>	<b>29,1</b>
Spain	16,1	11,5	39,7	13,3	8,7	53,1
Latam	7,9	5,5	44,3	5,5	5,7	(3,9)
Music	(0,4)	(1,1)	67,9	(0,0)	(0,2)	81,9
Adjustments & others	(0,4)	0,0	---	(0,4)	0,0	---
<i>Adjusted EBIT Margin</i>	<i>16,6%</i>	<i>11,6%</i>		<i>23,3%</i>	<i>18,7%</i>	
<b>Adjusted EBIT on ctt ccy w/MX&amp;CR</b>	<b>27,5</b>	<b>19,4</b>	<b>42,1</b>	<b>21,1</b>	<b>16,3</b>	<b>29,4</b>
	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>
<b>Reported Results</b>						
<b>Operating Revenues</b>	<b>136,0</b>	<b>136,8</b>	<b>(0,6)</b>	<b>77,1</b>	<b>75,8</b>	<b>1,8</b>
Advertising	127,8	123,7	3,3	73,2	68,2	7,3
Spain	86,0	83,2	3,5	49,7	45,8	8,3
Latam	41,9	40,6	3,2	23,6	22,4	5,5
Others	(0,1)	(0,0)	---	(0,1)	(0,0)	---
Others	8,1	13,0	(37,5)	3,9	7,6	(48,2)
<b>Operating Expenses</b>	<b>114,3</b>	<b>118,4</b>	<b>(3,5)</b>	<b>58,2</b>	<b>60,3</b>	<b>(3,5)</b>
<b>EBITDA</b>	<b>21,7</b>	<b>18,3</b>	<b>18,4</b>	<b>18,9</b>	<b>15,4</b>	<b>22,7</b>
<i>EBITDA Margin</i>	<i>16,0%</i>	<i>13,4%</i>		<i>24,6%</i>	<i>20,4%</i>	
<b>EBIT</b>	<b>16,8</b>	<b>12,2</b>	<b>37,2</b>	<b>16,2</b>	<b>13,3</b>	<b>22,0</b>
<i>EBIT Margin</i>	<i>12,3%</i>	<i>8,9%</i>		<i>21,0%</i>	<i>17,6%</i>	
€ Millions	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>
<b>Extraordinary Effects</b>						
<b>One-offs in Operating Revenues</b>	<b>0,0</b>	<b>0,0</b>	<b>---</b>	<b>0,0</b>	<b>0,0</b>	<b>---</b>
				0,0	0,0	---
<b>One-offs in Operating Expenses</b>	<b>(6,4)</b>	<b>(3,4)</b>	<b>(85,4)</b>	<b>(2,2)</b>	<b>(0,9)</b>	<b>(146,9)</b>
Redundancies	(6,4)	(3,4)	(85,4)	(2,2)	(0,9)	(146,9)

The group's adjusted results do not include Mexico and Costa Rica. To give a complete view of the business, the adjusted revenues and EBITDA line is included including Mexico and Costa Rica.



## RADIO

### A\_ MARKET POSITION

In Spain, we highlight the competitive strength of radio business through its stations (Cadena Ser, 40Principales, Cadena Dial, M80, Radiolé and Máxima FM). According to the latest EGM survey, **Cadena Ser maintains absolute leadership in the market with 4,089 thousand listeners** (market share of 35% of Spain's generalist radio). **Los40 holds first place in the music radio market in Spain with audience shares of 21%.**

We detail below the number of listeners of PRISA in Spain

Thousands of Listeners	LISTENERS		
	2nd Report 2018	Market Share	Share
<b>TOTAL SPAIN*</b>	<b>9.575</b>		
<b>TALK RADIO</b>	<b>4.089</b>	<b>1</b>	<b>35%</b>
Cadena Ser	4.089		35%
<b>MUSICRADIO*</b>	<b>5.813</b>	<b>1</b>	<b>43%</b>
Los 40	2.810		21%
Dial	2.106		16%
M80	447		3%
Máxima FM	308		2%
Radiolé	521		4%

Excludes duplicities

Source: EGM second report 2018

Regarding international radio,

Thousands of Listeners	LISTENERS		
	1st Report 2018	Market Share	Share
Colombia	7.400	1	27%
Chile	2.390	1	41%
Mexico	1.784	2	15%

LTM average

Source: ECAR (Colombia), IPSOS (Chile), INRA (México), last information available.

### B\_ OPERATING REVENUES

**Main considerations in the comparative of Radio results evolution in 1H2018 versus 1H2017:**

- **AD Growth in Spain both in national (+3.9%) and local (+2.9%).**
- **LatAm recovery especially in Colombia and Chile.**
- **Efficiency Plan Implementation.**
- **Strong operational leverage with EBITDA improvement of 28.6%.**

In 1HQ2018, Radio adjusted revenues grew by 2.5% in constant currency (-0.6% in euros) driven by the growth in Spain (+2.0%) and the good behavior in LatAm whose revenues grow by 7.4% in constant currency (-1.9% in euros).

**Negative FX impact** by 4.1 million euros in revenue and 0.1 million euros in EBITDA.

**Adjusted EBITDA** at constant currency of **Prisa Radio improves by 28.6% until reach 28.3 million euros given to the growth of advertising and strong operational leverage.**

**Revenues breakdown:**

**Spain:** Adjusted Radio revenues in Spain grows in the period by 2% reaching 93.6 million euros (+7.1% growth in 2Q data driven by worldCup).

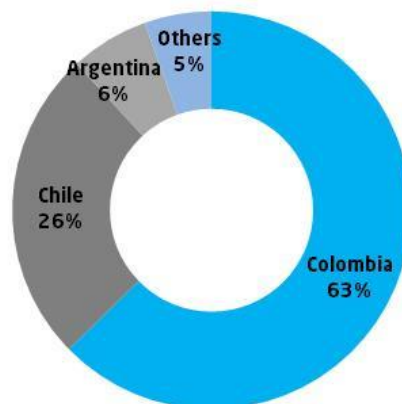
**Gross advertising revenues improves by 3.9%** with local growth of 2.9% and of 3.9% in national.

**LatAm:** adjusted revenues of Radio LatAm **reaches 43.8 million euros versus 44.7 million in the same period of 2017, +7.4% in constant currency.**

By country, there is to highlight:

- **Colombia**, which shows growth of 11.3% in local currency.
- **Chile** improves its revenues by 8% in local currency.

**January-June 2018: Latam revenues Breakdown excluding Mexico (%)**



- **Mexico**, Consolidated by equivalence, has experienced a growth on its revenues of 17.8% in local currency.



## PRESS

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Operating Adjusted Results</b>						
<b>Operating Revenues</b>	<b>100,3</b>	<b>109,1</b>	<b>(8,1)</b>	<b>54,6</b>	<b>58,7</b>	<b>(6,9)</b>
<i>Advertising</i>	49,8	51,1	(2,5)	28,4	28,6	(0,5)
<i>Circulation</i>	35,2	40,2	(12,4)	17,9	20,1	(11,2)
<i>Add-ons and Others</i>	15,2	17,8	(14,3)	8,3	10,0	(16,7)
<b>Adjusted EBITDA</b>	<b>4,0</b>	<b>6,0</b>	<b>(32,8)</b>	<b>4,7</b>	<b>5,1</b>	<b>(8,0)</b>
<i>Adjusted EBITDA Margin</i>	4,0%	5,5%		8,6%	8,7%	
<b>Adjusted EBIT</b>	<b>0,9</b>	<b>1,4</b>	<b>(32,2)</b>	<b>3,1</b>	<b>2,9</b>	<b>5,6</b>
<i>Adjusted EBIT Margin</i>	0,9%	1,2%		5,7%	5,0%	

	2018	2017	% Chg.	2018	2017	% Chg.
<b>Reported Results</b>						
<b>Operating Revenues</b>	<b>100,3</b>	<b>109,1</b>	<b>(8,1)</b>	<b>54,6</b>	<b>58,7</b>	<b>(6,9)</b>
<i>Advertising</i>	49,8	51,1	(2,5)	28,4	28,6	(0,5)
<i>Circulation</i>	35,2	40,2	(12,4)	17,9	20,1	(11,2)
<i>Add-ons and Others</i>	15,2	17,8	(14,3)	8,3	10,0	(16,7)
<b>Operating Expenses</b>	<b>101,0</b>	<b>105,4</b>	<b>(4,2)</b>	<b>53,4</b>	<b>53,5</b>	<b>(0,1)</b>
<b>EBITDA</b>	<b>(0,8)</b>	<b>3,7</b>	<b>--</b>	<b>1,2</b>	<b>5,2</b>	<b>(76,8)</b>
<i>EBITDA Margin</i>	-0,7%	3,4%		2,2%	8,8%	
<b>EBIT</b>	<b>(3,8)</b>	<b>(1,0)</b>	<b>--</b>	<b>(0,4)</b>	<b>3,0</b>	<b>--</b>
<i>EBIT Margin</i>	-3,8%	-0,9%		-0,7%	5,1%	

€ Millions	2018	2017	% Chg.	2018	2017	% Chg.
<b>Extraordinary Effects</b>						
<b>One-offs in Operating Revenues</b>	<b>0,0</b>	<b>0,0</b>	<b>--</b>	<b>0,0</b>	<b>0,0</b>	<b>--</b>
<b>One-offs in Operating Expenses</b>	<b>(3,7)</b>	<b>(2,3)</b>	<b>(62,6)</b>	<b>(2,5)</b>	<b>0,1</b>	<b>--</b>
Redundancies and other non-recurrent	(3,7)	(2,3)	(62,6)	(2,5)	0,1	--

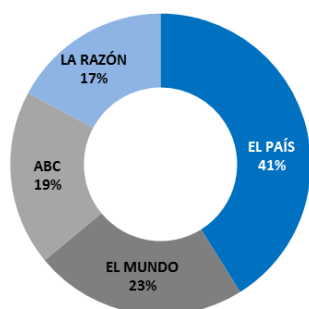


## PRESS

### A\_POSICIÓN DE MERCADO

El País maintains its absolute leading position in Spain, with an average market share in the year of 41% according to the latest OJD available data (May 2018).

January-June 2018:  
Market position of PRISAs Press business



Source: OJD May 2018

#### Digital Market position of PRISA's Press business:

In terms of unique browsers, and as for June 2018 an average of 129 million has been reached. El País maintains its leadership position, reaching 85 million monthly average.

El País ranks 1<sup>st</sup> position in news in Spanish webs and in the media worldwide ranking it is in number 10 being the first positions occupied by Chinese, American and British newspapers.

According to ComScore, El País is in the position ranking number 5 in Spain in terms of unique users, after Google, YouTube, Facebook and Twitter.

### B\_OPERATING REVENUES

#### Main considerations in the comparative evolution of Press results in 1H2018 versus 1H2017:

- Improvements in the evolution of advertising and circulation in the 2Q.
- Significant savings in expenses derived from the beginning of the implementation of the efficiency plan.

Revenues in Press business declined by 8% reaching 100.3 million euros. The increase in on-line advertising and other digital revenues has not compensated the declines in traditional advertising and circulation revenues.

Total advertising Revenues reach 49.8 million euros, with a fall of -2.5% (flat in 2Q).

- On-line advertising revenue grow by +9% in the period already representing 51% of total advertising revenues of the division. Highlights the behavior of AS, whose digital advertising revenue represents already 76% of the total advertising revenue.
- Off-line advertising revenues decline by -12%.
- Events revenues grow by 1.7% to reach 3.7 million euros.

Regarding the circulation of printed copies, evolution by newspaper is as follows (OJD May):

Number of copies	JANUARY - JUNE		
	2018	2017	% Chg.
El País	157.138	179.703	(12,6)
Diario As	100.858	113.995	(11,5)

Highlights the strong cost control with a fall of -6.6%.

The implementation of efficiency measures after the agreement with third parties for the printing of newspapers will continue generating savings throughout the year.

As for adjusted EBITDA, it reaches 4 million euros compared to 6 million euros of the same period of 2017.



## MEDIA CAPITAL

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Operating Adjusted Results</b>						
<b>Operating Revenues</b>	<b>86,9</b>	<b>79,0</b>	<b>9,9</b>	<b>48,1</b>	<b>44,0</b>	<b>9,5</b>
<i>Advertising</i>	58,6	57,1	2,6	34,3	33,9	1,4
<i>Others</i>	28,3	21,9	28,9	13,8	10,1	36,8
<b>Adjusted EBITDA</b>	<b>19,9</b>	<b>18,3</b>	<b>9,1</b>	<b>14,6</b>	<b>12,6</b>	<b>15,2</b>
<i>Adjusted EBITDA Margin</i>	22,9%	23,1%		30,2%	28,7%	
<b>Adjusted EBIT</b>	<b>16,8</b>	<b>14,3</b>	<b>16,9</b>	<b>13,0</b>	<b>10,6</b>	<b>22,3</b>
<i>Adjusted EBIT Margin</i>	19,3%	18,1%		26,9%	24,1%	

€ Millions	2018			2017			2018			2017		
	2018	2017	% Chg.	2018	2017	% Chg.	2018	2017	% Chg.	2018	2017	% Chg.
<b>Comparable results - excluding IFRS effect</b>												
<b>Comparable Operating Revenues</b>	<b>81,9</b>	<b>79,0</b>	<b>3,7</b>	<b>45,8</b>	<b>44,0</b>	<b>4,3</b>						
<i>Advertising</i>	58,6	57,1	2,6	34,3	33,9	1,4						
<i>Others</i>	23,3	21,9	6,3	11,5	10,1	13,9						
<b>Comparable Operating Expenses</b>	<b>62,0</b>	<b>60,8</b>	<b>2,0</b>	<b>31,3</b>	<b>31,3</b>	<b>(0,1)</b>						
<b>Comparable Adjusted EBITDA</b>	<b>19,9</b>	<b>18,3</b>	<b>9,1</b>	<b>14,6</b>	<b>12,6</b>	<b>15,2</b>						
<i>Adjusted EBITDA Margin</i>	24,3%	23,1%		31,8%	28,7%							
<b>Comparable Adjusted EBIT</b>	<b>16,8</b>	<b>14,3</b>	<b>16,9</b>	<b>13,0</b>	<b>10,6</b>	<b>22,3</b>						
<i>Adjusted EBIT Margin</i>	20,4%	18,1%		28,3%	24,1%							

€ Millions	2018			2017			2018			2017		
	2018	2017	% Chg.	2018	2017	% Chg.	2018	2017	% Chg.	2018	2017	% Chg.
<b>Reported Results</b>												
<b>Operating Revenues</b>	<b>86,9</b>	<b>79,0</b>	<b>9,9</b>	<b>48,1</b>	<b>44,0</b>	<b>9,5</b>						
<i>Advertising</i>	58,6	57,1	2,6	34,3	33,9	1,4						
<i>Others</i>	28,3	21,9	28,9	13,8	10,1	36,8						
<b>Operating Expenses</b>	<b>67,3</b>	<b>61,6</b>	<b>9,2</b>	<b>33,8</b>	<b>31,6</b>	<b>7,1</b>						
<b>EBITDA</b>	<b>19,6</b>	<b>17,4</b>	<b>12,3</b>	<b>14,3</b>	<b>12,4</b>	<b>15,6</b>						
<i>EBITDA Margin</i>	22,5%	22,0%		29,7%	28,2%							
<b>EBIT</b>	<b>16,4</b>	<b>13,5</b>	<b>21,5</b>	<b>12,7</b>	<b>10,3</b>	<b>23,0</b>						
<i>EBIT Margin</i>	18,9%	17,1%		26,4%	23,5%							

€ Millions	2018			2017			2018			2017		
	2018	2017	% Chg.	2018	2017	% Chg.	2018	2017	% Chg.	2018	2017	% Chg.
<b>Extraordinary Effects</b>												
<b>One-offs in Operating Revenues</b>	<b>0,0</b>	<b>0,0</b>	<b>---</b>	<b>0,0</b>	<b>0,0</b>	<b>---</b>						
<b>One-offs in Operating Expenses</b>	<b>(0,4)</b>	<b>(0,8)</b>	<b>57,6</b>	<b>(0,2)</b>	<b>(0,2)</b>	<b>8,0</b>						
Redundancies	(0,4)	(0,8)	57,6	(0,2)	(0,2)	8,0						

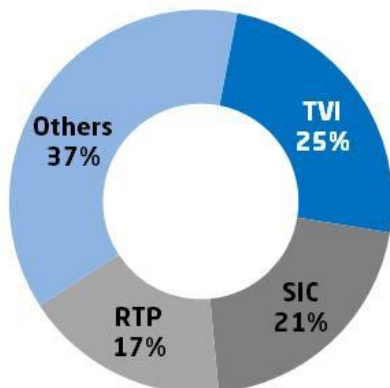


## MEDIA CAPITAL

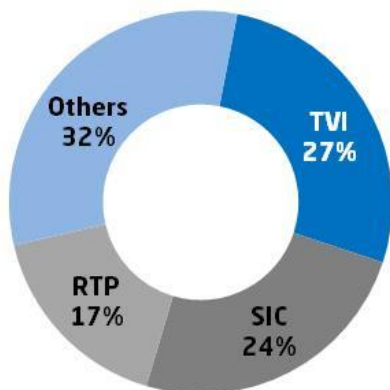
### A\_ MARKET POSITION

TVI maintains leadership in 24 hours and prime time, reaching a daily average audience of 25% and 27%, respectively, on total Television.

January – June 2018 (24hrs)



January – June 2018 (Prime Time)



**Media Capital's aggregate group of radios had an average audience share** of 38% according to last report of 2018.

Media Capital Radio remains number one in the ranking. The latest report split by stations shows the following audiences:

- **Radio Comercial** maintains its market leadership with an audience share of 26%.
- **M80**, music radio, improves its audience share reaching 8.4%.

### B\_EVOLUCIÓN OPERATIVA

**In the operational evolution of Media Capital there is to highlighting:**

- **Media Capital reinforces its leadership position in Portugal in terms of market share and profitability despite not having the rights of the World Cup.**
- **Good advertising behavior.**
- **The implementation of IFRS15 has led to an increase in revenues and expenditures in the same amount for 5 million euros.**
- **Operational improvement.**

**The evolution of revenues and expenses in the period has been affected by the implementation of the IFRS15 which has resulted in an increase in revenues (other revenues) and expenses in the same amount of 5 million euros. Without such impact, revenues grow by 3.7% and expenses by 2%.**

- ✓ **Total Advertising** in the period shows growth of 2.6%.
- ✓ **Other revenues** (channel rights and multimedia) record an increase of 6.3% excluding the IFRS15 impact.

By businesses,

- ✓ **TVI**, reached in 1H2017 revenues of 71.4 million euros (+1.7% excluding IFRS15 impact).
- ✓ **Media Capital Radio** business shows a growth of +4% in revenues with and operational improvement of 19.6%.

**Adjusted EBITDA on Media Capital business set, grows by 9% reaching 19.9 million euros.**

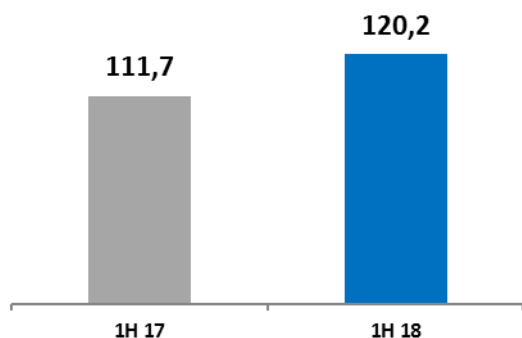


## DIGITAL TRANSFORMATION

### A\_ INGRESOS DE TRANSFORMACIÓN

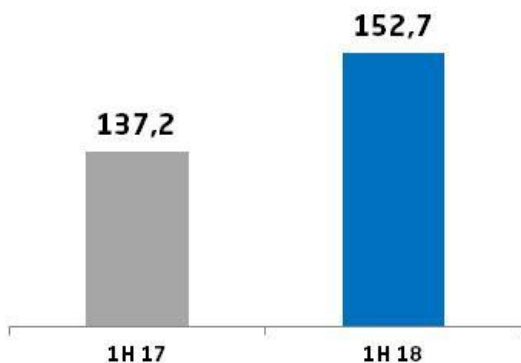
Digital transformation revenues of the group in 1H2018, increases by 7.6% in local currency until reaching 120.2 million euros (-4% in euros) it already represent 17% of the total revenues of the Group.

January\_June 1H2018  
+7.6% (constant currency)



### B\_ UNIQUE BROWSERS

Average unique browsers of the Group's web sites grow by 11.1% in 1H2018 reaching 152.7 million.

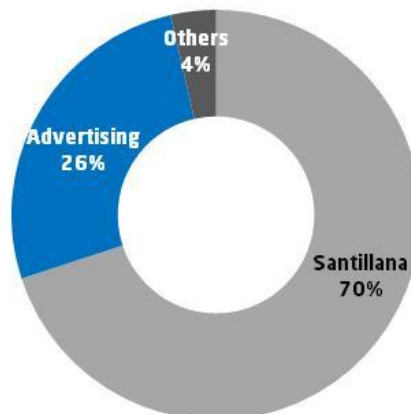


Unique browsers in Press in 1Q2018 grow by +22.1% in 1H2018 reaching 129 million on average.

During 1H2018, it has continued the growth of the unique browsers both in national and international web pages of the Radio: Unique Browsers to the web pages of radio in Spain reach 16.3 million of average (+11.3%). As for the international Radio, unique browsers reach 25.3 million average (+10%).

In Media Capital unique browsers reach 10.4 million with a growth of 15.7% compared to same period 2017.

### C\_ TRANSFORMATION REVENUES SPLIT



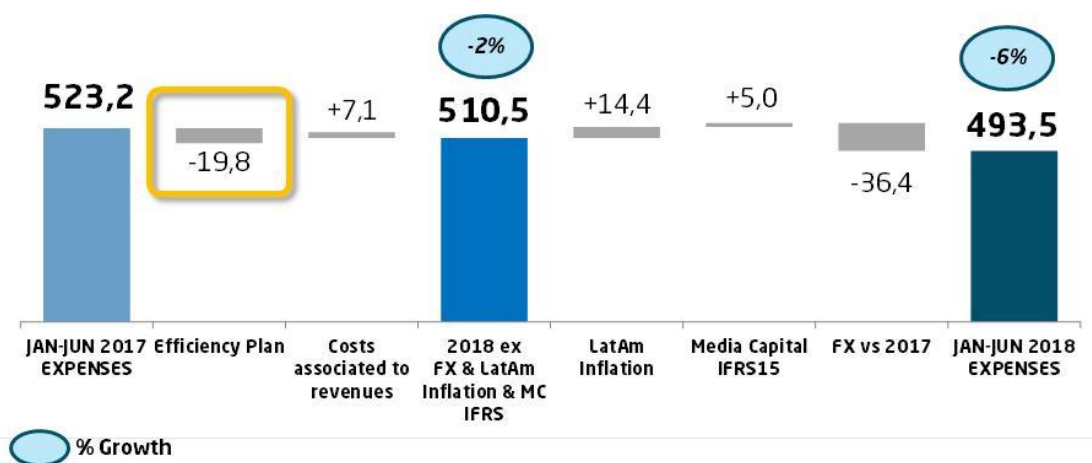
Digital advertising revenues mainly correspond to Press business shows a growth of 9%, already representing 51% of the division's ad Revenues.

Digital education systems (UNO and Compartir) continue their development showing a growth of 8.1% in constant currency.



## EFFICIENCY PLAN

The company has begun to implement the efficiency plan announced in February 2018, with the **objective of saving 40 million euros in expenses in the next 3 years** mainly on the perimeter of Media (press and radio) and corporate. **During the 1H2018, savings derived from the beginning in the implementation of these measures reached 19.8 million euros with an impact in EBITDA of 15.7 million euros.**



Breakdown of savings in expenses by Concept is detailed below:

Breakdown of savings by concept	Amount
Personnel reduction	3,6
Closing of non profitable operations	3,1
Transformation operations in press	4,8
Corporate structures simplification	7,2
Other savings	1,1
<b>Total</b>	<b>19,8</b>





## FROM EBIT TO NET RESULT

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>EBIT</b>	<b>80,5</b>	<b>79,9</b>	<b>0,8</b>	<b>35,1</b>	<b>17,9</b>	<b>95,8</b>
<i>EBIT Margin</i>	12,8%	12,2%		11,4%	6,1%	
<b>Financial Result</b>	<b>(44,1)</b>	<b>(26,3)</b>	<b>(67,9)</b>	<b>(28,5)</b>	<b>(8,9)</b>	<b>---</b>
Interests on debt	(25,2)	(26,9)	6,4	(12,6)	(12,5)	(0,3)
Other financial results	(18,9)	0,7	---	(15,9)	3,6	---
<b>Result from associates</b>	<b>2,4</b>	<b>0,6</b>	<b>---</b>	<b>1,7</b>	<b>0,3</b>	<b>---</b>
<b>Profit before tax</b>	<b>38,8</b>	<b>54,1</b>	<b>(28,3)</b>	<b>8,3</b>	<b>9,3</b>	<b>(10,9)</b>
Income tax expense	22,8	25,1	(9,0)	9,4	8,7	8,6
<b>Results from discontinued activities</b>	<b>0,0</b>	<b>(1,0)</b>	<b>100,0</b>	<b>0,0</b>	<b>0,0</b>	<b>---</b>
<b>Minority interest</b>	<b>15,6</b>	<b>14,2</b>	<b>10,1</b>	<b>10,2</b>	<b>8,6</b>	<b>18,9</b>
<b>Net Profit</b>	<b>0,4</b>	<b>13,9</b>	<b>(97,1)</b>	<b>(11,4)</b>	<b>(8,0)</b>	<b>(42,2)</b>

### A\_ FINANCIAL RESULT

During 1H 2018, financial result improves by 6.4% as a result of debt reduction.

Other financial expenses include in 2018 the accounting impact arising from the signing of new refinancing agreement.

### B\_ EQUITY METHOD RESULT

Equity method results mainly include Radio Mexico and Costa Rica results.

### C\_ MINORITY RESULTS

Corresponds to minority interest in Prisa Radio and Santillana.



## FINANCIAL POSITION

### A\_ CASH FLOW STATEMENT

€ Million	Jun.	Jun.	Chg. 18/17	
	2018	2017	Abs.	%
EBITDA (excluding redundancies) - provisions	131,2	127,9	3,2	2,5%
EBITDA (excluding redundancies)	135,1	130,8	4,4	3,4%
Provisions	-4,0	-2,8	-1,2	-41,1%
Change in working capital *	-24,3	-79,4	55,1	69,4%
Taxes paid	-15,4	-24,1	8,7	36,1%
Other cash flows and adjustments from operations	-15,1	-4,7	-10,4	-222,0%
<b>OPERATING CASH FLOW</b>	<b>76,4</b>	<b>19,8</b>	<b>47,9</b>	<b>286,4%</b>
Capex	-26,4	-31,9	5,4	17,0%
<b>CASH FLOW BEFORE FINANCING ACTIVITIES</b>	<b>49,9</b>	<b>-12,1</b>	<b>53,3</b>	<b>---</b>
Financial investments	-4,7	-3,4	-1,3	-38,4%
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-4,7</b>	<b>-3,4</b>	<b>-1,3</b>	<b>-38,4%</b>
Capital increases and other issuances	0,0	0,0	0,0	---
Interests paid	-17,6	-22,5	5,0	22,1%
Dividends paid	-23,1	-2,2	-20,8	---
Dividends received	0,1	0,1	0,0	13,0%
Other cash flows from financing activities	-2,9	-1,1	-1,7	-150,3%
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-43,4</b>	<b>-25,9</b>	<b>-17,6</b>	<b>-68,0%</b>
Fx impact, perimeter effect and others	-1,3	-2,7	1,3	50,1%
<b>RECURRENT CASH FLOW BEFORE OPERATIONS</b>	<b>0,4</b>	<b>-44,0</b>	<b>44,5</b>	<b>---</b>
Redundancies paid	-21,0	-12,3	-8,7	-70,3%
Disinvestments	21,1	3,3	17,8	543,6%
<b>CASH FLOW BEFORE OPERATIONS</b>	<b>0,4</b>	<b>-53,1</b>	<b>53,6</b>	<b>---</b>
Capital increase and others	548,2	0,0	548,2	---
<b>CASH FLOW</b>	<b>548,7</b>	<b>-53,1</b>	<b>601,8</b>	<b>---</b>

\* Pending to adjust expenses of operations and other i.e minorities

In 1H2018, Cash generation before capital operations has been of 0.4 million of euros compared to -53 million in the same period of 2017.

- The improvement in change in working capital is due mainly to collections in 2018 of 26 million of euros that were pending of the institutional campaign in Brazil of the 2017 exercise and to a temporary effect of 16 million euros corresponding mainly to Rappels to be regularized in the 3Q.
- In 2018, there has been payment of the dividend to DLJ while in exercise 2017 the payment occurred in the 3Q.
- Disinvestments have taken place for 21.1 million euros compared to 3.3 in the same period of the previous year.

### A1\_CAPEX

#### CAPEX

€ Million	Jun. 2018	Jun. 2017	Chg. 18/17
<b>Santillana</b>	<b>-21,6</b>	<b>-26,7</b>	<b>5,1</b>
<b>Radio</b>	<b>-1,7</b>	<b>-2,0</b>	<b>0,3</b>
<b>Press</b>	<b>-1,6</b>	<b>-1,6</b>	<b>0,0</b>
<b>MCP</b>	<b>-1,0</b>	<b>-1,3</b>	<b>0,3</b>
<b>Others</b>	<b>-0,6</b>	<b>-0,4</b>	<b>-0,2</b>
<b>Total PRISA Group</b>	<b>-26,4</b>	<b>-31,9</b>	<b>5,4</b>



## FINANCIAL POSITION

### B\_ NET FINANCIAL POSITION

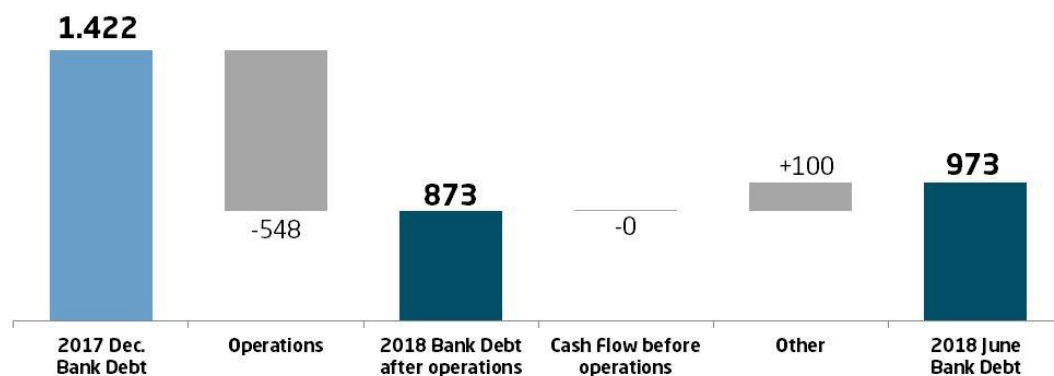
#### TOTAL BANK NET DEBT

Millones de €	Jun. 2018	Dic. 2017	Chg. 18/17	
			Abs.	Rel.
<b>- Financial debt</b>	<b>1.230,8</b>	<b>1.644,9</b>	<b>-414,0</b>	<b>-25,2%</b>
- Non- current financial debt	1.145,2	642,2	502,9	78,3%
- Current financial debt	85,6	1.002,6	-917,0	-91,5%
<b>Short term financial investments</b>	<b>-24,2</b>	<b>-23,3</b>	<b>-0,8</b>	<b>-3,6%</b>
<b>Cash &amp; cash equivalents</b>	<b>-259,5</b>	<b>-217,2</b>	<b>-42,3</b>	<b>-19,5%</b>
<b>Loan arrangement costs and others</b>	<b>25,6</b>	<b>17,3</b>	<b>8,3</b>	<b>48,2%</b>
<b>TOTAL BANK NET DEBT EXCLUDING MEDIA CAPITAL</b>	<b>972,8</b>	<b>1.421,6</b>	<b>-448,8</b>	<b>-31,6%</b>

#### TOTAL BANK NET DEBT BY BUSINESS UNIT

€ Million	Jun. 2018	Dic. 2017	Chg. 18/17	
			Abs.	%
<b>Prisa Holding+ Prisa Gestión Financiera+Otros</b>	<b>902,6</b>	<b>1.413,5</b>	<b>-510,9</b>	<b>-36,1%</b>
- Financial debt	1.123,7	1.596,4	-472,7	-29,6%
Tranche 2	956,5	956,5	0,0	0,0%
Tranche 3	161,1	181,5	-20,4	-11,2%
PPL	0,0	450,9	-450,9	-100,0%
Others	6,1	7,5	-1,4	-18,6%
- Cash, Short term financial investments and interco del	-221,1	-182,9	-38,2	-20,9%
Cash cash pooling	-213,2	-176,8	-36,4	-20,6%
Cash otros	-7,8	-6,1	-1,7	-27,9%
<b>Santillana</b>	<b>-8,5</b>	<b>-9,3</b>	<b>0,8</b>	<b>8,9%</b>
<b>Radio</b>	<b>-7,1</b>	<b>6,5</b>	<b>-13,6</b>	<b>---</b>
<b>Press</b>	<b>7,0</b>	<b>6,9</b>	<b>0,1</b>	<b>1,6%</b>
<b>Audiovisual</b>	<b>78,7</b>	<b>4,0</b>	<b>74,7</b>	<b>---</b>
<b>TOTAL BANK NET DEBT EXCLUDING MEDIA CAPITAL</b>	<b>972,8</b>	<b>1.421,6</b>	<b>-448,8</b>	<b>-31,6%</b>

The evolution of net bank debt is shown below:





## 2018 GUIDANCE

### 2018 GUIDANCE

#### Education

- 2018 low institutional cycle in Brazil and lack of novelties in Spain should imply a 2018 adjusted EBITDA in line with 2017 in local currency.
- Norma and digital learning systems will continue delivering solid growth.

#### Radio

- Advertising growth expected in line with market; positive impacts from special events (WorldCup and LatAm elections).
- Operating improvement in Spain and LatAm.

#### Press

- Margin enhancement despite expected revenues decline.

#### Efficiency plan

- Majority to be implemented in 2018.

#### FX Evolution

- Negative impact expected, mainly from Brazil and Argentina.

**With the 1H2018 Results evolution, the company reaffirms its guidance for FY2018.**



## APPENDIX

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## BALANCE SHEET

€ Million	ASSETS	
	06/30/2018	12/31/2017
<b>FIXED ASSETS</b>	<b>1.103,12</b>	<b>756,69</b>
Property, plant and equipment	91,49	82,65
Goodwill	489,16	167,56
Intangible assets	113,93	110,80
Long term financial investments	24,16	25,56
Investment in associates	40,05	37,25
Deferred tax assets	341,75	332,85
Other non current assets	2,57	0,03
<b>CURRENT ASSETS</b>	<b>802,27</b>	<b>1.166,39</b>
Inventories	151,55	70,15
Accounts receivable	366,71	381,52
Short term financial investments	24,51	23,34
Cash & cash equivalents	259,50	217,21
Assets held for sale	0,00	474,17
<b>TOTAL ASSETS</b>	<b>1.905,38</b>	<b>1.923,08</b>
	LIABILITIES	
	06/30/2018	12/31/2017
<b>SHAREHOLDERS EQUITY</b>	<b>31,48</b>	<b>-485,91</b>
Issued capital	524,69	83,50
Reserves	-568,43	-545,03
Income attributable to the parent company	0,40	-102,91
Minority interest	74,82	78,53
<b>NON CURRENT LIABILITIES</b>	<b>1.330,68</b>	<b>863,14</b>
Long term financial debt	1.145,20	642,25
Other long term financial liabilities	123,15	120,15
Deferred tax liabilities	19,48	23,90
Provisions	41,67	39,01
Other non current liabilities	1,18	37,83
<b>CURRENT LIABILITIES</b>	<b>543,23</b>	<b>1.545,85</b>
Short term financial debt	85,65	1.002,63
Other current financial liabilities	11,09	22,63
Trade accounts payable	275,15	245,85
Other short term liabilities	145,53	94,27
Accrual accounts	25,82	21,39
Liabilities held for sale	0,00	159,08
<b>TOTAL LIABILITIES</b>	<b>1.905,38</b>	<b>1.923,08</b>



## OTHER RELEVANT FACTS

### COMPOSITION OF THE BOARD

**As of March 22 2018**, The Board of Directors with the prior favorable report of the Nominations and Compensation Committee, has appointed by cooptation the company Amber Capital UK LLP as new member of the Board of Directors, with the category of proprietary director. Mr. Fernando Martínez Albacete will be the individual representative of Amber Capital UK LLP in the Board of Directors of the Company.

Likewise, the Board has acknowledged the resignation of Mr. Javier Gómez-Navarro as member of the Audit Committee, being its composition, consequently, as follows: President: Mr. Dominique D'Hinnin Members: Ms. Sonia Dulá, Mr. Waleed Alsa'di

**On April 25 2018**, As a result of the approval of the new consolidated text of the Company's Bylaws at the Ordinary Shareholders' Meeting held today and of the entry into force of the new consolidated text of the Regulations of the Board of Directors (see previous Relevant Information of today), the Board, at the Proposal or previous favorable report of the Nominations and Compensation Committee and the Corporate Governance Committee, each within the scope of their respective faculties, has agreed as follows: i. Appoint Mr. Javier Monzón de Cáceres, independent director and non-executive vice-chairman of the Board of Directors, as Coordinating Director. ii. Modify the composition of the Delegated Commission, which will be as follows: Chairman: Mr Manuel Polanco Moreno. Members: Mr. Manuel Mirat Santiago. Mr Joseph Oughourlian. Mr Javier Monzón de Cáceres. Ms Sonia Dulá. iii. Change the name of the current Audit Committee to Audit and Compliance Commission, which composition will remain the same, that is: Chairman: Mr Dominique D'Hinnin. Members: Mr Waleed Alsa'di. Ms Sonia Dulá. iv. Set-up a Nominations, Compensation and Corporate Governance Commission (replacing the current Nominations and Compensation and Corporate Governance Committees) and appoint the following directors as members of such Commission: Chairman: Mr Javier Monzón de Cáceres. Members: Mr Joseph Oughourlian. Mr Javier Gómez-Navarro-Navarrete. Mr Dominique D'Hinnin. Mr Roberto Alcántara. The Secretary of the Commissions will be Mr. Xavier Pujol Tobeña, Secretary of the Board of Directors.

### CALLS AND AGREEMENTS OF MEETINGS AND AGM

**As of March 22 2018**, The Board of Directors of PRISA, has resolved to call the Ordinary General Shareholders' Meeting to be held on April 25, 2018, at 12:30 pm at CentroCentro (Palacio de Cibeles), Plaza de Cibeles, 1, 28014 Madrid, on first call, and if the necessary quorum is not achieved, at the same place and time on April 26, 2018, on second call.

### TRANSMISSIONS AND PURCHASES OF CAPITAL UNDERTAKINGS

**As of June 18 2018**, the Company communicates the termination of the share purchase agreement entered into between Prisa and the subsidiary of Altice NV, MEO – Serviços de Comunicação e Multimédia, S.A. ("MEO"), in relation to the transfer of the entire stake held by Prisa in Grupo Media Capital SGPS, S.A. Pursuant to the terms of such agreement, said termination results from the non-fulfillment on the long-stop date agreed by the parties of the last condition precedent pending to be satisfied, which consists of obtaining the relevant authorization to the transaction from the Antitrust Authority in Portugal by MEO.

### LOANS, CREDIT LINES AND GUARANTEES

**As of June 18 2018**, the Company communicates that on the date hereof has completed the implementation of the agreements with all its lenders, which imply that the refinancing and amendment of the terms and conditions of its financial debt has entered into force. The main terms of said agreements are those communicated by means of the abovementioned Relevant Information on 16 January 2018 on the occasion of the execution of the Lock-Up Agreement.



## BREAKDOWN OF ADJ. OPERATING REVENUES AND EBITDA BY B.U.

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Operating Adjusted Revenues</b>						
<b>GROUP</b>	<b>621,7</b>	<b>655,0</b>	<b>(5,1)</b>	<b>300,7</b>	<b>292,5</b>	<b>2,8</b>
Education	294,0	328,0	(10,4)	120,2	112,4	6,9
Radio	136,0	136,8	(0,6)	77,1	75,8	1,8
Press	100,3	109,1	(8,1)	54,6	58,7	(6,9)
Media Capital	86,9	79,0	9,9	48,1	44,0	9,5
Others	4,6	2,1	116,0	0,6	1,7	(64,6)
<b>Adjusted EBITDA</b>						
€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>GROUP</b>	<b>128,2</b>	<b>131,8</b>	<b>(2,7)</b>	<b>56,8</b>	<b>40,9</b>	<b>38,8</b>
Education	81,1	94,2	(13,9)	18,2	11,2	62,3
Radio	28,2	22,0	28,2	21,2	16,3	29,9
Press	4,0	6,0	(32,8)	4,7	5,1	(8,0)
Media Capital	19,9	18,3	9,1	14,6	12,6	15,2
Others	(5,1)	(8,6)	41,3	(1,8)	(4,4)	57,9

## EXTRAORDINARY IMPACTS AND CHANGES IN THE CONSOLIDATION PERIMETER

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Extraordinary Effects</b>						
<b>One-offs in Operating Revenues</b>	<b>7,4</b>	<b>0,0</b>	<b>---</b>	<b>7,4</b>	<b>0,0</b>	<b>---</b>
Santillana USA disposal	7,4	0,0	---	7,4	0,0	---
<b>One-offs in Operating Expenses</b>	<b>(21,0)</b>	<b>(13,3)</b>	<b>(58,8)</b>	<b>(10,1)</b>	<b>(5,2)</b>	<b>(94,5)</b>
Redundancies and other non-recurrent	(21,0)	(13,3)	(58,8)	(10,1)	(5,2)	(94,5)

- a) **Santillana USA disposal:** includes €7 million of capital gain registered as a result of the disposal of Santillana USA business.
- b) **Redundancies and other non-recurrent:** the extraordinary expense for redundancies increases with respect to the same period of the previous financial year. In 1H2018, 21 million euros were registered vs. 13.3 million euros in the same period of 2017.





## BRIDGE FROM OPERATING PROFIT TO ADJUSTED EBITDA AND EBITDA

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>GROUP</b>						
<b>EBITDA</b>	<b>114,6</b>	<b>118,5</b>	<b>(3,4)</b>	<b>54,1</b>	<b>35,7</b>	<b>51,4</b>
Extraordinary effects	13,7	13,3	3,1	2,7	5,2	(47,6)
<b>Adjusted EBITDA</b>	<b>128,2</b>	<b>131,8</b>	<b>(2,7)</b>	<b>56,8</b>	<b>40,9</b>	<b>38,8</b>
Amortizations	29,7	33,8	(12,2)	12,3	13,5	(9,1)
Provisions	4,0	2,8	41,1	6,2	3,4	82,8
Impairment from fixed assets	0,4	2,0	(81,2)	0,5	0,9	(46,0)
<b>Operating Result</b>	<b>94,2</b>	<b>93,1</b>	<b>1,1</b>	<b>37,8</b>	<b>23,1</b>	<b>63,6</b>
<b>EDUCATION</b>						
<b>EBITDA</b>	<b>85,9</b>	<b>91,9</b>	<b>(6,6)</b>	<b>24,1</b>	<b>10,3</b>	<b>133,3</b>
Extraordinary effects	(4,7)	2,3	---	(5,9)	0,9	---
<b>Adjusted EBITDA</b>	<b>81,1</b>	<b>94,2</b>	<b>(13,9)</b>	<b>18,2</b>	<b>11,2</b>	<b>62,3</b>
Amortizations	20,1	21,7	(7,3)	7,5	7,5	0,1
Provisions	1,7	0,8	114,6	4,7	2,7	70,9
Impairment from fixed assets	0,3	0,9	(67,1)	0,4	0,9	(56,3)
<b>Operating Result</b>	<b>59,0</b>	<b>70,8</b>	<b>(16,6)</b>	<b>5,6</b>	<b>0,1</b>	<b>---</b>
<b>RADIO</b>						
<b>EBITDA</b>	<b>21,7</b>	<b>18,3</b>	<b>18,4</b>	<b>18,9</b>	<b>15,4</b>	<b>22,7</b>
Extraordinary effects	6,5	3,7	76,8	2,3	0,9	153,6
<b>Adjusted EBITDA</b>	<b>28,2</b>	<b>22,0</b>	<b>28,2</b>	<b>21,2</b>	<b>16,3</b>	<b>29,9</b>
Amortizations	4,0	4,0	1,5	2,0	2,0	4,0
Provisions	0,9	1,0	(10,2)	0,7	0,2	196,7
Impairment from fixed assets	(0,0)	1,1	---	(0,0)	(0,1)	35,6
<b>Operating Result</b>	<b>23,3</b>	<b>15,9</b>	<b>46,4</b>	<b>18,5</b>	<b>14,2</b>	<b>30,3</b>
<b>PRESS</b>						
<b>EBITDA</b>	<b>(0,8)</b>	<b>3,7</b>	<b>---</b>	<b>1,2</b>	<b>5,2</b>	<b>(76,8)</b>
Extraordinary effects	4,8	2,3	106,6	3,5	(0,1)	---
<b>Adjusted EBITDA</b>	<b>4,0</b>	<b>6,0</b>	<b>(32,8)</b>	<b>4,7</b>	<b>5,1</b>	<b>(8,0)</b>
Amortizations	2,1	3,8	(44,5)	1,1	1,9	(41,8)
Provisions	1,0	0,8	18,8	0,5	0,3	75,6
Impairment from fixed assets	0,0	0,0	(100,0)	(0,0)	0,0	---
<b>Operating Result</b>	<b>0,9</b>	<b>1,4</b>	<b>(32,2)</b>	<b>3,1</b>	<b>2,9</b>	<b>5,6</b>
<b>MEDIA CAPITAL</b>						
<b>EBITDA</b>	<b>19,6</b>	<b>17,4</b>	<b>12,3</b>	<b>14,3</b>	<b>12,4</b>	<b>15,6</b>
Extraordinary effects	0,4	0,8	(57,6)	0,2	0,2	(8,0)
<b>Adjusted EBITDA</b>	<b>19,9</b>	<b>18,3</b>	<b>9,1</b>	<b>14,6</b>	<b>12,6</b>	<b>15,2</b>
Amortizations	3,0	3,8	(21,1)	1,5	2,0	(23,9)
Provisions	0,1	0,1	53,5	0,1	0,1	37,4
Impairment from fixed assets	(0,0)	0,0	---	(0,0)	0,0	---
<b>Operating Result</b>	<b>16,8</b>	<b>14,3</b>	<b>16,9</b>	<b>13,0</b>	<b>10,6</b>	<b>22,3</b>
<b>OTHERS</b>						
<b>EBITDA</b>	<b>7,8</b>	<b>4,7</b>	<b>66,2</b>	<b>9,9</b>	<b>4,8</b>	<b>106,8</b>
Extraordinary effects	7,1	5,0	43,2	2,8	3,5	(18,9)
<b>Adjusted EBITDA</b>	<b>14,9</b>	<b>9,6</b>	<b>54,3</b>	<b>12,7</b>	<b>8,3</b>	<b>53,7</b>
Amortizations	3,4	4,4	(21,6)	1,7	2,2	(23,9)
Provisions	0,4	0,2	135,3	0,3	0,1	141,8
Impairment from fixed assets	0,1	(0,0)	---	0,1	(0,0)	---
<b>Operating Result</b>	<b>10,9</b>	<b>5,1</b>	<b>115,3</b>	<b>10,6</b>	<b>5,9</b>	<b>79,2</b>

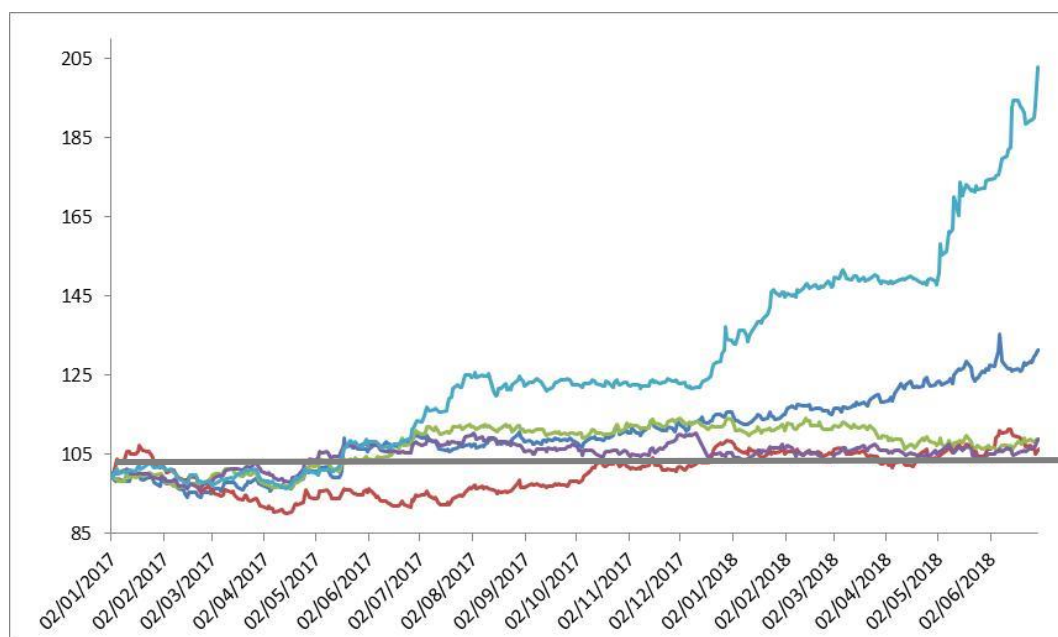


## FX EVOLUTION

### Exchange rates evolution vs Euro 2017/2018

Group's results in Latin America are impacted by **exchange rates** in the region mainly in Brazil and Argentina.

The FX impact has been negative on revenues and EBITDA of the Group on 1H2018. **Negative impact amounted to -55.1 million euros in Revenues and -18.6 million euros in EBITDA.**



	BRL	MXN	COP	CLP	ARG
1Q2017	3,35	21,63	3.111,93	698,44	16,69
2Q2017	3,55	20,42	3.221,61	731,47	17,33
3Q2017	3,71	20,93	3.493,58	754,35	20,31
4Q2017	3,83	22,36	3.517,41	745,69	20,67
1Q2018	3,99	23,01	3.509,07	740,26	24,20
2Q2018	4,30	23,13	3.386,10	740,94	27,91

Fuente: Bloomberg