



**3Q 2018 Results**

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

**October 30, 2018**



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## GENERAL OVERVIEW

**During first 9 months of 2018, comparable EBITDA in local currency increases by 8% with significant improvement in cash flow generation.**

**Operations show good evolution, continued progress on cost savings derived from the implementation of efficiency measures and cumulative positive cash flow generation of 10 million euros.**

**Increase in financial transparency by obtaining credit rating of group debt by S&P (B-) and Fitch (B) both with stable outlook.**

### 9M 2018 Operating results, main headlines:

- **Education business shows EBITDA growth of 2% excluding FX effect and IFRS15 impact with revenues growing 4% despite being a year with lack of novelties in Spain. Positive evolution of the campaigns with negative FX impact mainly coming from the devaluation of the currencies in Argentina, Brazil and Mexico and negative impact of hyperinflation in Argentina. It is noteworthy that Santillana has obtained a 33.4% share in the institutional sales of Brazil PNLD F1 (from 1st to 5th) (versus 16% in the same previous cycle in 2015) as a result of the extraordinary product offering and strong commercial effort. The registration of these sales (150 million Reais vs. 51 million Reais in 2015) will take place in 4Q.**
- **In Media, the radio shows operational improvement of 35% driven by good performance in Spain (with revenue growth of 4% and improvement of EBITDA by 58%) and in LatAm (with growth in revenue of 3% in local currency and flat EBITDA with good performance in Colombia and Chile partially offset by the difficulties in Argentina). Press continues to grow in its digital business making progress on a growing and scalable business model, with improvement in the operational evolution in 3Q and showing progress in the implementation of efficiency measures.**
- **Media Capital improves its operating revenues by 6% with growth in advertising revenues of 2%.**
- **The implementation of the efficiency plan announced generates cost savings of €33.8 million in the 9M 2018. (€19.8 Mn in 1H). The impact on EBITDA is a positive €26.9 million (€15.7 Mn in 1H).**
- **In the 9M 2018, The FX has had a negative impact on revenues of -63.3 million euros and -15.7 million on EBITDA. In addition, we have recorded in the accounts of the first 9M the impact derived from the hyperinflationary situation in Argentina that has resulted in an additional negative impact on reported accounts of -14.8 million euros on revenues and of -6.1 million euros in EBITDA.**
- **Net debt as of September 2018 is 988 million compared to 1.422 billion euros in December 2017. In the 9M of the 2018 exercise cash generation is positive (10 million euros), in line with guidance and according to the seasonality of the business.**
- **After the capital increase and the agreement reached with the bank creditors to refinance its debt, PRISA goes one step further in its financing transparency by obtaining the credit rating of the Group from two internationally recognized agencies. Such agencies assign a rating of “B” with a stable outlook (Fitch) and “B-” with a stable Outlook (S&P), ratings that are in line with the ones obtained by other companies in the same industry. These ratings are an acknowledgment of the significant improvement in the Group’s financial situation, as well as the strength of its business.**
- **In accordance with the results of the first 9M 2018, the company confirms its guidance for the 2018 period.**



## BUSINESS EVOLUTION

### EDUCATION

- In the 9 months of the year, **the southern area's regular sales campaigns have been completed with a good performance on revenues and EBITDA in local currency showing 9% and 7% growth respectively.** Northern area campaigns have taken place in the 3Q, pending to register in 4Q the returns. **Spain presents falls in line with what was expected, as it is a year of low cycle, without novelties, and Mexico presents growth, driven by the good evolution of both regular campaigns and public sales.**
- Digital learning systems (UNO, Compartir, Farias Brito and Educa) continue their expansion** in LatAm, growing in number of students (+6%) to surpass the million and with revenues of 103 million euros (+12% in local currency).
- FX has had a negative impact on the 9M of 2018 of -57.6 million euros on revenues and -16.4 million euros in EBITDA** mainly driven by FX evolution in Argentina, Brazil and Mexico.
- Change in accounting policy in Argentina, due to be considered hyperinflationary economy,** has resulted in an additional negative impact on revenues and EBITDA of -13.5 million euros and -6.4 million euros, respectively.
- Santillana's total revenues** in constant currency and excluding the temporary impact of IFRS15 **grow by 4% to reach 533 million euros.**
- During the first 9 months, and taking into account that 2018 is a year with lack of novelties in Spain, **comparable EBITDA (168 million euros) excluding FX and temporary IFRS15 effect grow by 2%.**
- The majority of the institutional sales of Brazil (PNLD) F1 (1st to 5th) are pending to record in the 4Q, being 2018 a year of low cycle. **It should be noted the extraordinary performance of the Company which has obtained a share of 33.4% versus 16% in the same previous cycle (2015) which means sales of 150 million Reais to be recorded in 4Q.** For this sales, higher repositions are expected than in previous years.

### MEDIA

#### RADIO

- According to the last EGM, Prisa Radio in Spain **maintains its leadership** both in radio talk and in musical.
- In Spain, gross advertising revenues of Prisa Radio** grow by 4.3% in the 9M with good performance both in national and in local:
  - National Ad: +5.3%.
  - Local Ad: +2.6%.
- In LatAm, total revenues grow by 3% in constant currency** (-3.4% in euros). **Highlights the positive behavior in constant currency of Colombia and Chile** whose revenues increase respectively by 10% and 6%.
- Negative FX impact** of -5 million euros on revenues and positive on EBITDA by +0.1 million euros.
- Substantial margin improvement (18% vs. 14%)** driven by the strong business leverage with good revenue performance and focus on cost control.
- Adjusted EBITDA** at constant currency **improves by 10 million euros (+35%)** reaching 38M€ explained by the growth on revenues and the operational improvement mainly in Spain.

#### PRESS

- El País consolidates its position as the first Spanish-language newspaper in the world media ranking, and AS emphasizes its leadership in digital in America.**
- Progress towards a growing and scalable digital model, with leadership and audience growth** (127 Mn unique browsers) **and digital advertising growth (+13%)** which is already bigger than traditional, representing already 53% of total advertising revenues (73% in Diario As).
- Implementation of **efficiency measures with the objective of moving towards a more variable cost structure associated to circulation whose revenues decline by 13%.**
- Agreement with Washington Post** to implement ARC technology to **optimize the technological infrastructure of the newspapers.**
- Agreement with Vocento to launch the main programmatic advertising platform in Spain.**
- Strong cost control which declines by -7.3% with significant progress in implementation of efficiency measures** focused on the flexibility of the cost structure.
- Press adjusted EBITDA reaches 3,3 million euros** versus 4,5 million in the same period 2017, showing a considerable improvement in 3Q of 51.4% as a reflection of the efficiency measures implemented.

### MEDIA CAPITAL

- Media Capital reinforces its leadership position in Portugal in terms of market share and profitability.**
- TVI maintains its leadership in both 24 hours and prime time,** reaching a daily average audience of 24% and 27%, respectively, on total Television (including total TVI channels and for the main commercial target: Adults) and **Radio grow revenues by 4.7%** with an operational improvement of 16.8%. Media Capital radios continue to grow their audience to reach 38%.
- Advertising Revenues in the period grow by 2% and adjusted EBITDA (25.1 million euros) grow by 5.6%.**
- IFRS15, has supposed an increase on revenues and expenses in the same amount (7,7 million euros). Excluding this impact, revenues grow by 2.6%.



## CONSOLIDATED P&L

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Adjusted Operating Results</b>						
Operating Adjusted Revenues	956,6	994,8	(3,8)	334,9	339,8	(1,5)
Adjusted EBITDA	211,5	211,4	0,0	83,3	79,6	4,6
Adjusted EBITDA Margin	22,1%	21,2%		24,9%	23,4%	
Adjusted EBIT	139,8	130,2	7,4	45,6	37,1	23,0
Adjusted EBIT Margin	14,6%	13,1%		13,6%	10,9%	
<b>Adjusted Operating Results at constant currency</b>						
Operating Adjusted Revenues on constant currency	1.020,0	994,8	2,5	343,2	339,8	1,0
Adjusted EBITDA on constant currency	227,2	211,4	7,5	80,3	79,6	1,0
Adjusted EBITDA Margin	22,3%	21,2%		23,4%	23,4%	
Adjusted EBIT on constant currency	149,7	130,2	14,9	40,6	37,1	9,5
Adjusted EBIT Margin	14,7%	13,1%		11,8%	10,9%	
<b>Comparable results - at constant currency &amp; excluding IFRS effect</b>						
Comparable Operating Revenues	1.013,8	994,8	1,9	338,9	339,8	(0,3)
Comparable Adjusted EBITDA	227,9	211,4	7,8	78,3	79,6	(1,6)
Adjusted EBITDA Margin	22,5%	21,2%		23,1%	23,4%	
<b>Reported Results</b>						
Operating Revenues	949,2	1.008,6	(5,9)	320,1	353,6	(9,5)
EBITDA	189,9	201,4	(5,7)	75,3	82,8	(9,1)
Spain	56,6	65,0	(12,8)	59,1	59,0	0,1
International	133,2	136,4	(2,3)	16,2	23,8	(31,9)
Latam	108,5	113,3	(4,3)	9,0	16,6	(46,0)
Portugal	24,8	23,1	7,4	7,2	7,2	0,8
EBITDA Margin	20,0%	20,0%		23,5%	23,4%	
EBIT	118,8	46,4	156,1	38,3	(33,5)	---
EBIT Margin	12,5%	4,6%		12,0%	-9,5%	
Financial Result	(64,5)	(40,4)	(59,6)	(20,4)	(14,1)	(44,2)
Interests on debt	(39,3)	(40,0)	1,7	(14,1)	(13,0)	(8,0)
Other financial results	(25,2)	(0,4)	---	(6,3)	(1,1)	---
Result from associates	3,1	1,6	89,0	0,6	1,1	(41,4)
Profit before tax	57,3	7,6	---	18,5	(46,6)	---
Income tax expense	37,2	42,2	(11,7)	14,4	17,1	(15,6)
Results from discontinued activities	0,0	(1,0)	---	0,0	0,0	---
Minority interest	23,1	20,1	15,0	7,4	5,9	26,6
Net Profit	(3,0)	(55,6)	94,7	(3,4)	(69,5)	95,2

**During the 9M of 2018 comparable revenues grow by 2% and EBITDA grow by 8%.**

- Negative FX impact on revenues of -63,3 million and of -15,7 million on EBITDA.
- Hyperinflation in Argentina with a negative extraordinary impact of -14,8 million on revenues and of -6,2 on EBITDA.
- Temporary impact derived from the entry into force of the IFRS15 with positive effect on revenues of 6.1 million euros (-1.6 Santillana and +7.7 Media Capital) and negative on EBITDA of -0.7 million.
- Significant savings resulting from the implementation of the efficiency plan: 33.8 million euros in expenditure savings with an EBITDA impact of 26.9 million euros.
- Improvement of margins at EBITDA and EBIT level.
- Decrease in expenditure on financing interest in the period.
- Other financial results in 2018 include the impact of the signing of the new refinancing.



## EDUCATION

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Adjusted Operating Results</b>						
<b>Operating Revenues</b>	<b>473,7</b>	<b>513,5</b>	<b>(7,8)</b>	<b>179,7</b>	<b>185,4</b>	<b>(3,1)</b>
Spain	127,8	139,1	(8,1)	90,5	92,5	(2,2)
International	345,9	374,4	(7,6)	89,2	92,9	(4,0)
<b>Adjusted EBITDA</b>	<b>150,8</b>	<b>165,0</b>	<b>(8,6)</b>	<b>69,7</b>	<b>70,8</b>	<b>(1,6)</b>
Spain	51,1	61,0	(16,3)	56,2	58,6	(4,2)
International	99,8	104,0	(4,1)	13,5	12,2	11,0
<i>Adjusted EBITDA Margin</i>	<i>31,8%</i>	<i>32,1%</i>		<i>38,8%</i>	<i>38,2%</i>	
<b>Adjusted EBIT</b>	<b>96,7</b>	<b>105,7</b>	<b>(8,5)</b>	<b>37,6</b>	<b>34,9</b>	<b>7,8</b>
Spain	26,5	32,1	(17,3)	33,5	31,1	7,6
International	70,1	73,6	(4,7)	4,1	3,8	9,7
Latam	69,1	73,5	(6,0)	2,2	2,1	3,1
Portugal	1,0	0,1	---	1,9	1,6	18,3
<i>Adjusted EBIT Margin</i>	<i>20,4%</i>	<i>20,6%</i>		<i>20,9%</i>	<i>18,8%</i>	
	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>
<b>Adjusted Operating Results at constant currency</b>						
<b>Operating Revenues on constant currency</b>	<b>531,3</b>	<b>513,5</b>	<b>3,5</b>	<b>187,1</b>	<b>185,4</b>	<b>0,9</b>
Spain	127,8	139,1	(8,1)	90,5	92,5	(2,2)
International	403,5	374,4	7,8	96,5	92,9	3,9
<b>Adjusted EBITDA on constant currency</b>	<b>167,3</b>	<b>165,0</b>	<b>1,4</b>	<b>67,3</b>	<b>70,8</b>	<b>(4,9)</b>
Spain	51,1	61,0	(16,3)	56,2	58,6	(4,2)
International	116,2	104,0	11,7	11,1	12,2	(8,6)
<i>Adjusted EBITDA Margin</i>	<i>31,5%</i>	<i>32,1%</i>		<i>36,0%</i>	<i>38,2%</i>	
<b>Adjusted EBIT on constant currency</b>	<b>108,7</b>	<b>105,7</b>	<b>2,8</b>	<b>34,4</b>	<b>34,9</b>	<b>(1,5)</b>
<i>Adjusted EBIT Margin</i>	<i>20,5%</i>	<i>20,6%</i>		<i>18,4%</i>	<i>18,8%</i>	
	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>	<b>2018</b>	<b>2017</b>	<b>% Chg.</b>
<b>Comparable results - at constant currency &amp; excluding IFRS effect</b>						
<b>Comparable Operating Revenues</b>	<b>532,9</b>	<b>513,5</b>	<b>3,8</b>	<b>185,5</b>	<b>185,4</b>	<b>0,0</b>
Spain	127,8	139,1	(8,1)	90,5	92,5	(2,2)
International	405,0	374,4	8,2	95,0	92,9	2,2
<b>Comparable Adjusted EBITDA</b>	<b>167,9</b>	<b>165,0</b>	<b>1,8</b>	<b>65,3</b>	<b>70,8</b>	<b>(7,8)</b>
Spain	51,1	61,0	(16,3)	56,2	58,6	(4,2)
International	116,9	104,0	12,3	9,1	12,2	(25,4)
<i>Adjusted EBITDA Margin</i>	<i>31,5%</i>	<i>32,1%</i>		<i>35,2%</i>	<i>38,2%</i>	
	<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>467,6</b>	<b>522,6</b>	<b>(10,5)</b>	<b>166,3</b>	<b>194,6</b>	<b>(14,6)</b>
Spain	127,8	139,1	(8,1)	90,5	92,5	(2,2)
International	339,8	383,5	(11,4)	75,7	102,1	(25,8)
<b>Operating Expenses</b>	<b>319,0</b>	<b>358,7</b>	<b>(11,1)</b>	<b>103,5</b>	<b>122,6</b>	<b>(15,5)</b>
<b>EBITDA</b>	<b>148,6</b>	<b>163,9</b>	<b>(9,3)</b>	<b>62,7</b>	<b>72,0</b>	<b>(12,9)</b>
<i>EBITDA Margin</i>	<i>31,8%</i>	<i>31,4%</i>		<i>37,7%</i>	<i>37,0%</i>	
<b>EBIT</b>	<b>94,9</b>	<b>104,3</b>	<b>(8,9)</b>	<b>31,2</b>	<b>35,8</b>	<b>(12,9)</b>
<i>EBIT Margin</i>	<i>20,3%</i>	<i>20,0%</i>		<i>18,8%</i>	<i>18,4%</i>	
	<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>(6,1)</b>	<b>9,1</b>	<b>---</b>	<b>(13,5)</b>	<b>9,1</b>	<b>---</b>
Santillana USA	7,4	9,1	(19,3)	0,0	9,1	(100,0)
Argentina Hyperinflation	(13,5)		---	(13,5)	0,0	---
<b>One-offs in Operating Expenses</b>	<b>(10,2)</b>	<b>(10,3)</b>	<b>0,5</b>	<b>(7,5)</b>	<b>(7,9)</b>	<b>5,3</b>
Redundancies	(3,2)	(3,7)	13,6	(0,5)	(1,4)	62,4
Santillana USA		(6,6)	100,0	0,0	(6,6)	100,0
Argentina Hyperinflation	(7,0)		---	(7,0)	0,0	---
<b>One-offs in Amortization&amp;Provisions</b>	<b>(0,6)</b>	<b>(0,3)</b>	<b>(93,0)</b>	<b>(0,6)</b>	<b>(0,3)</b>	<b>(93,0)</b>
Santillana USA		(0,3)	100,0	0,0	(0,3)	100,0
Argentina Hyperinflation	(0,6)		---	(0,6)	0,0	---



## EDUCACIÓN

### Breakdown of revenues and EBITDA by campaigns

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Adjusted Operating Revenues</b>						
<b>Total Santillana</b>	<b>473,7</b>	<b>513,5</b>	<b>(7,8)</b>	<b>179,7</b>	<b>185,4</b>	<b>(3,1)</b>
South Campaign	222,7	247,1	(9,9)	30,9	30,0	3,3
North Campaign	250,9	266,4	(5,8)	148,7	155,5	(4,4)
<b>Adjusted Operating Revenues at constant currency</b>						
<b>Total Santillana</b>	<b>531,3</b>	<b>513,5</b>	<b>3,5</b>	<b>187,1</b>	<b>185,4</b>	<b>0,9</b>
South Campaign	270,3	247,1	9,4	36,6	30,0	22,2
North Campaign	260,9	266,4	(2,0)	150,4	155,5	(3,3)
<b>Comparable Adjusted Operating Revenues in local currency and excluding NIIF</b>						
<b>Total Santillana</b>	<b>532,9</b>	<b>513,5</b>	<b>3,8</b>	<b>185,5</b>	<b>185,4</b>	<b>0,0</b>
South Campaign	270,6	247,1	9,5	32,2	30,0	7,5
North Campaign	262,2	266,4	(1,6)	153,3	155,5	(1,4)
<b>Adjusted EBITDA</b>						
<b>Total Santillana</b>	<b>150,8</b>	<b>165,0</b>	<b>(8,6)</b>	<b>69,7</b>	<b>70,8</b>	<b>(1,6)</b>
South Campaign	57,6	66,4	(13,1)	(15,5)	(16,6)	6,9
North Campaign	93,2	98,6	(5,5)	85,2	87,4	(2,6)
<b>Adjusted EBITDA at constant currency</b>						
<b>Total Santillana</b>	<b>167,3</b>	<b>165,0</b>	<b>1,4</b>	<b>67,3</b>	<b>70,8</b>	<b>(4,9)</b>
South Campaign	71,1	66,4	7,1	(18,9)	(16,6)	(13,4)
North Campaign	96,2	98,6	(2,5)	86,2	87,4	(1,5)
<b>Comparable Adjusted EBITDA in local currency and excluding NIIF</b>						
<b>Total Santillana</b>	<b>167,9</b>	<b>165,0</b>	<b>1,8</b>	<b>65,3</b>	<b>70,8</b>	<b>(7,8)</b>
South Campaign	70,8	66,4	6,7	(15,4)	(16,6)	7,1
North Campaign	97,1	98,6	(1,5)	86,1	87,4	(1,5)



## EDUCATION

### A\_BUSINESS DESCRIPTION AND GENERAL MARKET POSITION

In education, Santillana, is the leading company in Spain and Latin America with a combined share of 25%, and with the competitive advantage of being the only global operator in all markets in Spain and Latin America. Santillana is focused on the K-12 educational market, which is the largest education market in size, more attractive and more resilient because of its compulsory education nature. Its capacity to generate content through its more than 850 professionals and the capillarity of its sales force with more than 1,700 professionals covering more than 210,000 schools (8,000 visits per day) allow to offer services and educational contents of added value very difficult to replicate. All this generates high entry barriers for any local or international operator.

**Santillana maintains a leadership position in the K-12 educational market in practically all the countries in which it operates.** The share and market position of Santillana is detailed below in its main markets according to the latest available data.

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

**Santillana has developed a key role in the educational technological development process of the countries in which it operates** through the implementation and development of the technology in the educational learning system. Santillana has created a scalable technological platform for any user in any region. Its offer includes a comprehensive service aimed at schools, teachers and students, which incorporates technology, training and counseling.

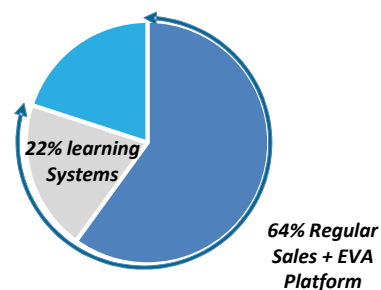
The products targeting the private market, 80% of their revenues on a full year basis, incorporate in the educational program offer relevant technological components for the education. The learning systems (UNO, Compartir, Farias Brito and Educa) have more than 1 million students and a turnover of 103 million euros in the first 9 months of 2018.

More than 50% of Santillana's revenues have as direct client the final customer, not through the traditional distribution channel as bookstores, having experienced this contribution strong growth in recent years.

Santillana is primarily focused on the private sector with 80% of its sales coming from this sector. However, the complementarity of operational synergies with the public sector makes it present in the most relevant public markets in LatAm.

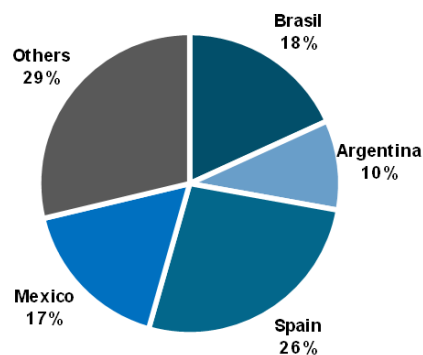
### Revenues breakdown by nature as of September 30th, 2018

14% Public Sales



86% technological education EDUTEC (private sales)

### Geographical Split as of September 30th, 2018







## EDUCATION

### 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 the first 9M2018 a negative temporary impact on revenues of -1.6 million and -0.6 million on EBITDA.**

### C\_OPERATIONAL EVOLUTION

#### Main considerations in the comparison of operational performance of Santillana results in the 9M 2018 versus 9M 2017:

- In 9M2018:
  - Good evolution of Southern area campaigns with grow on revenues (+9%) and EBITDA (+7%) in local currency.
  - Northern area campaigns affected by low cycle in Spain for the lack of novelties and good performance in Mexico.
  - Expansion of learning systems with revenues growth in local currency by 12%.
  - Santillana USA sale and real estate in Argentina.
  - Negative FX effect of -57.6 on revenues and of -16.4 on EBITDA.
  - Hyperinflation effect in Argentina with negative impact in the reported results of -14 million on revenues and -6.4 million on EBITDA.
- In 3Q2017:
  - An additional institutional sale was registered in Brazil (EJA) amounting 8 million euros.
  - Real State asset in Barcelona with a capital gain of 1.7 million euros.

In 3Q2018 **revenue evolution** there is to highlight that the campaigns have had good performance, with a negative exchange impact, impact of hyperinflation in Argentina and temporarily affected by the entry into force of the IFRS15. **Excluding these effects, revenues grow 4% from the previous year.**

**a) Southern Area campaigns:** Brazil, Colombia, Costa Rica, Central America, Uruguay, Chile, Bolivia, Argentina, Paraguay and Peru. These regular sales campaigns are finished and **have behaved positively showing growth on revenues and EBITDA in local currency of 9% y 7% respectively.**

A large part of the institutional sales (public) of Brazil (PNLD) are pending of registration in 4Q, **where Santillana has achieved a share of 33.4% versus 16% of the same period in 2015.** The amount of these sales is of 150 million Brazilian Reais, with higher reposition expected than in previous cycle in the next three years.

Public sales cycles follow the behavior showed below:

Year	Purchases	Repositions	Cycle
2018	Primary (1st to 5th)	Secondary, Bachelor	Low
2019	Secondary (6th to 9th)	Primary, Bachelor	Medium
2020	Bachelor (ensino medio)	Primary, Secondary	High

Before 2018, Government used to purchase first year with replacements in the following two years (3 years cycle). From 2018, changes have been made to the government's purchasing model that will be repeated every 4 years: purchases in first year with replacements in the following 3, being replacements expected to be higher than prior to changes in model.

**b) Campaigns in the northern area:** Spain, Mexico, Puerto Rico, Dominican Republic, Ecuador. These campaigns are almost finished pending to be registered in 4Q the returns. **Spain shows a fall of an 8% with respect to 2017 for being 2018 year of low cycle without novelties and Mexico shows growth in local currency of 10%** driven by both the performance of the regular and the public sales.

**c) Digital learning systems (UNO, Compartir, Farias Brito and Educa)** Their expansion continues in Latin America, increasing by 6% the number of students to surpass the million, showing as a whole revenues of 103 million euros (+12% in local currency).

**d) Negative FX impact** in 9M2018 mainly explained by the FX evolution in Brazil, Argentina, and Mexico. The negative impact has been of -57.6 million euros on revenues and of -16,4 million euros on EBITDA.

**e) The hyperinflation in Argentina** has supposed a negative impact on the reported results of -14 million on revenues and of -6.4 million on EBITDA.

**f) Comparable EBITDA** excluding FX and IFRS15 effect grow by 2% until reach 168 million euros.



## RADIO

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Adjusted Operating Results</b>						
<b>Operating Revenues</b>	<b>206,1</b>	<b>202,8</b>	<b>1,6</b>	<b>70,1</b>	<b>66,1</b>	<b>6,2</b>
Spain	133,8	129,0	3,7	40,2	37,3	7,9
Latam	66,2	68,5	(3,4)	22,3	23,8	(6,3)
Music	12,3	12,0	3,1	9,9	7,2	36,4
Adjustments & others	(6,2)	(6,7)	7,1	(2,3)	(2,2)	(0,7)
<b>Operating Revenues w/MX&amp;CR</b>	<b>221,4</b>	<b>217,6</b>	<b>1,7</b>	<b>74,8</b>	<b>70,8</b>	<b>5,5</b>
<b>Adjusted EBITDA</b>	<b>38,4</b>	<b>28,5</b>	<b>35,0</b>	<b>10,2</b>	<b>6,5</b>	<b>58,5</b>
Spain	23,3	14,8	58,0	4,5	0,5	---
Latam	15,0	15,1	(0,7)	5,3	6,7	(21,3)
Music	0,1	(1,4)	---	0,4	(0,7)	---
Adjustments & others	0,0	(0,0)	---	0,0	(0,0)	---
<i>Adjusted EBITDA Margin</i>	<i>18,6%</i>	<i>14,0%</i>		<i>14,6%</i>	<i>9,8%</i>	
<b>Adjusted EBITDA w/MX&amp;CR</b>	<b>44,3</b>	<b>34,1</b>	<b>29,8</b>	<b>11,7</b>	<b>8,2</b>	<b>43,0</b>
<b>Adjusted EBIT</b>	<b>31,1</b>	<b>20,1</b>	<b>54,7</b>	<b>7,8</b>	<b>4,2</b>	<b>86,2</b>
Spain	19,0	10,5	81,3	3,0	(1,0)	---
Latam	12,4	11,5	8,1	4,4	6,0	(25,7)
Music	0,1	(1,9)	---	0,4	(0,8)	---
Adjustments & others	(0,4)	0,0	---	0,0	0,0	---
<i>Adjusted EBIT Margin</i>	<i>15,1%</i>	<i>9,9%</i>		<i>11,2%</i>	<i>6,4%</i>	
<b>Adjusted EBIT w/MX&amp;CR</b>	<b>36,3</b>	<b>25,1</b>	<b>44,7</b>	<b>9,1</b>	<b>5,7</b>	<b>59,9</b>
<b>Adjusted Operating Results at constant currency</b>						
<b>Operating Revenues on constant currency</b>	<b>211,1</b>	<b>202,8</b>	<b>4,1</b>	<b>70,9</b>	<b>66,1</b>	<b>7,4</b>
Spain	133,8	129,0	3,7	40,2	37,3	7,9
Latam	70,7	68,5	3,2	22,7	23,8	(4,6)
Music	12,4	12,0	3,6	9,9	7,2	36,4
Adjustments & others	(5,9)	(6,7)	12,3	(1,8)	(2,2)	18,1
<b>Operating Revenues on ctt ccy w/MX&amp;CR</b>	<b>227,7</b>	<b>217,6</b>	<b>4,6</b>	<b>75,8</b>	<b>70,8</b>	<b>7,0</b>
<b>Adjusted EBITDA on constant currency</b>	<b>38,3</b>	<b>28,5</b>	<b>34,5</b>	<b>10,0</b>	<b>6,5</b>	<b>54,6</b>
Spain	23,3	14,8	58,0	4,5	0,5	---
Latam	15,0	15,1	(0,7)	5,1	6,7	(23,3)
Music	0,1	(1,4)	---	0,4	(0,7)	---
Adjustments & others	(0,1)	(0,0)	---	(0,1)	(0,0)	---
<i>Adjusted EBITDA Margin</i>	<i>18,1%</i>	<i>14,0%</i>		<i>14,1%</i>	<i>9,8%</i>	
<b>Adjusted EBITDA on ctt ccy w/MX&amp;CR</b>	<b>44,7</b>	<b>34,1</b>	<b>31,0</b>	<b>11,6</b>	<b>8,2</b>	<b>40,8</b>
<b>Adjusted EBIT on constant currency</b>	<b>29,6</b>	<b>20,1</b>	<b>47,0</b>	<b>6,4</b>	<b>4,2</b>	<b>51,0</b>
Spain	19,0	10,5	81,3	3,0	(1,0)	---
Latam	11,8	11,5	2,4	3,8	6,0	(36,0)
Music	0,1	(1,9)	---	0,4	(0,8)	---
Adjustments & others	(1,3)	0,0	---	(0,9)	0,0	---
<i>Adjusted EBIT Margin</i>	<i>14,0%</i>	<i>9,9%</i>		<i>9,0%</i>	<i>6,4%</i>	
<b>Adjusted EBIT on ctt ccy w/MX&amp;CR</b>	<b>35,2</b>	<b>25,1</b>	<b>40,5</b>	<b>7,7</b>	<b>5,7</b>	<b>35,0</b>
<b>Reported Results</b>						
<b>Operating Revenues</b>	<b>204,8</b>	<b>202,8</b>	<b>1,0</b>	<b>68,8</b>	<b>66,1</b>	<b>4,2</b>
Advertising	183,8	179,8	2,2	56,0	56,0	(0,1)
Spain	122,0	116,8	4,4	35,9	33,6	6,8
Latam	62,0	63,1	(1,7)	20,1	22,5	(10,6)
Others	(0,1)	(0,1)	(50,2)	(0,0)	(0,1)	60,9
Others	21,0	23,0	(9,1)	12,8	10,0	27,8
<b>Operating Expenses</b>	<b>172,8</b>	<b>178,7</b>	<b>(3,3)</b>	<b>58,5</b>	<b>60,3</b>	<b>(2,9)</b>
<b>EBITDA</b>	<b>32,0</b>	<b>24,1</b>	<b>32,6</b>	<b>10,3</b>	<b>5,8</b>	<b>77,6</b>
<i>EBITDA Margin</i>	<i>15,6%</i>	<i>11,9%</i>		<i>14,9%</i>	<i>8,8%</i>	
<b>EBIT</b>	<b>24,7</b>	<b>15,8</b>	<b>56,7</b>	<b>7,9</b>	<b>3,6</b>	<b>123,6</b>
<i>EBIT Margin</i>	<i>12,1%</i>	<i>7,8%</i>		<i>11,5%</i>	<i>5,4%</i>	
<b>Extraordinary Effects</b>						
<b>One-offs in Operating Revenues</b>	<b>(1,3)</b>	<b>0,0</b>	<b>---</b>	<b>(1,3)</b>	<b>0,0</b>	<b>---</b>
Argentina Hyperinflation	(1,3)	---	---	(1,3)	0,0	---
<b>One-offs in Operating Expenses</b>	<b>(7,6)</b>	<b>(4,3)</b>	<b>(75,5)</b>	<b>(1,1)</b>	<b>(0,7)</b>	<b>(68,0)</b>
Redundancies	(6,0)	(4,3)	(38,2)	0,5	(0,7)	---
Argentina Hyperinflation	(1,6)	---	---	(1,6)	0,0	---
<b>One-offs in Amortization&amp;Provisions</b>	<b>(0,0)</b>	<b>0,0</b>	<b>---</b>	<b>(0,0)</b>	<b>0,0</b>	<b>---</b>
Impairment & Losses from fixed assets	0,0	0,0	---	0,0	0,0	---
Argentina Hyperinflation	(0,0)	---	---	(0,0)	0,0	---

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, M-80, 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 ranks 2<sup>nd</sup> position in Spain after SER and holds first place in the music radio market in Spain with audience shares of 21%.**

Se detalla a continuación el número de oyentes de las emisoras de Radio en España:

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>MUSIC RADIO*</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		
	2nd Report 2018	Market Share	Share
Colombia	7.329	1	27%
Chile	2.508	1	40%
Mexico	1.823	2	15%

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

### B\_OPERATING REVENUES

**Main considerations in the comparative of Radio results evolution in 9M2018 versus 9M2017:**

- **Strong operational leverage with EBITDA improvement of 35%.**
- **AD Growth in Spain both in national (+5.3%) and local (+2.6%).**
- **Substantial operational improvement in Spain in the 3Q: revenues grow by 7.9% and EBITDA improves by 4 million euros.**
- **Good performance in LatAm especially in Colombia and Chile with grow on revenues in local currency of 10% and 6% respectively.**
- **Efficiency Plan Implementation.**

In 9M2018, Radio adjusted revenues grew by 4% in constant currency (+2% in euros) driven by the growth in Spain (+4%) and the good performance in LatAm whose revenues grow by 3% in constant currency (-3.4% in euros).

**Negative FX impact** by -5 million euros in revenue and positive by 0.1 million euros on EBITDA.

**Adjusted EBITDA at constant currency improves by 35% until reach 38 million euros given to the growth of advertising and strong operational leverage.**

**Revenues breakdown:**

**Spain:** Adjusted Radio revenues in Spain grow in the period by 4.4% reaching 122 million euros (+6.8% growth in 3Q).

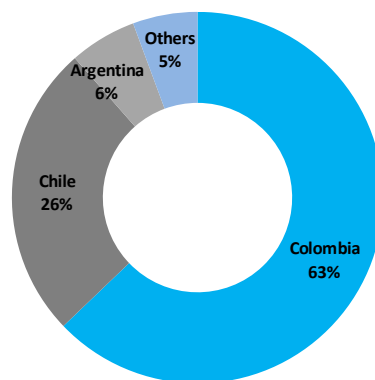
**Gross advertising revenues improves by 4% with local growth of 2.6% and of 5.3% in national.**

**LatAm:** Adjusted revenues of Radio LatAm reach **66.2 million euros versus 68.5 million in the same period of 2017, +3% at constant currency.**

By country, there is to highlight:

- **Colombia**, which shows growth in ad revenues of 10% in local currency.
- **Chile** improves its ad revenues by 6% in local currency.

**January-September 2018: LatAm revenues Breakdown (%)**



**Mexico**, Consolidated by equivalence, has experienced a growth on its revenues of 12.8% in local currency.



## PRESS

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Adjusted Operating Results</b>						
<b>Operating Revenues</b>	<b>144,9</b>	<b>157,4</b>	<b>(8,0)</b>	<b>44,6</b>	<b>48,4</b>	<b>(7,7)</b>
<i>Advertising</i>	71,7	71,7	0,0	21,9	20,6	6,2
<i>Circulation</i>	52,4	60,4	(13,3)	17,2	20,2	(15,1)
<i>Add-ons and Others</i>	20,8	25,3	(17,7)	5,6	7,5	(25,6)
<b>Adjusted EBITDA</b>	<b>3,3</b>	<b>4,5</b>	<b>(26,8)</b>	<b>(0,7)</b>	<b>(1,4)</b>	<b>51,4</b>
<i>Adjusted EBITDA Margin</i>	2,3%	2,9%		-1,6%	-3,0%	
<b>Adjusted EBIT</b>	<b>(0,9)</b>	<b>(2,1)</b>	<b>56,1</b>	<b>(1,8)</b>	<b>(3,4)</b>	<b>46,7</b>
<i>Adjusted EBIT Margin</i>	-0,6%	-1,3%		-4,1%	-7,1%	
<b>Reported Results</b>						
<b>Operating Revenues</b>	<b>144,9</b>	<b>157,4</b>	<b>(8,0)</b>	<b>44,6</b>	<b>48,4</b>	<b>(7,7)</b>
<i>Advertising</i>	71,7	71,7	0,0	21,9	20,6	6,2
<i>Circulation</i>	52,4	60,4	(13,3)	17,2	20,2	(15,1)
<i>Add-ons and Others</i>	20,8	25,3	(17,7)	5,6	7,5	(25,6)
<b>Operating Expenses</b>	<b>146,7</b>	<b>155,5</b>	<b>(5,6)</b>	<b>45,7</b>	<b>50,1</b>	<b>(8,7)</b>
<b>EBITDA</b>	<b>(1,8)</b>	<b>1,9</b>	<b>---</b>	<b>(1,1)</b>	<b>(1,7)</b>	<b>36,8</b>
<i>EBITDA Margin</i>	-1,3%	1,2%		-2,4%	-3,5%	
<b>EBIT</b>	<b>(6,0)</b>	<b>(4,6)</b>	<b>(30,2)</b>	<b>(2,2)</b>	<b>(3,7)</b>	<b>40,3</b>
<i>EBIT Margin</i>	-4,2%	-2,9%		-4,9%	-7,6%	
<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>(5,1)</b>	<b>(2,6)</b>	<b>(100,0)</b>	<b>(0,4)</b>	<b>(0,3)</b>	<b>(43,2)</b>
Redundancies and other non-recurrent	(5,1)	(2,6)	(100,0)	(0,4)	(0,3)	(43,2)

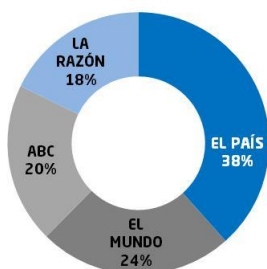


## PRESS

### A\_MARKET POSITION

El País maintains its absolute leading position in Spain, with an average market share in the year of 38% according to the latest OJD available data (September 2018).

January-September 2018:  
Market position of the Press business of PRISA



Source: OJD September 2018

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

Focus in progressing **towards a growing and scalable digital model**, whose first step has been the leadership and growth in audience figures and the boosting of digital advertising which is already bigger than traditional.

In terms of unique browsers, and as for September 2018 an average of 127 million has been reached (+17%). El País maintains its leadership position, reaching 83 million monthly average.

EL PAÍS ranks 1<sup>st</sup> position in news in Spanish webs and in the media worldwide ranking in number 11 being the first positions occupied by Chinese, American and British newspapers.

EL PAÍS and ARC Publishing, the digital platform designed by the Washington Post, have been allied to optimize the technology infrastructure of the newspaper. ARC is a leading platform that will improve the reader's experience and accelerate the production and distribution of digital content. The support will reinforce the process of digital transformation initiated years ago by El País and is key to continue deepening in the process of digital transformation of the newsrooms and the business model, both of the advertising and the supported by the users.

**Agreement for the creation of the main program advertising platform in Spain:** Prisa and Vocento have reached an agreement to create a joint platform for sales management of programmatic advertising. The aim of this Market place is to achieve the aggregation of qualitative audiences for the sale of programmatic advertising, which allows advertisers to have high visibility rates and generate efficient campaigns for users. This is a sectorial project with the aim of incorporating other editors, with advance conversations in place with other media players to be incorporated in the project

### B\_OPERATING REVENUES

Main considerations in the comparative evolution of Press results in 9M2018 versus 9M2017:

- Significant operational improvement in 3Q2018 standalone.
- Progress towards a growing and scalable business model.
- Improvements in advertising evolution in the 3Q. (+6.2%)
- Significant savings in expenses derived from the beginning of the implementation of the efficiency plan. With the aim of transition towards a more variable cost structure.

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 in the period remain flat (+6% in 3Q standalone).

- On-line advertising revenue grow at a higher rate (+13%) than traditional advertising decline (-11.5%) which gives good prospects for the future once digital advertising already represents 53% of total advertising revenues of the division. (73% in Diario As).

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

Number of copies	JANUARY - SEPTEMBER		
	2018	2017	% Chg.
El País	144.933	177.168	(18,2)
Diario As	101.053	114.505	(11,7)

In the evolution of diffusion of El País, and within its strategy of continuous digital transformation and improved profitability, since June 2018, printed copies in Chile, Miami, Dominican Republic and Peru have been eliminated. Printed copies has been maintained in Argentina and Mexico Without this effect, the diffusion fall is 8%. **Progress continues on implementing measures to transition towards a more variable cost structure**

Highlights the **strong cost control** with a fall of -7.4%.

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

As for adjusted EBITDA, it reaches 3.3 million euros compared to 4.5 million euros of the same period of 2017. **With an improvement of 51.4% in 3Q standalone, reflecting the measures of efficiencies implemented.**



## MEDIA CAPITAL

	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
€ Millions						
<b>Adjusted Operating Results</b>						
<b>Operating Revenues</b>	<b>126,0</b>	<b>115,3</b>	<b>9,3</b>	<b>39,1</b>	<b>36,3</b>	<b>7,9</b>
<i>Advertising</i>	84,5	83,0	1,9	25,9	25,9	0,2
<i>Others</i>	41,5	32,3	28,3	13,2	10,4	26,9
<b>Adjusted EBITDA</b>	<b>25,1</b>	<b>23,8</b>	<b>5,6</b>	<b>5,2</b>	<b>5,5</b>	<b>(5,9)</b>
<i>Adjusted EBITDA Margin</i>	19,9%	20,6%		13,3%	15,2%	
<b>Adjusted EBIT</b>	<b>20,1</b>	<b>17,9</b>	<b>12,4</b>	<b>3,3</b>	<b>3,6</b>	<b>(5,8)</b>
<i>Adjusted EBIT Margin</i>	16,0%	15,5%		8,6%	9,8%	

	2018	2017	% Chg.	2018	2017	% Chg.
	€ Millions					
<b>Comparable results - excluding IFRS effect</b>						
<b>Comparable Operating Revenues</b>	<b>118,3</b>	<b>115,3</b>	<b>2,6</b>	<b>36,3</b>	<b>36,3</b>	<b>0,2</b>
<i>Advertising</i>	84,5	83,0	1,9	25,9	25,9	0,2
<i>Others</i>	33,7	32,3	4,3	10,4	10,4	0,0
<b>Comparable Operating Expenses</b>	<b>93,1</b>	<b>91,5</b>	<b>1,8</b>	<b>31,1</b>	<b>30,8</b>	<b>1,3</b>
<b>Comparable Adjusted EBITDA</b>	<b>25,1</b>	<b>23,8</b>	<b>5,6</b>	<b>5,2</b>	<b>5,5</b>	<b>(5,9)</b>
<i>Adjusted EBITDA Margin</i>	21,2%	20,6%		14,3%	15,2%	
<b>Comparable Adjusted EBIT</b>	<b>20,1</b>	<b>17,9</b>	<b>12,4</b>	<b>3,3</b>	<b>3,6</b>	<b>(5,8)</b>
<i>Adjusted EBIT Margin</i>	17,0%	15,5%		9,2%	9,8%	

	2018	2017	% Chg.	2018	2017	% Chg.
	€ Millions					
<b>Reported Results</b>						
<b>Operating Revenues</b>	<b>126,0</b>	<b>115,3</b>	<b>9,3</b>	<b>39,1</b>	<b>36,3</b>	<b>7,9</b>
<i>Advertising</i>	84,5	83,0	1,9	25,9	25,9	0,2
<i>Others</i>	41,5	32,3	28,3	13,2	10,4	26,9
<b>Operating Expenses</b>	<b>101,4</b>	<b>92,4</b>	<b>9,7</b>	<b>34,1</b>	<b>30,8</b>	<b>10,7</b>
<b>EBITDA</b>	<b>24,6</b>	<b>22,9</b>	<b>7,4</b>	<b>5,0</b>	<b>5,4</b>	<b>(8,2)</b>
<i>EBITDA Margin</i>	19,5%	19,8%		12,7%	15,0%	
<b>EBIT</b>	<b>19,5</b>	<b>17,0</b>	<b>15,2</b>	<b>3,1</b>	<b>3,5</b>	<b>(9,4)</b>
<i>EBIT Margin</i>	15,5%	14,7%		8,0%	9,6%	

	2018	2017	% Chg.	2018	2017	% Chg.
	€ Millions					
<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>(0,6)</b>	<b>(0,9)</b>	<b>39,2</b>	<b>(0,2)</b>	<b>(0,1)</b>	<b>(143,8)</b>
Redundancies	(0,6)	(0,9)	39,2	(0,2)	(0,1)	(143,8)

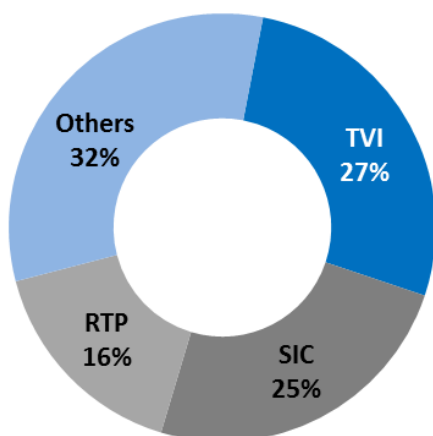
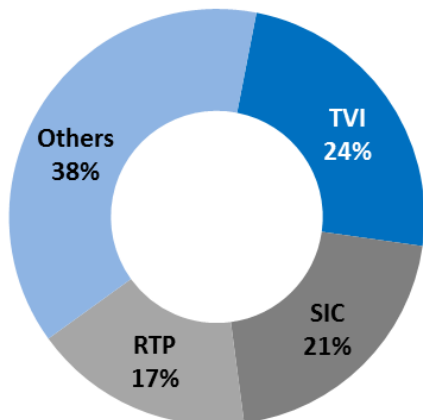


## MEDIA CAPITAL

### A\_ MARKET POSITION

TVI maintains leadership in 24 hours and prime time, reaching a daily average audience of 24% and 27%, respectively, on total Television. (Includes all TVI channels and for the main commercial target: Adults).

January – September 2018 (24hrs)



Gfk March 2017 // \*RTP includes RTP1 y RTP2 // \* Others include pay TV

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 25%.
- **M80, music radio**, improves its audience share reaching 9%.

### B\_ OPERATING REVENUES

In the operational evolution of Media Capital there is to highlight:

- **Operational improvement (EBITDA) of 5.6%**
- **Media Capital reinforces its leadership position in Portugal in terms of market share and profitability.**
- **Advertising growth by 2%.**
- **Reinforcement of the programming with the acquisition of Champion rights for 18/19 season.**
- **The implementation of IFRS15 has led to an increase on revenues and expenditures in the same amount for 7.7 million euros.**

The evolution of revenues and expenses in the period has been affected by the implementation of the IFRS15 which has resulted in an increase on revenues (other revenues) and expenses in the same amount of 7.7 million euros. Without such impact, revenues grow by 2.6% and expenses by 1.8%.

- ✓ **Total Advertising** in the period shows growth of 1.9%.
- ✓ **Other revenues** (channel rights and multimedia) record an increase of 4.3% excluding the IFRS15 impact.

By businesses,

- ✓ **TVI**, reached in first 9 months revenues of 103.9 million euros (+1.4% excluding IFRS15 impact).
- ✓ **Media Capital Radio** business shows a growth of +4.7% on revenues with and operational improvement of 22.4%.

**Adjusted EBITDA on Media Capital business set, grow by 5.6% reaching 25.1 million euros.**

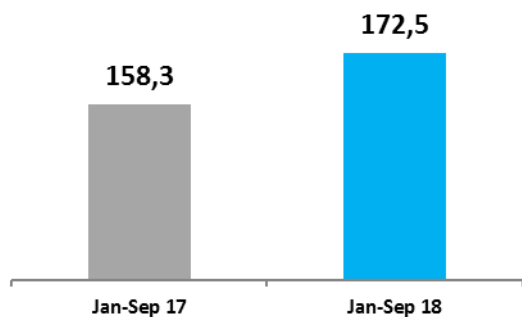


## DIGITAL TRANSFORMATION

### A\_ INGRESOS DE TRANSFORMACIÓN

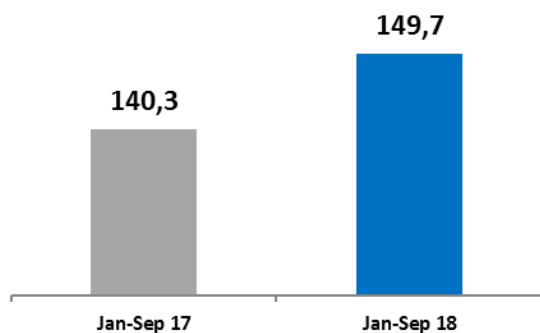
Digital transformation revenues in 3Q2018, increases by 9% in local currency until reach 172.5 million euros (-1% in euros). It already represent 17% of the total revenues of the Group.

January\_September 2018  
+9% (constant currency)



### B\_ UNIQUE BROWSERS

Average unique browsers of the Group's web sites grow by 6.6% in 9M2018 reaching 149.7 million.

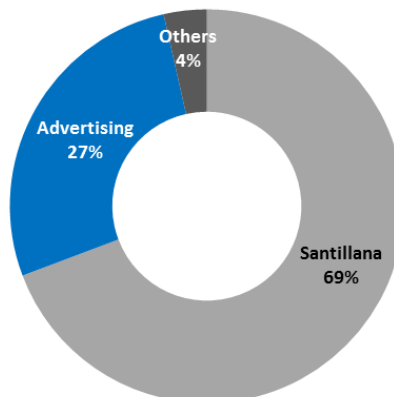


Unique browsers in Press in 9M2018 grow by +17% reaching 127 million on average.

In Radio: Unique Browsers to the web pages of radio in Spain reach 15.3 million of average (+2.3%) and 25 million average in LatAm (+5%).

In Media Capital unique browsers reach 10.4 million with a growth of 6.7% compared to same period 2017.

### C\_ TRANSFORMATION REVENUES SPLIT



Digital advertising revenues mainly correspond to Press business showing a growth of 13%, already representing 53% of the division's ad Revenues.

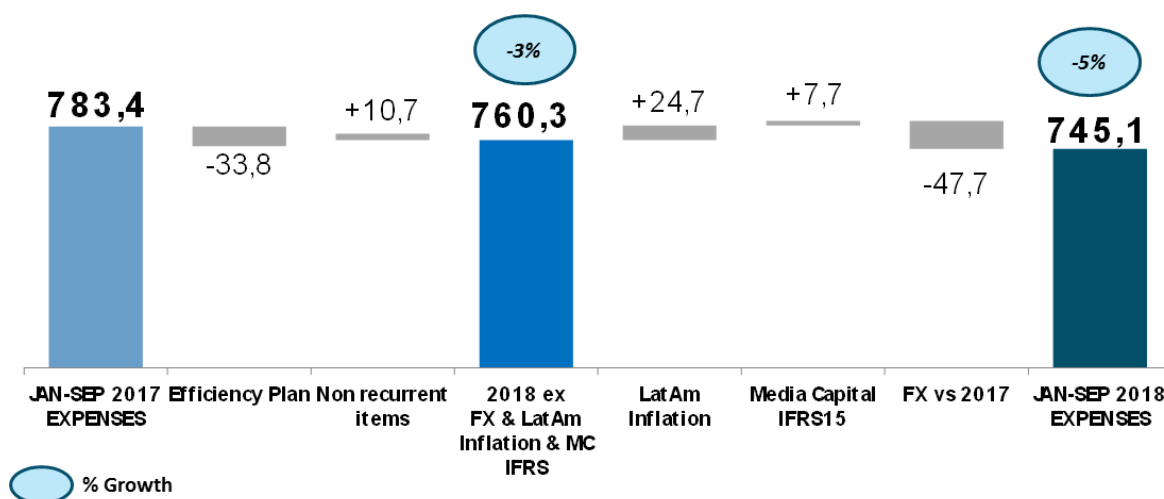
Digital learning systems (UNO, Compartir, Farias Brito and Educa) continue their development showing a growth of 12% in constant currency.





## 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 9M2018, savings derived from the beginning in the implementation of these measures reached 33.8 million euros with an impact on EBITDA of 26.9 million euros.**



\*Other non-recurrent expenses include expenses associated with new initiatives

Breakdown of savings in expenses by Concept is detailed below:

Breakdown of savings by concept	Amount
Personnel reduction	4,8
Closing of non profitable operations	7,5
Transformation operations in press	7,6
Corporate structures simplification	12,0
Other savings	2,0
<b>Total</b>	<b>33,8</b>



## FROM EBIT TO NET RESULT

Millones de euros	2018	2017	% Chg.	2018	2017	% Chg.
<b>EBIT</b>	<b>118,8</b>	<b>46,4</b>	<b>156,1</b>	<b>38,3</b>	<b>(33,5)</b>	<b>---</b>
<i>EBIT Margin</i>	<i>12,5%</i>	<i>4,6%</i>		<i>12,0%</i>	<i>-9,5%</i>	
<b>Financial Result</b>	<b>(64,5)</b>	<b>(40,4)</b>	<b>(59,6)</b>	<b>(20,4)</b>	<b>(14,1)</b>	<b>(44,2)</b>
Interests on debt	(39,3)	(40,0)	1,7	(14,1)	(13,0)	(8,0)
Other financial results	(25,2)	(0,4)	---	(6,3)	(1,1)	---
<b>Result from associates</b>	<b>3,1</b>	<b>1,6</b>	<b>89,0</b>	<b>0,6</b>	<b>1,1</b>	<b>(41,4)</b>
<b>Profit before tax</b>	<b>57,3</b>	<b>7,6</b>	<b>---</b>	<b>18,5</b>	<b>(46,6)</b>	<b>---</b>
Income tax expense	37,2	42,2	(11,7)	14,4	17,1	(15,6)
<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>(100,0)</b>
<b>Minority interest</b>	<b>23,1</b>	<b>20,1</b>	<b>15,0</b>	<b>7,4</b>	<b>5,9</b>	<b>26,6</b>
<b>Net Profit</b>	<b>(3,0)</b>	<b>(55,6)</b>	<b>94,7</b>	<b>(3,4)</b>	<b>(69,5)</b>	<b>95,2</b>

### A\_ FINANCIAL RESULT

During 9M 2018, financial result improves by 1.7% as a result of debt reduction.

Other financial results 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 STATUS

The quarterly cashflow generation of the group's is linked to the seasonality of the business, producing fluctuations throughout the year explained mainly by the nature of the different businesses, following every year a similar pattern of behavior.

In the education business, the cashflow generation, as a general rule, is conditioned to when the campaigns are produced in the different countries:

- South Area: Invoicing during 1Q (collection in 2Q) and 4Q (collection in 1Q following year).
- North Area: Invoicing in 2Q and 3Q (Collection in 4Q)
- Brazil institutional sales: Invoicing in 4Q (collection up to 45 days from reception; part in 4Q and other part in 1Q following year)

In Media business, the seasonally strongest quarters of advertising sales are the 2Q and 4Q (higher investment in working capital), been sales collected in 3Q and 1Q following year.

Regarding cashflow generation, in general lines and for the whole of the Group it is important to consider:

- **1Q and 4Q of the year concentrate the highest Cashflow generation.**
  - In 1Q, it is collected the advertising generated in the Media business during 4Q, as well as Santillana's Southern area campaigns and part of the Brazil's institutional sale.
  - In 4Q it is collected Santillana's northern area campaigns, as well as part of the institutional sale of Brazil.
- **2Q is a quarter of strong investment in working capital** by the provisioning for the campaigns of Santillana's North area and generate payables for Media businesses advertising. Additionally it is produced during 2Q the collection of the 100% of the preferent dividend of Santillana's minorities. 2Q cash flow generation is always negative.
- **3Q Cashflow generation:** The investment in working capital from clients of the Northern area campaigns is compensated by Media businesses 2Q advertising collection. Cashflow generation for 3Q tends to be low or negative.



## FINANCIAL POSITION

### A\_ CASH FLOW STATEMENT 9M 2018

€ Million	Sep.	Sep.	Chg. 18/17	
	2018	2017	Abs.	%
EBITDA (excluding redundancies) - provisions	189,8	195,2	-5,4	-2,8%
EBITDA (excluding redundancies)	212,1	216,8	-4,6	-2,1%
Provisions	-22,3	-21,6	-0,8	-3,5%
Change in working capital	-29,3	-99,1	69,8	70,4%
Taxes paid	-23,9	-33,2	9,3	28,0%
Other cash flows and adjustments from operations	-16,2	-6,2	-10,0	-161,5%
<b>OPERATING CASH FLOW</b>	<b>120,3</b>	<b>56,7</b>	<b>56,6</b>	<b>112,3%</b>
Capex	-43,7	-48,3	4,6	9,5%
<b>CASH FLOW BEFORE FINANCING ACTIVITIES</b>	<b>76,7</b>	<b>8,4</b>	<b>61,2</b>	<b>810,6%</b>
Financial investments	-2,4	-3,7	1,4	36,6%
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2,4</b>	<b>-3,7</b>	<b>1,4</b>	<b>36,6%</b>
Capital increases and other issuances	0,1	0,0	0,1	---
Interests paid	-31,2	-31,1	0,0	-0,1%
Dividends paid	-24,1	-24,2	0,1	0,6%
Dividends received	0,1	0,1	0,0	20,4%
Other cash flows from financing activities	-4,3	-0,2	-4,1	---
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-59,3</b>	<b>-55,4</b>	<b>-3,8</b>	<b>-6,9%</b>
Fx impact, perimeter effect and others	-2,9	-4,2	1,2	29,9%
<b>RECURRENT CASH FLOW BEFORE OPERATIONS</b>	<b>12,1</b>	<b>-54,9</b>	<b>67,0</b>	<b>---</b>
Redundancies paid	-24,5	-17,4	-7,0	-40,4%
Disinvestments	22,5	3,3	19,3	588,8%
<b>CASH FLOW BEFORE OPERATIONS</b>	<b>10,2</b>	<b>-69,1</b>	<b>79,3</b>	<b>---</b>
Capital increase and others	522,2	0,0	522,2	---
<b>CASH FLOW</b>	<b>532,4</b>	<b>-69,1</b>	<b>601,5</b>	<b>---</b>

In 9M 2018, cashflow generation before operations amounted €10.2 million compared to €-69Mn in same period of 2017:

- **Working capital improvement** of 69.8 million euros mainly relates to:
  - Collections in 2018 of €26 million that were pending from Institutional sales in Brazil corresponding to 2017 campaign (permanent effect).
  - Low sales in Santillana Spain amounting €10 million due to low year cycle (effect related to cycle in Spain).
  - Temporary effect of approx. €20 million mainly related to rappels corresponding to media businesses which will be regularized in 4Q (temporal).
- Disinvestments have taken place in 9M2018 amounting €22.5 million compared to €3.3million in same period last year.

### A1\_CAPEX

#### CAPEX

€ Million	Sep. 2018	Sep. 2017	Chg. 18/17
<b>Santillana</b>	<b>-35,2</b>	<b>-40,4</b>	<b>5,2</b>
<b>Radio</b>	<b>-2,6</b>	<b>-3,0</b>	<b>0,4</b>
<b>Press</b>	<b>-2,1</b>	<b>-2,0</b>	<b>-0,1</b>
<b>Media Capital</b>	<b>-2,7</b>	<b>-2,1</b>	<b>-0,6</b>
<b>Others</b>	<b>-1,0</b>	<b>-0,7</b>	<b>-0,3</b>
<b>Total Capex</b>	<b>-43,7</b>	<b>-48,3</b>	<b>4,6</b>



## FINANCIAL POSITION

### B\_ NET FINANCIAL POSITION

#### TOTAL BANK NET DEBT

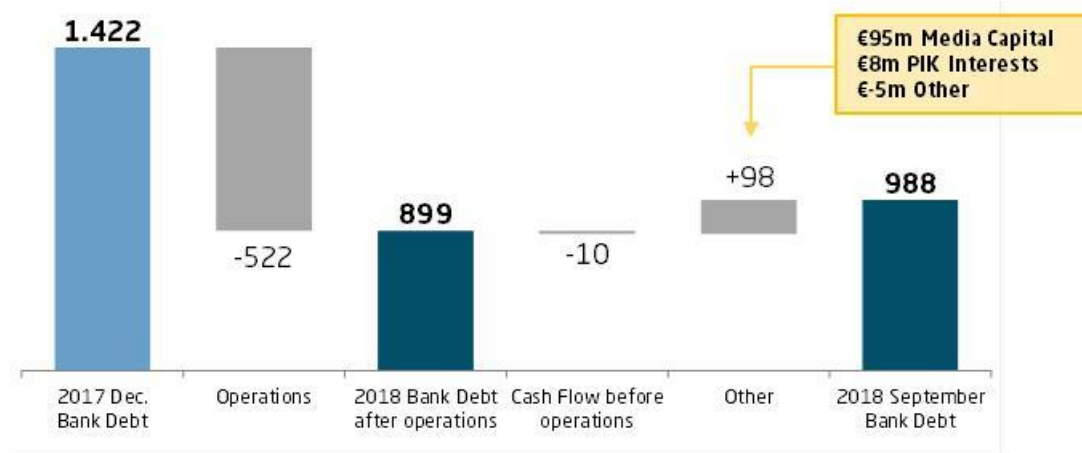
Millones de €	Sep. 2018	Dic. 2017	Chg. 18/17	
			Abs.	Rel.
<b>- Financial debt</b>	<b>1.242,1</b>	<b>1.644,9</b>	<b>-402,8</b>	<b>-24,5%</b>
- Non- current financial debt	1.149,8	642,2	507,5	79,0%
- Current financial debt	92,3	1.002,6	-910,3	-90,8%
<b>Short term financial investments</b>	<b>-25,3</b>	<b>-23,3</b>	<b>-2,0</b>	<b>-8,5%</b>
<b>Cash &amp; cash equivalents</b>	<b>-253,2</b>	<b>-217,2</b>	<b>-36,0</b>	<b>-16,6%</b>
<b>Fair value/ Loan arrangement costs</b>	<b>24,2</b>	<b>17,3</b>	<b>6,9</b>	<b>40,0%</b>
<b>TOTAL BANK DEBT EXCLUDING MEDIA CAPITAL</b>	<b>987,7</b>	<b>1.421,6</b>	<b>-433,9</b>	<b>-30,5%</b>

#### TOTAL BANK NET DEBT BY B.U.

€ Million	Sep. 2018	Dic. 2017	Chg. 18/17	
			Abs.	%
<b>Prisa Holding+ Prisa Gestión Financiera+PAE+Otros</b>	<b>898,8</b>	<b>1.420,0</b>	<b>-521,2</b>	<b>-36,7%</b>
- Financial debt	1.124,0	1.596,4	-472,4	-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	6,4	7,5	-1,1	-14,4%
- Cash, Short term financial investments and interco debt	-225,2	-176,4	-48,8	-27,6%
Cash cash pooling	-178,7	-160,1	-18,6	-11,6%
Cash otros	-1,3	-1,7	0,4	22,5%
Short term financial investments	-15,0	-15,4	0,4	2,3%
Barrido intergrupo	-23,4	10,3	-33,6	---
Préstamos intergrupo	-6,8	-9,6	2,7	28,5%
<b>Santillana</b>	<b>-15,8</b>	<b>-9,3</b>	<b>-6,4</b>	<b>-69,2%</b>
<b>Radio</b>	<b>-13,0</b>	<b>6,5</b>	<b>-19,6</b>	<b>---</b>
<b>Press</b>	<b>25,7</b>	<b>6,9</b>	<b>18,8</b>	<b>272,0%</b>
<b>Media Capital</b>	<b>91,9</b>	<b>-2,5</b>	<b>94,5</b>	<b>---</b>
<b>TOTAL BANK DEBT</b>	<b>987,7</b>	<b>1.421,6</b>	<b>-433,9</b>	<b>-30,5%</b>

December 2017 figures didn't include Media Capital. Its Net Debt as of Dec.2017 was of 95 million euros.

The evolution of net bank debt is shown below:





## GUIDANCE 2018

### GUIDANCE 2018

#### 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 due to currency evolution, mainly from Brazil and Argentina.

**With the 9M2018 Results evolution, the company reaffirms its guidance for FY2018.**



## APPENDIX

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3. Breakdown of adjusted Operating Revenues and EBITDA by B.L	26
4. Bridge from reported EBITDA, Adjusted EBITDA and Adjusted EBIT	27
5. FX evolution	28



## BALANCE SHEET

€ Million	ASSETS	
	09/30/2018	12/31/2017
<b>FIXED ASSETS</b>	<b>1.084,50</b>	<b>756,69</b>
Property, plant and equipment	88,95	82,65
Goodwill	487,71	167,56
Intangible assets	107,80	110,80
Long term financial investments	25,62	25,56
Investment in associates	43,56	37,25
Deferred tax assets	328,36	332,85
Other non current assets	2,51	0,03
<b>CURRENT ASSETS</b>	<b>835,47</b>	<b>1.166,39</b>
Inventories	139,38	70,15
Accounts receivable	417,18	381,52
Short term financial investments	25,66	23,34
Cash & cash equivalents	253,24	217,21
Assets held for sale	0,00	474,17
<b>TOTAL ASSETS</b>	<b>1.919,97</b>	<b>1.923,08</b>
	LIABILITIES	
	09/30/2018	12/31/2017
<b>SHAREHOLDERS EQUITY</b>	<b>28,30</b>	<b>-485,91</b>
Issued capital	524,69	83,50
Reserves	-567,87	-545,03
Income attributable to the parent company	-2,97	-102,91
Minority interest	74,45	78,53
<b>NON CURRENT LIABILITIES</b>	<b>1.334,35</b>	<b>863,14</b>
Long term financial debt	1.149,78	642,25
Other long term financial liabilities	124,30	120,15
Deferred tax liabilities	17,85	23,90
Provisions	41,44	39,01
Other non current liabilities	0,99	37,83
<b>CURRENT LIABILITIES</b>	<b>557,33</b>	<b>1.545,85</b>
Short term financial debt	92,29	1.002,63
Other current financial liabilities	52,98	22,63
Trade accounts payable	254,75	245,85
Other short term liabilities	123,24	94,27
Accrual accounts	34,07	21,39
Liabilities held for sale	0,00	159,08
<b>TOTAL LIABILITIES</b>	<b>1.919,97</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 29 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.

### CREDIT RATINGS

**As of 28 September 2018**, The company communicates that the credit rating agencies Fitch and Standard&Poor's have assigned the Company a rating of "B" and "B-", respectively, in both cases with a stable outlook



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

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Operating Adjusted Revenues</b>						
<b>GROUP</b>	<b>956,6</b>	<b>994,8</b>	<b>(3,8)</b>	<b>334,9</b>	<b>339,8</b>	<b>(1,5)</b>
Education	473,7	513,5	(7,8)	179,7	185,4	(3,1)
Radio	206,1	202,8	1,6	70,1	66,1	6,2
Press	144,9	157,4	(8,0)	44,6	48,4	(7,7)
Media Capital	126,0	115,3	9,3	39,1	36,3	7,9
Others	5,9	5,8	1,7	1,3	3,6	(65,6)

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Adjusted EBITDA</b>						
<b>GROUP</b>	<b>211,5</b>	<b>211,4</b>	<b>0,0</b>	<b>83,3</b>	<b>79,6</b>	<b>4,6</b>
Education	150,8	165,0	(8,6)	69,7	70,8	(1,6)
Radio	38,4	28,5	35,0	10,2	6,5	58,5
Press	3,3	4,5	(26,8)	(0,7)	(1,4)	51,4
Media Capital	25,1	23,8	5,6	5,2	5,5	(5,9)
Others	(6,2)	(10,4)	40,1	(1,1)	(1,7)	34,4

## EXTRAORDINARY IMPACTS AND CHANGES IN THE CONSOLIDATION PERIMETER

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>Extraordinary Effects</b>						
<b>One-offs in Operating Revenues</b>	<b>(7,4)</b>	<b>13,8</b>	<b>---</b>	<b>(14,8)</b>	<b>13,8</b>	<b>---</b>
Santillana USA	7,4	9,1	(19,3)	9,1	(100,0)	
Tax Effects		4,6	(100,0)	4,6	(100,0)	
Argentina Hyperinflation	(14,8)		---	(14,8)	0,0	---
<b>One-offs in Operating Expenses</b>	<b>(14,2)</b>	<b>(23,8)</b>	<b>40,2</b>	<b>6,8</b>	<b>(10,5)</b>	<b>---</b>
Redundancies and other non-recurrent	(22,9)	(17,2)	(32,8)	(1,8)	(4,0)	54,2
Santillana USA		(6,6)	100,0	0,0	(6,6)	100,0
Argentina Hyperinflation	8,6		---	8,6	0,0	---
<b>One-offs in Amortization&amp;Provisions</b>	<b>0,6</b>	<b>(73,8)</b>	<b>---</b>	<b>0,6</b>	<b>(73,8)</b>	<b>---</b>
Goodwill	0,0	(73,6)	100,0	0,0	(73,6)	100,0
Santillana USA	0,0	(0,3)	100,0	0,0	(0,3)	100,0
Other impairments	0,0	0,0	---	0,0	0,0	---
Argentina Hyperinflation	0,6		---	0,6	0,0	---

- Santillana USA disposal:** includes €7 million of capital gain registered as a result of the disposal of Santillana USA business.
- Argentina Hyperinflation:** includes impact from hyperinflation in Argentina explained in page 28
- Redundancies and other non-recurrent:** the extraordinary expense for redundancies increases with respect to the same period of the previous financial year. In 9M2018, 22,9 million euros were registered vs. 17.2 million euros in the same period of 2017.
- Goodwill:** mainly includes the reclassification of discontinued result in 2017 related to Mediacapital to Goodwill on the back of being continued the activity in 2018.
- Jan\_Sep 2017 figures include Media Capital in the consolidation perimeter while reported numbers last years excluded Media Capital.



## BRIDGE FROM REPORTED EBITDA, ADJUSTED EBITDA AND ADJUSTED EBIT

€ Millions	JANUARY - SEPTEMBER			JULY - SEPTEMBER		
	2018	2017	% Chg.	2018	2017	% Chg.
<b>GROUP</b>						
<b>EBITDA</b>	<b>189,9</b>	<b>201,4</b>	<b>(5,7)</b>	<b>75,3</b>	<b>82,8</b>	<b>(9,1)</b>
Extraordinary effects	21,6	10,0	116,2	8,0	(3,3)	---
<b>Adjusted EBITDA</b>	<b>211,5</b>	<b>211,4</b>	<b>0,0</b>	<b>83,3</b>	<b>79,6</b>	<b>4,6</b>
Amortizations	48,1	57,7	(16,6)	18,4	23,9	(22,9)
Provisions	22,3	21,6	3,5	18,4	18,8	(2,2)
Impairment from fixed assets	1,2	1,8	(34,4)	0,8	(0,2)	---
<b>Adjusted EBIT</b>	<b>139,8</b>	<b>130,2</b>	<b>7,4</b>	<b>45,6</b>	<b>37,1</b>	<b>23,0</b>
<b>EDUCATION</b>						
<b>EBITDA</b>	<b>148,6</b>	<b>163,9</b>	<b>(9,3)</b>	<b>62,7</b>	<b>72,0</b>	<b>(12,9)</b>
Extraordinary effects	2,3	1,1	102,4	7,0	(1,2)	---
<b>Adjusted EBITDA</b>	<b>150,8</b>	<b>165,0</b>	<b>(8,6)</b>	<b>69,7</b>	<b>70,8</b>	<b>(1,6)</b>
Amortizations	33,4	39,6	(15,7)	13,3	17,9	(26,0)
Provisions	19,7	18,9	3,9	18,0	18,1	(0,8)
Impairment from fixed assets	1,1	0,8	43,0	0,8	(0,1)	---
<b>Adjusted EBIT</b>	<b>96,7</b>	<b>105,7</b>	<b>(8,5)</b>	<b>37,6</b>	<b>34,9</b>	<b>7,8</b>
<b>RADIO</b>						
<b>EBITDA</b>	<b>32,0</b>	<b>24,1</b>	<b>32,6</b>	<b>10,3</b>	<b>5,8</b>	<b>77,6</b>
Extraordinary effects	6,5	4,3	48,5	(0,1)	0,7	---
<b>Adjusted EBITDA</b>	<b>38,4</b>	<b>28,5</b>	<b>35,0</b>	<b>10,2</b>	<b>6,5</b>	<b>58,5</b>
Amortizations	6,0	5,9	1,4	2,0	2,0	1,2
Provisions	1,3	1,4	(2,8)	0,4	0,3	20,0
Impairment from fixed assets	(0,0)	1,0	---	(0,0)	(0,1)	90,6
<b>Adjusted EBIT</b>	<b>31,1</b>	<b>20,1</b>	<b>54,7</b>	<b>7,8</b>	<b>4,2</b>	<b>86,2</b>
<b>PRESS</b>						
<b>EBITDA</b>	<b>(1,8)</b>	<b>1,9</b>	<b>---</b>	<b>(1,1)</b>	<b>(1,7)</b>	<b>36,8</b>
Extraordinary effects	5,1	2,6	100,0	0,4	0,3	43,1
<b>Adjusted EBITDA</b>	<b>3,3</b>	<b>4,5</b>	<b>(26,8)</b>	<b>(0,7)</b>	<b>(1,4)</b>	<b>51,4</b>
Amortizations	3,2	5,7	(43,6)	1,1	1,9	(42,0)
Provisions	1,0	0,9	11,4	0,0	0,1	(79,1)
Impairment from fixed assets	0,0	0,0	(96,2)	0,0	0,0	(87,6)
<b>Adjusted EBIT</b>	<b>(0,9)</b>	<b>(2,1)</b>	<b>56,1</b>	<b>(1,8)</b>	<b>(3,4)</b>	<b>46,7</b>
<b>MEDIA CAPITAL</b>						
<b>EBITDA</b>	<b>24,6</b>	<b>22,9</b>	<b>7,4</b>	<b>5,0</b>	<b>5,4</b>	<b>(8,2)</b>
Extraordinary effects	0,6	0,9	(39,2)	0,2	0,1	143,8
<b>Adjusted EBITDA</b>	<b>25,1</b>	<b>23,8</b>	<b>5,6</b>	<b>5,2</b>	<b>5,5</b>	<b>(5,9)</b>
Amortizations	4,9	5,8	(14,4)	1,9	1,9	(1,3)
Provisions	0,1	0,1	(39,0)	(0,1)	0,0	---
Impairment from fixed assets	(0,0)	(0,0)	(35,0)	(0,0)	(0,0)	80,0
<b>Adjusted EBIT</b>	<b>20,1</b>	<b>17,9</b>	<b>12,4</b>	<b>3,3</b>	<b>3,6</b>	<b>(5,8)</b>
<b>OTHERS</b>						
<b>EBITDA</b>	<b>(13,4)</b>	<b>(11,4)</b>	<b>(17,4)</b>	<b>(1,6)</b>	<b>1,3</b>	<b>---</b>
Extraordinary effects	7,2	1,0	---	0,5	(3,1)	---
<b>Adjusted EBITDA</b>	<b>(6,2)</b>	<b>(10,4)</b>	<b>40,1</b>	<b>(1,1)</b>	<b>(1,7)</b>	<b>34,4</b>
Amortizations	0,6	0,7	(20,7)	0,2	0,2	(8,4)
Provisions	0,2	0,3	(1,2)	0,0	0,2	(91,2)
Impairment from fixed assets	0,1	0,0	---	(0,0)	0,0	---
<b>Adjusted EBIT</b>	<b>(7,2)</b>	<b>(11,4)</b>	<b>37,1</b>	<b>(1,3)</b>	<b>(2,1)</b>	<b>37,0</b>

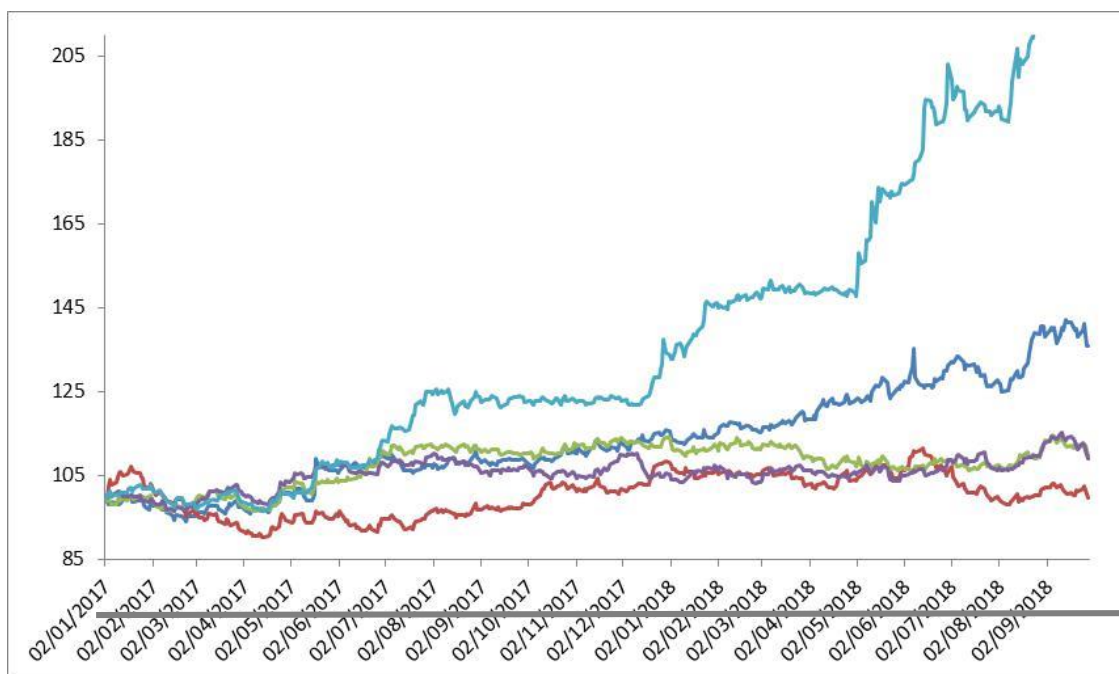


## FX EVOLUTION

### Exchange rates evolution vs Euro 2017/2018

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

The FX impact has been negative on revenues and EBITDA of the Group on 9M2018. **Negative impact amounted to -66.3 million euros on revenues and -15.7 million euros in EBITDA.**



**BRL**    **MXN**    **COP**    **CLP**    **ARG**

	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
3Q2018	4,59	22,04	3.442,46	771,05	37,15

Source: Bloomberg

#### ARGENTINA SITUATION

As of 9M2018, the hyperinflationary standard (IAS) 29 has been applied, being the main reason, among others, that the cumulative inflation rate over three years exceeds 100% since mid 2018. As a result:

- All non monetary assets and liabilities and profit and loss account need to be locally restated by applying the change in the general price index.
- Local financial statements will be converted to euro applying spot EUR/ARG as of 30th of September 2018 which was 47.93

**Argentina hyperinflation impact in reported accounts has been negative on revenues -14.8 Million euros and on EBITDA -6,2 million euros.**