

Main Highlights

- Spain advertising revenues remain flat in the year helped by online growth and events.
 - LatAm activities show growth in constant currency in **Education** (+8%).
 - Radio faces difficulties** due to advertising weakness mainly in Colombia, and Spain.
 - In Portugal, **Media Capital** shows operational improvement helped by growth in advertising revenue and sales of channels to third parties.
 - The evolution of the exchange rate improves in 4Q** and impacts negatively on revenues in full year 2016 (-63M€) and EBITDA (-17.7M€)
 - Negative Fiscal impact** as a result of new Decree Law related to Corporation tax and a VAT rejection ruling from Supreme Court
 - Net bank debt is reduced by 173 Mn€** and stand at 1,488M€ as of December 2016. Decline of 23 M€ in financial expenses in the period due to debt reduction.
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- Education (in constant currency): revenues +5.4%. EBITDA +13.7%** with margins improvement. **In Latam all campaigns of main countries increased revenues in local currency except for Mexico** on the back of lack of educational reform and lower institutional sales. Highlights the performance of Brazil which maintains revenues in local currency in a challenging environment and Peru. **Spain improved its operating performance** despite lower revenues as a result of lower novelties in 2016 compared to previous year. Education Systems (UNO and COMPARTIR) continue their expansion in LatAm (**+6.9% revenues growth**) with margin improvement. Negative FX impact of -44.8 million euros in revenues and of -15.1 million euros in EBITDA.
 - Radio (in constant currency): revenues flat, EBITDA -22.6%**. Advertising in Spain falls by -3.5%. Radio LatAm falls in local currency mainly explained by the performance of Colombia (-14.1%) reflection of the macroeconomic environment and the difficulties of the advertising sector faced by the country. Negative FX impact (-16.2 million euros in revenues and -3.2 million in EBITDA).
 - Press: revenues -0.6%. EBITDA increases by +2%**. Online advertising increases by +15.2% (representing already 41% of total advertising revenues). Circulation revenues moderate their drop (-4.7%) helped by price increases.
 - Media Capital: Advertising revenues increase in 2016 by +4.1%** (+3.6 TVI). Value added calls continue to decline. EBITDA grows by +2% (+0.8 million euros).

Consolidated performance

€mn

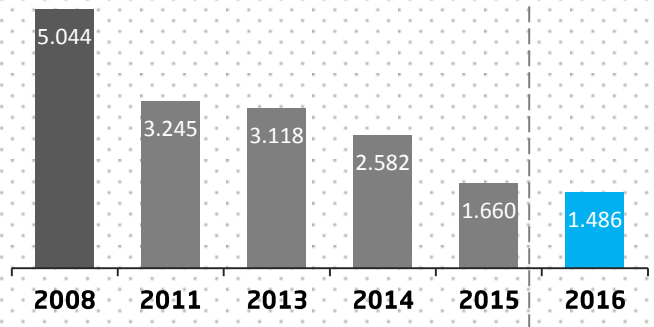
REVENUES	EBITDA	EBITDA (%Chg.)
1,370	282	-2.5% (+3.6% cst ccy)

DIGITAL ADV.
+13%

DEBT REDUCTION
-173€mn

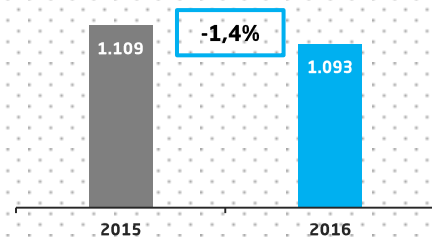
Net Debt evolution

€mn

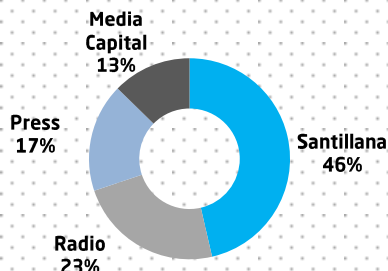


Operating costs

€mn

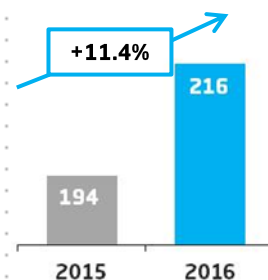


Revenues Breakdown



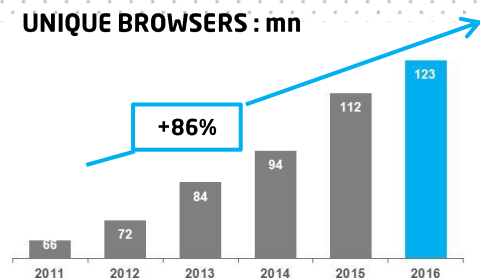
Digital Transformation

REVENUES: (cst ccy)



* Including FX impact from UNO and Compartir

UNIQUE BROWSERS : mn



Education

REVENUES

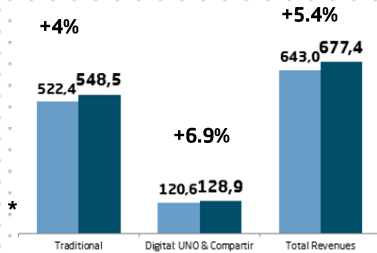
633 mn€ (-1.6%)
(+5.4% in cst ccy)

EBITDA

180 mn€ (+5%)
(+13.7% in cst ccy)

- **South Area campaigns in total** have increased revenues in constant currency by 14.5%. Highlights Peru which has increased on the back of new bids for primary and secondary and Brazil which maintains revenues in local currency helped by the good performance of the institutional sales which has compensated the worst performance of the regular campaign affected by the transfer of students from the private to the public market
- **North Area campaigns showed a decline of 2.2% in local currency; Spain improved its operating performance** despite a small decline on revenues on the back of lower novelties compared to 2015 and Mexico declined in local currency as a result of lower institutional sales and lack of educational reform
- **Digital Education Systems (UNO and COMPARTIR) continue their expansion** in Latin America, growing in number of students by 7.4% till reach 867,878. **UNO and Compartir revenues** grew by 6.9% in constant currency.
- **Adjusted revenues** in constant currency grow by +5.4% and **adjusted EBITDA grows by +13.7% in local currency (+5% in euros).**
- **Negative FX impact of 44.8 million euros** on revenues and 15.1 million euros on EBITDA.

Revenues split (local currency)



* Traditional includes Private and Institutional.

Radio

REVENUES

322mn€ (-4.9%)
(flat in cst ccy)

EBITDA

55 mn€ (-26.7%)
(-22.4% in cst ccy)

- **According to the latest EGM**, Prisa Radio in Spain **remains the clear leader** in both in generalist and musical.
- **Advertising in Spain** falls by -3.5% in 2016
- In **LatAm**, adjusted revenues fall in local currency, affected by the performance of Colombia with drops of -14.1%, reflection of the macroeconomic and specific difficulties of the advertising sector faced by the country. Chile has improved its performance in 4Q with total revenues in the period remaining flat.
- **Adjusted EBITDA** in constant currency falls in 16.8 M€ to reach 58 million mainly due to LatAm performance and to a lower extend to Spain.
- **Negative FX impact is -16.2 million euros** on revenues and -3.2 million on EBITDA.

Revenues split



EBITDA split



* International includes "Adjustments and others"

Press

REVENUES

240 mn€ (-0.6%)

EBITDA

17 mn€ (+2%)

- **Press revenues fall by -0.6% in the period.** The increase in digital advertising and events almost offset the decline of traditional advertising and circulation.
- **Total Advertising revenues** in 2016 increases by +3%.
 - **Digital advertising** increases by +15.2% (representing already 41% of total advertising revenues of the press) offsetting the fall in **traditional advertising** (-9.2%). Advertising from events continues to grow (+3.2Mn€)

- **Circulation revenues** moderate their drop (-4.7%) helped by price increases.

- **As of December 2016**, an average of 88 million of **unique browsers** and 19.6 millions of **unique users** have been registered.

- **Press adjusted EBITDA** increased by +2% over the same period last year to reach 16.8 million euros.

Elpais.com Unique Users split

13 M U.Users
57 M U. Browsers
14 M Videos



* Adjusted numbers excluding extraordinary disclosed on page. 19 FY2016 results release

Media Capital

REVENUES

174 mn€ (-0.2%)

EBITDA

43 mn€ (+2%)

- **Total advertising revenues** of Media capital increase by +4.1%.
- **TVI shows a revenue increase** of 0.4%. The growth of advertising revenue and channels sale to third parties offset the fall in added value calls:
 - **Advertising** grows by +3.6% in TVI.
 - **Added value calls** continue with significant falls
 - The **distribution of TVI channels** in different pay platforms has a growth of 2.5 million euros.

- **Radio improves its advertising revenues by 5.8%**
- **Adjusted EBITDA grows by +2% (+0.8 million euros), versus same period last year.**

TVI continues to hold the leading position in the Portuguese FTA TV market

Advertising revenues growth evolution (%)

