



Quarterly Results, 1H2017

PROMOTORA DE INFORMACIONES, S.A.

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1. Index		2
2. General Vision and Business Units		3
3. Consolidated P&L		4
4. Education		5
5. Radio		7
6. Press		9
7. Media Capital		11
8. Digital Transformation Revenues	13	
9. From EBIT to Net Result		14
10. Financial position		15
11. Appendix		17



GENERAL OVERVIEW

Adjusted EBITDA in 1H 2017 grows 40% to reach 136 million euros (+29% growth in constant currency)

1H 2017 main highlights:

- **In Spain**, advertising grows in Radio and in Digital.
- **LatAm activities show 8% growth** in local currency in **Education. (+17.5% in euros).**
- **Radio shows recovery in Spain and LatAm.**
- In Portugal, **Media Capital improves its EBITDA** in a market which has started the year with significant drops in advertising which moderate in 2Q.
- **The evolution of exchange rates has had a positive impact in 1H2017:** 25.4 million euros in revenues and 10.8 million euros in EBITDA.
- **Net bank debt stands at 1,543Mn€** as of June 30th 2017. **Decline of 4.4Mn€ in financial expenses** in the period due to debt reduction.
- Binding offer for **MediaCapital** accepted: Enterprise Value of €440 Mn.

BUSINESS UNITS

EDUCATION

- **Total Revenues grow by 17% and EBITDA grows by 50% in euros.**
- **During first half, South Area campaigns have practically finished** showing a solid performance in main countries. Highlights Brazil which grows its revenues in local currency by 19%.
- **North area campaigns (Spain and Mexico mainly)**, take place during 3Q. 1H figures include those corresponding to the beginning of the campaigns which are currently on-going and show anticipation compared to same period last year.
- **Digital Education Systems (UNO and COMPARTIR) continue their expansion** in Latin America, growing in number of students till reach 921,700.(+6%)
- **Positive FX impact of 22.8 million euros on revenues and 10.7 million euros on EBITDA** as a result of better currencies evolution mainly in Brazil.
- **Adjusted revenues** in constant currency **grow by +9% and adjusted EBITDA grows by +33%.**

RADIO

- **According to the latest EGM**, Radio in Spain remains the clear leader in both generalist and musical.
- **Advertising in Prisa Radio in Spain shows recovery with 3% growth in revenues.**
- **In LatAm**, revenues grow by 1.2% in euros (-2.7% in local currency). Highlights the good performance in local currency of Mexico, Chile and Argentina which partially offsets the decline in Colombia whose performance significantly improves in 2Q.
- **Positive FX impact amounts 2.3 million euros on revenues and 0.2 million on EBITDA.**
- **Adjusted EBITDA** in constant currency improves by 5M€ (+25%) to reach **25 million.**

PRESS

- **Press total revenues declined by -10.6% in the period.** The increase in digital advertising and other digital revenues do not compensate the decline of traditional advertising, circulation, and the impact of the 40th anniversary and Eurocup in 2016. Excluding this 2 extra ordinaries impacts, revenues would have decreased by -7.11%
- **Advertising revenues** in the period decline by 9.7%.
 - **Digital advertising** increases by +5% (representing already 46% of total advertising revenues of the press).
 - **Traditional advertising declines by -19.5%.**
- **Circulation revenues continue with decline (-14%).**
- **As of June 2017**, an average of **105,7 million of unique browsers (+18.7%)** have been registered and 54.2 million euros of video views.
- **El País** consolidates its position as the first Spanish newspaper worldwide and **As** accentuates its leadership in digital in America.
- **Strong cost control (-10.1%)**
- **Press adjusted EBITDA reaches 6 million euros** versus 7.4 million euros in the same period of 2016.

MEDIA CAPITAL

- **Total revenues** of Media Capital decrease by 7.3% moderating its fall in Q2 (-4.9%) in a complicated advertising market.
- **TVI shows a revenue decrease** mainly explained by the fall in advertising
 - **Advertising falls** by -6.2%
 - **Added value calls** fall by 0.8 million euros
- **Radio increases advertising revenues by 5.3%**
- **Strong cost control (-10.1%).**
- **Adjusted EBITDA improves by 3.3% till reach 18.3 million euros.** The strong cost control compensates the advertising fall.



CONSOLIDATED P&L

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Adjusted Revenues	665,0	634,2	4,9	297,8	305,1	(2,4)
Adjusted EBITDA	135,7	97,0	39,9	43,2	37,3	15,7
<i>Adjusted EBITDA Margin</i>	20,4%	15,3%		14,5%	12,2%	
Adjusted EBIT	97,8	55,0	77,8	25,2	11,5	118,7
<i>Adjusted EBIT Margin</i>	14,7%	8,7%		8,5%	3,8%	
Operating Adjusted Results at constant currency						
Operating Adjusted Revenues on constant currency	639,7	634,2	0,9	296,5	305,1	(2,8)
Adjusted EBITDA on constant currency	124,9	97,0	28,7	44,7	37,3	19,6
<i>Adjusted EBITDA Margin</i>	19,5%	15,3%		15,1%	12,2%	
Adjusted EBIT on constant currency	88,8	55,0	61,5	27,0	11,5	134,5
<i>Adjusted EBIT Margin</i>	13,9%	8,7%		9,1%	3,8%	
Reported Results						
Operating Revenues	655,0	624,5	4,9	292,5	299,9	(2,5)
EBITDA	118,5	86,5	37,1	35,7	31,5	13,5
<i>EBITDA Margin</i>	18,1%	13,8%		12,2%	10,5%	
EBIT	79,9	44,9	77,7	17,9	5,9	—
<i>EBIT Margin</i>	12,2%	7,2%		6,1%	2,0%	
Financial Result	(26,3)	(26,0)	(1,1)	(8,9)	(18,5)	51,7
Interests on debt	(26,9)	(31,3)	14,1	(12,5)	(14,5)	13,8
Other financial results	0,7	5,4	(87,7)	3,6	(4,0)	—
Result from associates	0,6	2,0	(71,5)	0,3	1,3	(77,8)
Profit before tax	54,1	20,9	159,0	9,3	(11,3)	—
Income tax expense	25,1	17,8	41,2	8,7	4,1	113,8
Results from discontinued activities	(1,0)	(0,3)	—	0,0	(0,3)	100,0
Minority interest	(14,2)	(13,3)	(6,3)	(8,6)	(7,7)	(11,7)
Net Profit	13,9	(10,5)	—	(8,0)	(23,4)	65,8

During 1H2017, excluding extraordinary items and exchange rate impact there is to highlight the following:

- EBITDA grows by 29%.
- Significant margin improvement.
- Reduction on interest expenses.
- Net profit amounts 13.9 million euros.



EDUCATION

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Revenues	328,0	279,6	17,3	112,4	111,2	1,1
Spain	46,5	40,1	16,1	42,9	38,5	11,3
International	281,5	239,5	17,5	69,6	72,7	(4,4)
Portugal	0,1	0,1	(0,1)	0,0	0,0	(40,0)
Latam	281,4	239,4	17,5	69,5	72,7	(4,3)
Adjusted EBITDA	94,2	62,8	50,0	11,2	9,9	12,7
Spain	2,4	(5,5)	---	17,5	10,8	62,2
International	91,8	68,3	34,4	(6,3)	(0,9)	---
Portugal	(1,5)	(2,2)	31,0	(0,9)	(1,3)	33,3
Latam	93,4	70,6	32,3	(5,4)	0,5	---
<i>Adjusted EBITDA Margin</i>	<i>28,7%</i>	<i>22,5%</i>		<i>10,0%</i>	<i>8,9%</i>	
Adjusted EBIT	70,8	37,4	89,2	0,1	(7,6)	---
<i>Adjusted EBIT Margin</i>	<i>21,6%</i>	<i>13,4%</i>		<i>0,1%</i>	<i>-6,9%</i>	
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results at constant currency						
Operating Revenues on constant currency	305,2	279,6	9,2	111,7	111,2	0,4
Spain	46,5	40,1	16,1	42,9	38,5	11,3
International	258,6	239,5	8,0	68,8	72,7	(5,4)
Portugal	0,1	0,1	(0,1)	0,0	0,0	(40,0)
Latam	258,6	239,4	8,0	68,8	72,7	(5,4)
Adjusted EBITDA on constant currency	83,5	62,8	32,9	12,8	9,9	28,4
Spain	2,4	(5,5)	---	17,5	10,8	62,2
International	81,1	68,3	18,7	(4,7)	(0,9)	---
Portugal	(1,5)	(2,2)	31,0	(0,9)	(1,3)	33,3
Latam	82,6	70,6	17,1	(3,8)	0,5	---
<i>Adjusted EBITDA Margin</i>	<i>27,4%</i>	<i>22,5%</i>		<i>11,4%</i>	<i>8,9%</i>	
Adjusted EBIT on constant currency	61,8	37,4	65,1	2,0	(7,6)	---
<i>Adjusted EBIT Margin</i>	<i>20,2%</i>	<i>13,4%</i>		<i>1,8%</i>	<i>-6,9%</i>	
	2017	2016	% Chg.	2017	2016	% Chg.
Reported Results						
Operating Revenues	328,0	279,6	17,3	112,4	111,2	1,1
Spain	46,5	40,1	16,1	42,9	38,5	11,3
International	281,5	239,5	17,5	69,6	72,7	(4,4)
Operating Expenses	236,1	218,8	7,9	102,1	102,7	(0,6)
EBITDA	91,9	60,7	51,3	10,3	8,5	21,3
<i>EBITDA Margin</i>	<i>38,9%</i>	<i>27,8%</i>		<i>9,2%</i>	<i>7,6%</i>	
EBIT	68,5	35,3	93,8	(0,8)	(9,1)	91,0
<i>EBIT Margin</i>	<i>20,9%</i>	<i>12,6%</i>		<i>-0,7%</i>	<i>-8,2%</i>	
	2017	2016	% Chg.	2017	2016	% Chg.
Extraordinary Effects						
One-offs in Operating Revenues	0,0	0,0	---	0,0	0,0	---
One-offs in Operating Expenses	(2,3)	(2,1)	(10,9)	(0,9)	(1,4)	38,4
Redundancies	(2,3)	(2,1)	(10,9)	(0,9)	(1,4)	38,4



RADIO

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Adjusted Revenues	146,8	147,6	(0,5)	81,1	83,2	(2,5)
Spain	91,8	90,0	2,0	50,1	49,9	0,4
Latam	54,7	54,1	1,2	30,1	29,8	1,0
Music	4,7	8,1	(41,6)	3,4	5,9	(42,6)
Adjustments & others	(4,5)	(4,6)	3,0	(2,4)	(2,4)	(1,8)
Adjusted EBITDA	25,9	20,5	26,2	18,6	15,4	20,8
Spain	14,3	10,6	34,8	9,8	8,5	15,1
Latam	12,3	10,6	15,8	9,0	7,1	27,0
Music	(0,7)	(0,7)	(0,1)	(0,1)	(0,2)	12,5
Adjustments & others	0,0	(0,0)	---	0,0	(0,0)	---
<i>Adjusted EBITDA Margin</i>	<i>17,7%</i>	<i>13,9%</i>		<i>23,0%</i>	<i>18,6%</i>	
Adjusted EBIT	20,6	14,7	39,7	16,3	12,0	35,6
<i>Adjusted EBIT Margin</i>	<i>14,0%</i>	<i>10,0%</i>		<i>20,1%</i>	<i>14,5%</i>	

	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results at constant currency						
Operating Adjusted Revenues on constant currency	144,6	147,6	(2,0)	80,6	83,2	(3,1)
Spain	91,8	90,0	2,0	50,1	49,9	0,4
Latam	52,6	54,1	(2,7)	29,5	29,8	(0,8)
Music	4,6	8,1	(42,9)	3,3	5,9	(43,2)
Adjustments & others	(4,4)	(4,6)	3,5	(2,4)	(2,4)	(1,4)
Adjusted EBITDA on constant currency	25,7	20,5	25,2	18,5	15,4	20,0
Spain	14,3	10,6	34,8	9,8	8,5	15,1
Latam	12,1	10,6	13,5	8,8	7,1	25,1
Music	(0,7)	(0,7)	5,8	(0,1)	(0,2)	18,3
Adjustments & others	0,0	(0,0)	---	0,0	(0,0)	---
<i>Adjusted EBITDA Margin</i>	<i>17,8%</i>	<i>13,9%</i>		<i>23,0%</i>	<i>18,6%</i>	
Adjusted EBIT on constant currency	20,5	14,7	39,4	16,2	12,0	34,7
<i>Adjusted EBIT Margin</i>	<i>14,2%</i>	<i>10,0%</i>		<i>20,1%</i>	<i>14,5%</i>	

	2017	2016	% Chg.	2017	2016	% Chg.
Reported Results						
Operating Revenues	136,8	137,8	(0,7)	75,8	77,9	(2,7)
Advertising	123,7	121,9	1,5	68,2	67,4	1,2
Spain	83,2	81,0	2,6	45,8	45,5	0,7
Latam	40,6	40,9	(0,7)	22,4	21,9	2,2
Others	(0,0)	(0,0)	(26,1)	(0,0)	(0,0)	7,3
Others	13,0	15,9	(18,0)	7,6	10,5	(28,1)
Operating Expenses	118,4	124,4	(4,8)	60,3	67,2	(10,2)
EBITDA	18,3	13,4	37,0	15,4	10,7	44,5
<i>EBITDA Margin</i>	<i>13,4%</i>	<i>9,7%</i>		<i>20,4%</i>	<i>13,7%</i>	
EBIT	12,2	8,1	51,7	13,3	7,5	77,0
<i>EBIT Margin</i>	<i>8,9%</i>	<i>5,8%</i>		<i>17,6%</i>	<i>9,6%</i>	

€ Millions	2017	2016	% Chg.	2017	2016	% Chg.
Extraordinary Effects						
One-offs in Operating Revenues	10,0	9,8	2,6	5,3	5,2	1,7
Consolidation perimeter adjustment MX&CR	10,0	9,8	2,6	5,3	5,2	1,7
One-offs in Operating Expenses	2,4	2,6	(6,4)	2,1	0,5	---
Redundancies	(3,7)	(3,6)	(2,8)	(0,9)	(2,7)	67,0
Consolidation perimeter adjustment MX&CR	6,1	6,2	(1,1)	3,0	3,2	(5,7)
One-offs in Amortization&Provisions	(0,8)	0,5	---	0,2	0,2	(14,5)
Consolidation perimeter adjustment MX&CR	0,4	0,5	(9,4)	0,2	0,2	(14,5)
Impairment & Losses from fixed assets	(1,2)		---	0,0	0,0	---

In order to give a complete vision of the business, the stakes in Mexico and Costa Rica are included in the adjusted accounts despite being consolidated by the equity method.



RADIO

A_MARKET POSITION

In Spain, we highlight the competitive strength of PRISA’s radio business through its stations (Cadena Ser, 40 Principales, Cadena Dial, M-80, Radiolé and Máxima FM). According to the latest EGM survey, **Cadena Ser maintains absolute leadership in the market with 4,409 thousand listeners** (market share of 38% of Spain’s generalist radio). **Cadena 40 and Cadena Dial hold first and second place in the music radio market in Spain with audience shares of 20 % and 16% respectively.**

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

Thousands of Listeners	LISTENERS		
	2nd Report 2017	Market Share	Share
TOTAL SPAIN*	10.157		
TALK RADIO	4.409	1	38%
Cadena Ser	4.409		38%
MUSICRADIO*	6.232	1	43%
Los 40	2.871		20%
Dial	2.371		16%
M80	391		3%
Máxima FM	457		3%
Radiolé	486		3%

Excludes duplicities

Regarding international radio,

Thousands of Listeners	LISTENERS		
	2nd Report 2017	Market Share	Share
Colombia	7.656	1	28%
Chile	2.314	1	42%
Mexico	1.474	2	15%

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

B_OPERATING REVENUES

In 1H2017, **Radio Adjusted Revenues reached 148 million euros**, practically in line with same period last year (-0.6%). 2016 figures include GLR Networks and RLM which have been sold and contributed in the period with 3.2 million euros of revenues. **Excluding this effect, total revenues would have increased by 1.6%.** This performance is explained by the advertising recovery in Spain and a better evolution in LatAm. The good performance in Chile, Mexico and Argentina compensates the decline in Colombia which significantly improves its trend in 2Q.

FX impact has been positive by +2.3 million euros in revenues and by +0.2 million euros in EBITDA.

Adjusted EBITDA at constant currency in **Prisa Radio improves by +5.2 million euros (+25%)**, mainly explained by the growth in Spain and the better evolution in LatAm.

Radio Revenues by geography:

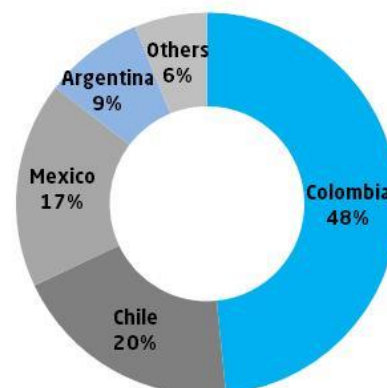
Spain: Radio Spain adjusted revenues reach 91.8 million euros in the period (+2% versus 1H2016). **Advertising revenues** represent 83.2 million euros, increasing by 3%.

International: International radio adjusted revenues reach **54.7 million euros** in 1H2017 (+1.2% versus 1H2016); (-2.7% at constant currency).

By country there is to highlight:

- **Colombia**, which shows a fall in constant currency of -7.5% but significantly improving its trend in 2Q.
- **Chile**, which grows its revenues in local currency of +3.4%.
- **Mexico**, which has grown its revenues in local currency by 7.5%.
- **USA** which declines revenues as a result of the divestment in GLR Networks in 2016.

January-June 2017: International contribution of the revenues by area (%)





PRESS

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Revenues	109,1	122,0	(10,6)	58,7	64,8	(9,5)
<i>Advertising</i>	51,1	56,6	(9,7)	28,6	32,8	(12,9)
<i>Circulation</i>	40,2	46,8	(14,1)	20,1	23,4	(14,2)
<i>Add-ons and Others</i>	17,8	18,6	(4,7)	10,0	8,6	16,4
Adjusted EBITDA	6,0	7,4	(19,2)	5,1	6,0	(14,8)
<i>Adjusted EBITDA Margin</i>	5,5%	6,0%		8,7%	9,2%	
Adjusted EBIT	1,4	3,5	(61,8)	2,9	4,5	(35,2)
<i>Adjusted EBIT Margin</i>	1,2%	2,9%		5,0%	7,0%	

€ Millions	2017			2016		
	2017	2016	% Chg.	2017	2016	% Chg.
Reported Results						
Operating Revenues	109,1	122,0	(10,6)	58,7	64,8	(9,5)
<i>Advertising</i>	51,1	56,6	(9,7)	28,6	32,8	(12,9)
<i>Circulation</i>	40,2	46,8	(14,1)	20,1	23,4	(14,2)
<i>Add-ons and Others</i>	17,8	18,6	(4,7)	10,0	8,6	16,4
Operating Expenses	105,4	114,9	(8,3)	53,5	58,2	(8,1)
EBITDA	3,7	7,1	(48,7)	5,2	6,6	(21,2)
<i>EBITDA Margin</i>	3,4%	5,8%		8,8%	10,2%	
EBIT	(1,0)	3,3	---	3,0	5,1	(41,1)
<i>EBIT Margin</i>	-0,9%	2,7%		5,1%	7,9%	

€ Millions	2017			2016		
	2017	2016	% Chg.	2017	2016	% Chg.
Extraordinary Effects						
One-offs in Operating Revenues	0,0	0,0	---	0,0	0,0	---
One-offs in Operating Expenses	(2,3)	(0,3)	---	0,1	0,6	(85,8)
Redundancies	(2,3)	(0,3)	---	0,1	0,6	(85,8)
One-offs in Amortization&Provisions	0,0	0,0	---	0,0	0,0	---



PRESS

A_MARKET POSITION

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 (June 2017).

January-June 2017: Market position of Press business in Spain



Source: OJD June 2017

Digital Market position of Press business

In terms of unique browsers, press has reached 105.7million users (as of June). El País maintains a leading position reaching 73.2 million. In addition, in sport press, AS reaches 42.7 million browsers

According to Comscore, El País is in the position ranking number 4 in Spain in terms of unique users, after Google, YouTube and Facebook.

El Pais ranks 1st position in news in Spanish webs and Regarding media worldwide ranking it is in number 12 being the first positions occupied by Chinese, British and American newspapers.

B_OPERATING REVENUES

Revenues in Press business declined by 10.6% reaching 109 million euros. The increase in on-line advertising and other digital revenues has not compensated the declines in traditional advertising, circulation and the impacts of the 40th anniversary and Eurocup in 2016. Excluding this impacts, revenues fall would have been -7.11%.

Total advertising Revenues reach 51.1 million euros (-9.7%)

- On-line advertising revenue grow by +5.2% in the period already representing 46% of total advertising revenues.
- Off-line advertising revenues decline by -16.4%.
- Events reached 2.3 million euros in the period falling by 1.7 million euros as a result of the extraordinary revenues in the same period of 2016 commemorating the 40th anniversary.

Table of on-line, off-line advertising revenues and events is shown below:

€ Millions	JANUARY - JUNE		
	2017	2016	% Chg.
Advertising	51,1	56,6	(9,7)
Off-line	25,4	30,3	(16,4)
On-line	23,4	22,3	5,2
Events	2,3	4,0	(42,9)

Regarding the circulation of printed copies, evolution by newspaper according to the latest available data (OJD June 2017) it is as follows:

Number of copies	JANUARY - JUNE		
	2017	2016	% Chg.
El País	179.703	206.184	(12,8)
Diario As	113.995	127.782	(10,8)

Highlights the strong cost control (-10.1%)

Adjusted **EBITDA**, reached 6M€ compared to 7.4M€ in the same period last year.



MEDIA CAPITAL

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Revenues	79,0	85,3	(7,3)	44,0	46,2	(4,9)
<i>Advertising</i>	57,1	60,1	(4,9)	33,9	34,3	(1,3)
<i>Others</i>	21,9	25,2	(13,0)	10,1	11,9	(15,3)
Adjusted EBITDA	18,3	17,7	3,3	12,6	11,5	9,7
<i>Adjusted EBITDA Margin</i>	23,1%	20,7%		28,7%	24,9%	
Adjusted EBIT	14,3	13,4	6,5	10,6	9,3	13,8
<i>Adjusted EBIT Margin</i>	18,1%	15,8%		24,1%	20,1%	
Reported Results						
Operating Revenues	79,0	85,3	(7,3)	44,0	46,2	(4,9)
<i>Advertising</i>	57,1	57,1	0,0	33,9	33,9	0,0
<i>Others</i>	21,9	28,2	(22,1)	10,1	12,4	(18,3)
Operating Expenses	61,6	68,0	(9,4)	31,6	34,7	(9,1)
EBITDA	17,4	17,3	1,0	12,4	11,5	7,8
<i>EBITDA Margin</i>	22,0%	20,2%		28,2%	24,9%	
EBIT	13,5	13,0	3,5	10,3	9,3	11,4
<i>EBIT Margin</i>	17,1%	15,3%		23,5%	20,1%	
Extraordinary Effects						
One-offs in Operating Revenues	0,0	0,0	---	0,0	0,0	---
One-offs in Operating Expenses	(0,8)	(0,4)	(99,6)	(0,2)	(0,0)	---
Redundancies	(0,8)	(0,4)	(99,6)	(0,2)	(0,0)	---
One-offs in Amortization&Provisions	0,0	0,0	---	0,0	0,0	---



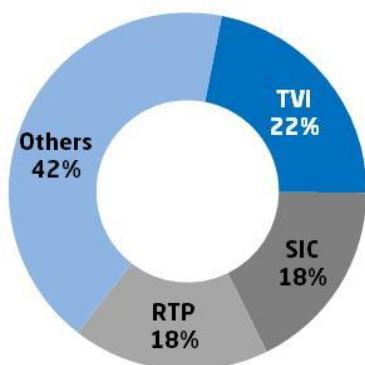
MEDIA CAPITAL

A_MARKET POSITION

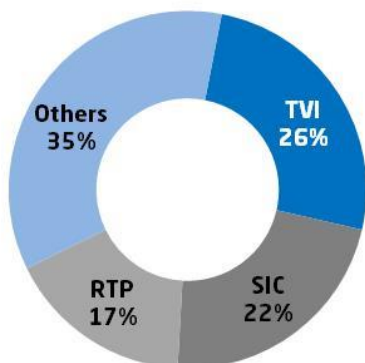
TVI maintains market leadership in 24 hours and prime time, reaching a daily audience share of 22% and 26% respectively.

Media Capital Audience figures

January – June 2017 (24hrs)



January – June 2017 (Prime Time)



Gfk March 2017 // *RTP Includes RTP1 y RTP2 // ** Others include PayTV

Media Capital's aggregate group of radios had an average audience share of 36.4% according to last data in 2017.

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

- **Radio Comercial** maintains its market leadership with an audience share of 24.1%.
- **M80**, music radio, improves its audience share to 7.6%.
- **Cidade FM** maintains its leadership amongst radio stations for youngsters, with a 3% audience share.

B_OPERATING REVENUES

✓ **Total Advertising** in the period shows a decrease of -4.9%, improving its performance in 2Q (-1.3%)

✓ **Other revenues** shows a drop of 13% (-3.3M€).

By businesses,

✓ **TVI**, reached in 1H2017 revenues of 65.3 million euros compared to 70.2 million in 1H2016 (-7.1%). The decline is mainly explained by the fall in advertising which has started 2017 in a complicated market context.

✓ **Media Capital Radio** business shows a growth of +5.3% in advertising revenues.

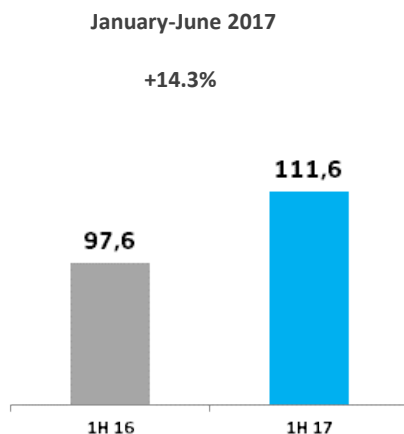
Adjusted EBITDA reaches 18.3 million euros versus 17.7 million euros in the same period previous year. The strong cost control compensates the falls in advertising.



DIGITAL TRANSFORMATION

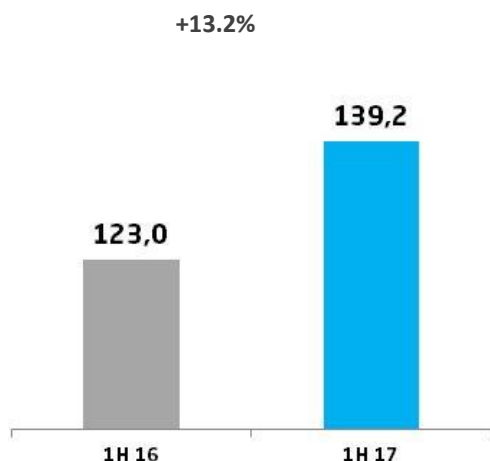
A_TRANSFORMATION REVENUES

Digital transformation revenues increased by 14.3% in 1H2017 to reach 111.6 million euros (102.5 at constant Fx). They represent already 17% of total Group revenues.

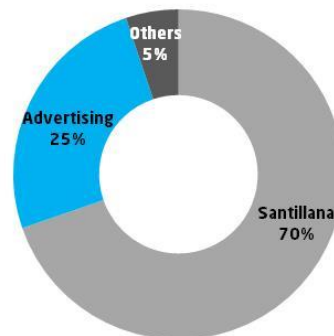


B_UNIQUE BROWSERS

Average unique browsers of the Group's web sites grow during 1H2017 by 13.2% reaching 139.2 million.



C_TRANSFORMATION REVENUES SPLIT



D_PRESS

Digital advertising revenues grow by +5.2% and represent 46% of the division's ad Revenues.

Unique browsers in Press in 1H2017 grow by 18.7% reaching 105.7million on average.

E_EDUCATION

Digital education systems (UNO and Compartir) continue their development in Latin America reaching 921,700 students (+6%).

F_RADIO

In 1H2017, the growth of unique browsers of both national and international radio websites of the Group has continued: the unique browsers to the website of Radio in Spain reached 14.6 million average (+26.6%). As for the International Radio, the unique browsers reach 23 million average (+18%). In total, the unique browsers Prisa Radio reach 37.6 million and grew by 21.2%.

G_MEDIA CAPITAL

Digital advertising revenues reached 1.8 million euros in 1H2017.

Unique browsers of the web pages of Media Capital grew +23%, reaching 8.9 million on average (according to Netscope).



FROM EBIT TO NET RESULT

€ Million	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
EBIT	79,9	44,9	77,7	17,9	5,9	---
<i>EBIT Margin</i>	12,2%	7,2%		6,1%	2,0%	
Financial Result	(26,3)	(26,0)	(1,1)	(8,9)	(18,5)	51,7
Interests on debt	(26,9)	(31,3)	14,1	(12,5)	(14,5)	13,8
Other financial results	0,7	5,4	(87,7)	3,6	(4,0)	---
Result from associates	0,6	2,0	(71,5)	0,3	1,3	(77,8)
Profit before tax	54,1	20,9	159,0	9,3	(11,3)	---
Income tax expense	25,1	17,8	41,2	8,7	4,1	113,8
Results from discontinued activities	(1,0)	(0,3)	---	0,0	(0,3)	100,0
Minority interest	(14,2)	(13,3)	(6,3)	(8,6)	(7,7)	(11,7)
Net Profit	13,9	(10,5)	---	(8,0)	(23,4)	65,8

A_NET FINANCIAL RESULT

During 1H2017, “interests on debt expenses” have been reduced by 4.4 million as a result of the debt reduction.

“Other financial results” deteriorate by 4.7 million euros mainly due to discounts on debt buy back in 1H2016 amounting to €18.2 million which have not occurred in 1H2017.

B_EQUITY CONSOLIDATED RESULTS

Equity consolidated results include mainly the results of Radio Mexico and Costa Rica

C_MINORITY RESULTS

Corresponds to minority interest in Prisa Radio and Santillana



FINANCIAL POSITION

A_Cash flow statement

€ Million	Jun. 2017	Jun. 2016	Chg. 17/16	
			Abs.	%
EBITDA (excluding redundancies) - provisions	127,9	89,2	38,7	43,4%
EBITDA (excluding redundancies)	130,8	93,4	37,3	39,9%
Provisions	-2,8	-4,2	1,4	33,2%
Change in working capital	-79,4	-15,6	-63,8	-408,3%
Redundancies paid	-12,3	-10,2	-2,2	-21,6%
Taxes paid	-24,1	-18,7	-5,4	-29,0%
Other cash flows and adjustments from operations	-4,7	0,3	-5,0	---
OPERATING CASH FLOW	7,4	45,1	-37,7	-83,6%
Capex (investments/divestments)	-28,6	-26,7	-1,9	-7,1%
Capex	-31,9	-32,9	1,0	3,2%
Disinvestments	3,3	6,2	-2,9	-47,2%
CASH FLOW BEFORE FINANCING ACTIVITIES	-21,2	18,4	-39,6	---

A1_CAPEX

CAPEX

€ Million	Jun. 2017	Jun. 2016	Chg. 17/16
Santillana	-26,7	-25,9	-0,8
Radio	-2,0	-2,7	0,8
Press	-1,6	-3,1	1,5
Audiovisual	-1,3	-1,1	-0,2
Others	-0,4	-0,2	-0,2
Capex (investment)	-31,9	-32,9	1,0
Capex (disinvestment)	3,3	6,2	-2,9
Total PRISA Group	-28,6	-26,7	-1,9



FINANCIAL POSITION

B_Net financial position

The "costs of formalization" of financial debt are presented in the balance sheet as a reduction of debt to credit institutions. These expenses are charged to the income statement on a similar maturity term of the underlying debt.

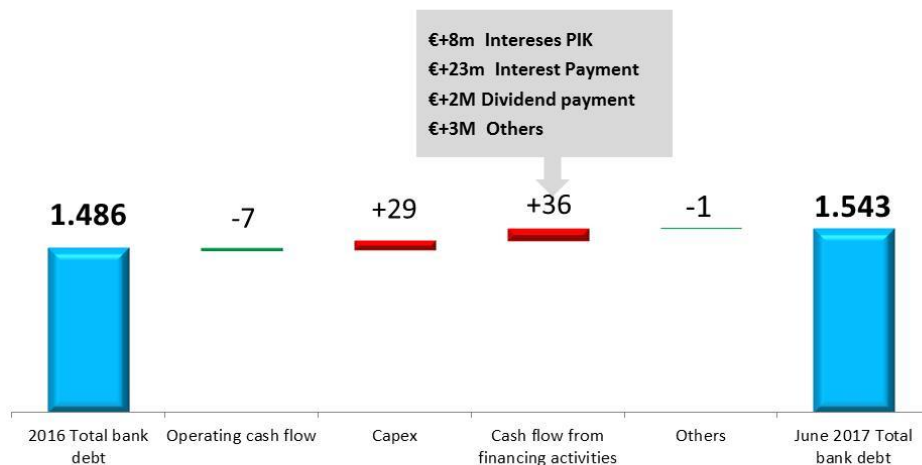
Total Bank debt

€Million	Jun.	Dic.	Chg. 17/16	
	2017	2016	Abs.	Rel.
- Financial debt	1.738,4	1.722,0	16,4	0,9%
- Non- current financial debt	1.666,7	1.653,5	13,2	0,8%
- Current financial debt	71,7	68,5	3,2	4,7%
Short term financial investments	-19,7	-19,5	-0,2	-1,2%
Cash & cash equivalents	-199,3	-246,4	47,1	19,1%
Loan arrangement costs	23,9	30,0	-6,1	-20,4%
TOTAL BANK DEBT	1.543,3	1.486,1	57,1	3,8%

Total Bank debt by Business unit

€ Million	Jun.	Dic.	Chg. 17/16	
	2017	2016	Abs.	%
Prisa Holding	1.388,0	1.375,0	13,0	0,9%
- Financial debt	1.581,8	1.574,3	7,5	0,5%
Tranche 2	956,5	956,5	0,0	0,0%
Tranche 3	177,0	177,0	0,0	0,0%
PPL	439,8	439,8	0,0	0,0%
Others	8,6	1,0	7,5	737,6%
- Financial debt of Other	11,4	12,0	-0,5	-4,5%
- Cash and Short term financial investments	-205,3	-211,3	6,0	2,8%
Santillana	24,6	8,0	16,6	207,9%
Radio	12,1	10,7	1,4	12,9%
Press	8,0	-7,8	15,9	—
Audiovisual	110,6	100,2	10,4	10,4%
TOTAL BANK DEBT	1.543,3	1.486,1	57,2	3,8%

Evolution of Bank debt is as follows:





APPENDIX

1. Extraordinary impacts and changes in the consolidation perimeter	18
2. Balance Sheet	19
3. Equity	20
4. Other relevant facts	21
5. Group Structure	22
6. FX evolution	23
7. Breakdown of adjusted Operating Revenues and Ebitda by B.L	24
8. Bridge from Operating Profit to Adjusted Ebitda and Ebit	25



EXTRAORDINARY IMPACTS AND CHANGES IN THE CONSOLIDATION PERIMETER

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Extraordinary Effects						
One-offs in Operating Revenues	10,0	9,8	2,6	5,3	5,2	1,7
Consolidation perimeter adjustment MX&CR	10,0	9,8	2,6	5,3	5,2	1,7
One-offs in Operating Expenses	(7,1)	(0,8)	---	(2,2)	(0,6)	---
Redundancies and other non-recurrent	(13,2)	(7,0)	(90,0)	(5,2)	(3,8)	(34,9)
Consolidation perimeter adjustment MX&CR	6,1	6,2	(1,1)	3,0	3,2	(5,7)
One-offs in Amortization&Provisions	(0,8)	0,5	---	0,2	0,2	(14,5)
Consolidation perimeter adjustment MX&CR	0,4	0,5	(9,4)	0,2	0,2	(14,5)
Other impairments	(1,2)	0,0	---	0,0	0,0	---

- a) **Change in the consolidation perimeter:** Since 2013, the Group accounts the results of Prisa Radio holdings Mexico and Costa Rica using the equity method. The adjusted data results include Mexico and Costa Rica weighted by part of the capital of Prisa.
- b) **Redundancies and other non-recurrent:** The extraordinary expenses from redundancies **increases compared to 1H2016**. In 1H2017 redundancies have reached 13.2 million euros compared to the 7 million euros in 1H2016.



BALANCE SHEET

€ Million	ASSETS	
	06/30/2017	12/31/2016
FIXED ASSETS	1.255,68	1.273,70
Property, plant and equipment	110,46	122,39
Goodwill	583,08	593,12
Intangible assets	126,93	130,80
Long term financial investments	29,80	33,89
Investment in associates	40,86	36,69
Deferred tax assets	361,66	353,65
Other non current assets	2,90	3,16
CURRENT ASSETS	765,89	852,73
Inventories	162,96	168,68
Accounts receivable	383,89	418,12
Short term financial investments	19,74	19,51
Cash & cash equivalents	199,30	246,42
Assets held for sale	0,00	0,00
TOTAL ASSETS	2.021,57	2.126,43
€ Million	LIABILITIES	
	06/30/2017	12/31/2016
SHAREHOLDERS EQUITY	-356,31	-336,04
Issued capital	235,01	235,01
Reserves	-685,36	-592,27
Income attributable to the parent company	13,90	-67,86
Minority interest	80,14	89,08
NON CURRENT LIABILITIES	1.902,35	1.909,13
Long term financial debt	1.666,70	1.653,54
Other long term financial liabilities	125,55	136,15
Deferred tax liabilities	17,43	21,06
Provisions	54,27	56,52
Other non current liabilities	38,40	41,87
CURRENT LIABILITIES	475,54	553,35
Short term financial debt	71,68	68,49
Other current financial liabilities	35,41	23,10
Trade accounts payable	238,34	301,63
Other short term liabilities	116,04	139,26
Accrual accounts	14,07	20,87
Liabilities held for sale	0,00	0,00
TOTAL LIABILITIES	2.021,57	2.126,43



EQUITY SITUATION

At June 30, 2017, the equity of the parent company with respect to the cause of dissolution and/or reduction of capital stipulated in Spain's Corporate Enterprises Act (including participating loans outstanding at year end) stood at EUR 141,635 thousand. This amount is minor than two thirds of the share capital although it is higher than half of the share capital, so the company is in a situation of equity imbalance.

The agreement for the sale of Media Capital entails the recording of an accounting loss in the parent company of approximately EUR 81,400 thousand.

The Directors estimate that measures to restore equity balance will be taken within the legally established term. They have measures such as total or partial sale of assets, additional sales of debt at a discount, leveraging operating assets or corporate operations such as a capital increase or reduction.



OTHER RELEVANT FACTS

CORPORATE TRANSACTIONS

Regarding the eventual disposal of Grupo Santillana Educación Global, S.L. that was announced to the market through the corresponding relevant information on November 16, 2016, PRISA announced on May 26th 2017 that the board of directors had decided to reject the binding offers received.

COMPOSITION OF THE BOARD

As of June 12 2017, Ms. Blanca Hernández has submitted her resignation as director of the Company and member of the Corporate Governance Committee. As she has informed, the resignation responds to her personal and professional situation that leads her to foresee that, in the short term, it may be especially difficult to fulfill her duties and responsibilities as director with the necessary dedication.

The Company thanks Ms. Hernández her dedication to PRISA since she joined the board and the Corporate Governance Committee.

The board of directors held as of June 30th 2017 has proceeded to appoint Mr. Manuel Mirat Santiago as director of the company, in order to fill the existing vacancy in the board.

The board of directors has also agreed that Mr. Manuel Mirat will succeed Mr. José Luis Sainz as Chief Executive Officer from September 4th. Mr. José Luis Sainz will act as CEO until that date.

Mr. Manuel Mirat Santiago is currently responsible and Chief Executive Officer of the News division and he has worked for more than 20 years within the group, performing different functions not only corporate but also in the digital and television business units.

The appointment has been made in accordance with the procedure established in the Succession Plan and counts with the previous favorable reports of the Corporate Governance and Appointment and Remuneration Committees.

Mr. José Luis Sainz Díaz and Mr. Manuel Mirat Santiago will carry out an orderly transition in the company's management.

ANNOUNCEMENTS AND AGREEMENTS OF SHAREHOLDERS GENERAL MEETINGS

The Ordinary Shareholders Meeting of Promotora de Informaciones, S.A., held as of June 30th 2017, has approved all the decisions, submitted to the Assembly by the Board of Directors.

COMPOSITION OF OTHER MANAGEMENT AND SUPERVISORY BODIES

The board of directors held as of July 13th, with the previous favorable report of the Appointment and Remuneration Committees has resolved to appoint Mr. Guillermo de Juanes Montmeterme as CFO of the Company, succeeding Mr Fernando Martínez Albacete.

TRANSMISSIONS AND PURCHASES OF CAPITAL UNDERTAKINGS

In accordance with the material fact communicated in Portugal to the Securities Market Commission by the Portuguese subsidiary of the company Grupo Media Capital SGPS, S.A., in which it is informed of a statement from the entity Altice NV, Prisa announced as of June 26th 2017 that it has maintained in the last few days informative talks to the effect that Altice NV values the possible presentation of an offer to acquire the shareholding that Prisa has in Grupo Media Capital SGPS, S.A.

As of July 14th 2017 the Company informs that the Board of Directors of Prisa has agreed to accept the binding offer submitted by Altice NV ("Altice") for the whole stake that Prisa has in Grupo Media Capital SGPS, S.A. ("Media Capital") at an enterprise value of EUR 440 million.

Afterwards, the parties have executed a share purchase agreement by means of which Prisa will transfer to MEO - Serviços de Comunicação e Multimédia, S.A., Altice's affiliate, its entire stake in Media Capital, which represents 94.69% of its share capital.

The execution of the transaction is subject to the obtaining of the required authorization of the antitrust and regulatory authorities in Portugal and to the obtention of the waiver from certain lenders of Prisa, as well as the approval by the General Shareholders Meeting of Prisa.

The final price of the transaction is subject to the usual adjustments in this kind of transactions. The Company considers that, according to its most reasonable estimate, the price for Prisa's stake in Media Capital, after calculating those adjustments, would be around EUR 321 million ("equity value").

According to the estimates of the Company, this transaction will mean an accounting loss in the consolidated Prisa accounts of approximately EUR 69 million and in the individual accounts of Prisa of EUR 81 million approximately.



GROUP STRUCTURE

Education	Radio	Press	Audiovisual
Education	Radio in Spain	El País	Free-Tv
Formation	International Radio	As	Audiovisual Production
Learning Systems	Music and events	Cinco Días	Video
		Magazines	

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

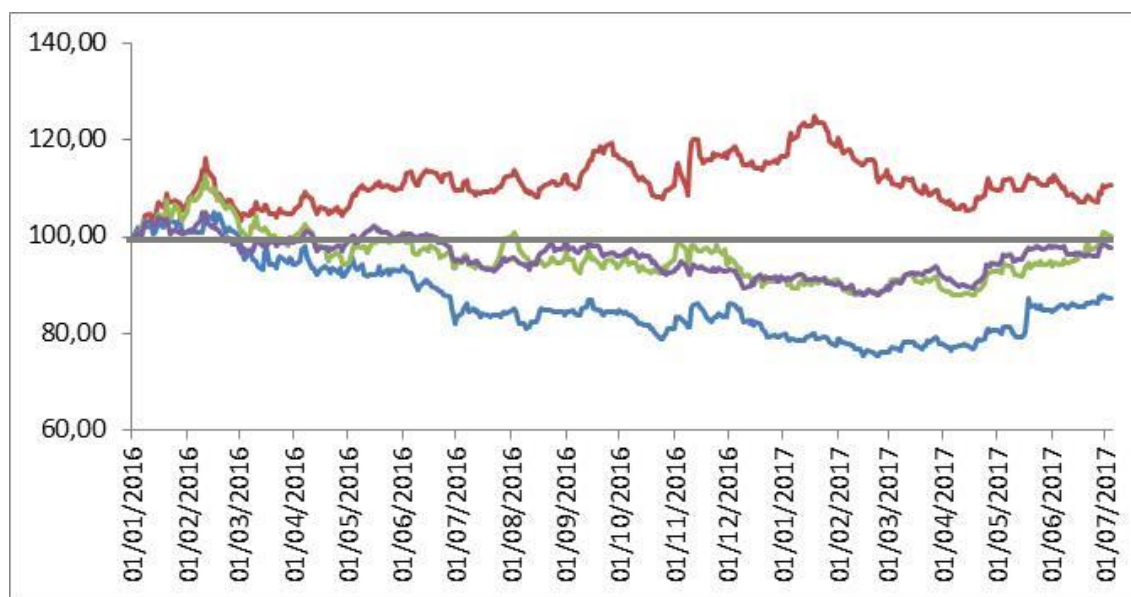


FX EVOLUTION

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

The FX impact has been positive on Group within the period, due to exchange rates evolution mainly in Brazil. **Positive impact amounted to 25.4 million euros in Revenues and 10.8 million euros in EBITDA.**

FX Evolution vs. Euro 2016/ 1H2017



Brazil — Mexico — Colombia — Chile —

	Brazil	Mexico	Colombia	Chile
1Q2014	3,24	18,13	2.747,88	756,11
2Q2014	3,06	17,83	2.624,31	760,69
3Q2014	3,01	17,38	2.531,21	764,94
4Q2014	3,18	17,34	2.720,13	747,23
1Q2015	3,22	16,84	2.782,63	703,37
2Q2015	3,40	16,96	2.766,99	684,08
3Q2015	3,94	18,28	3.278,24	752,61
4Q2015	4,21	18,36	3.356,73	763,97
1Q2016	4,30	19,89	3.587,01	773,27
2Q2016	3,96	20,45	3.379,47	765,13
3Q2016	3,62	20,94	3.289,51	738,46
4Q2016	3,55	21,37	3.254,53	716,99
1Q2017	3,35	21,63	3.111,93	698,44
2Q2017	3,55	20,42	3.221,61	731,47

Source: Bloomberg



BREAKDOWN OF ADJ. OPERATING REVENUES AND EBITDA BY B.L.

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Revenues						
GROUP	665,0	634,2	4,9	297,8	305,1	(2,4)
Education	328,0	279,6	17,3	112,4	111,2	1,1
Radio	146,8	147,6	(0,5)	81,1	83,2	(2,5)
Press	109,1	122,0	(10,6)	58,7	64,8	(9,5)
Media Capital	79,0	85,3	(7,3)	44,0	46,2	(4,9)
Others	2,1	(0,2)	---	1,7	(0,3)	---

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Adjusted EBITDA						
GROUP	135,7	97,0	39,9	43,2	37,3	15,7
Education	94,2	62,8	50,0	11,2	9,9	12,7
Radio	25,9	20,5	26,2	18,6	15,4	20,8
Press	6,0	7,4	(19,2)	5,1	6,0	(14,8)
Media Capital	18,3	17,7	3,3	12,6	11,5	9,7
Others	(8,6)	(11,4)	24,0	(4,4)	(5,5)	21,0



BRIDGE FROM OPERATING PROFIT TO ADJUSTED EBITDA AND EBITDA

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
GROUP						
EBITDA	118,5	86,5	37,1	35,7	31,5	13,5
Radio Mexico and Costa Rica	3,9	3,6	9,1	2,3	2,0	13,3
Extraordinary effects	13,2	7,0	90,0	5,2	3,8	34,9
Adjusted EBITDA	135,7	97,0	39,9	43,2	37,3	15,7
Amortizations	34,1	36,7	(7,0)	13,7	16,9	(19,3)
Provisions	3,0	4,5	(34,1)	3,5	8,1	(56,9)
Impairment from fixed assets	0,8	0,8	(3,6)	0,9	0,8	5,6
Operating Result	97,8	55,0	77,8	25,2	11,5	118,7
EDUCATION						
EBITDA	91,9	60,7	51,3	10,3	8,5	21,3
Extraordinary effects	2,3	2,1	10,9	0,9	1,4	(38,4)
Adjusted EBITDA	94,2	62,8	50,0	11,2	9,9	12,7
Amortizations	21,7	22,3	(2,6)	7,5	9,9	(24,3)
Provisions	0,8	2,2	(64,1)	2,7	6,9	(60,0)
Impairment from fixed assets	0,9	0,9	(1,8)	0,9	0,9	7,7
Operating Result	70,8	37,4	89,2	0,1	(7,6)	---
RADIO						
EBITDA	18,3	13,4	37,0	15,4	10,7	44,5
Radio Mexico and Costa Rica	3,9	3,6	9,1	2,3	2,0	13,3
Extraordinary effects	3,7	3,6	2,8	0,9	2,7	(67,0)
Adjusted EBITDA	25,9	20,5	26,2	18,6	15,4	20,8
Amortizations	4,3	3,9	8,3	2,1	2,0	4,6
Provisions	1,2	2,0	(39,8)	0,3	1,5	(78,3)
Impairment from fixed assets	(0,1)	(0,1)	(14,5)	(0,1)	(0,0)	(49,6)
Operating Result	20,6	14,7	39,7	16,3	12,0	35,6
PRESS						
EBITDA	3,7	7,1	(48,7)	5,2	6,6	(21,2)
Extraordinary effects	2,3	0,3	---	(0,1)	(0,6)	85,8
Adjusted EBITDA	6,0	7,4	(19,2)	5,1	6,0	(14,8)
Amortizations	3,8	3,6	4,1	1,9	1,8	2,8
Provisions	0,8	0,2	---	0,3	(0,4)	---
Impairment from fixed assets	0,0	(0,0)	---	0,0	(0,0)	---
Operating Result	1,4	3,5	(61,8)	2,9	4,5	(35,2)
MEDIA CAPITAL						
EBITDA	17,4	17,3	1,0	12,4	11,5	7,8
Extraordinary effects	0,8	0,4	99,6	0,2	0,0	---
Adjusted EBITDA	18,3	17,7	3,3	12,6	11,5	9,7
Amortizations	3,8	4,1	(7,3)	2,0	2,2	(8,6)
Provisions	0,1	0,1	21,0	0,1	0,0	38,8
Impairment from fixed assets	0,0	0,0	(100,0)	0,0	0,0	(100,0)
Operating Result	14,3	13,4	6,5	10,6	9,3	13,8
OTHERS						
EBITDA	(12,8)	(12,0)	(6,3)	(7,6)	(5,8)	(31,4)
Extraordinary effects	4,1	0,6	---	3,2	0,3	---
Adjusted EBITDA	(8,6)	(11,4)	24,0	(4,4)	(5,5)	21,0
Amortizations	0,5	2,7	(79,7)	0,3	1,1	(77,1)
Provisions	0,1	0,1	1,2	0,1	0,1	(0,9)
Impairment from fixed assets	(0,0)	(0,0)	90,3	(0,0)	(0,0)	58,8
Operating Result	(9,3)	(14,1)	34,5	(4,7)	(6,7)	30,0