



1Q 2018 Results

PROMOTORA DE INFORMACIONES, S.A.

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GENERAL OVERVIEW

Adjusted EBITDA in local currency and excluding IFRS15 temporary impact increases by 3%

1Q 2018 Results in line with company expectations. Negative FX impact, start of implementation of efficiency measures and positive operating cashflow generation

1Q 2018 Operating results, main headlines:

- The education business behaves in line with the expectations, with negative FX impact mainly coming from the evolution of the currencies in Brazil and Argentina and temporarily affected by the entry into force of IFRS15.
- In Media, The radio shows operational improvement driven by the good behavior of LatAm and the press continues to grow in its digital development.
- The beginning of the implementation of the efficiency plan generates cost savings of 8.5 million in the 1Q 2018. The impact on EBITDA amounts 6.9 million euros.
- The FX has had in 1Q 2018 a negative impact on revenues of -36 million euros and -17 million in EBITDA.
- The net debt as of March 31st reaches €818 million compared to €1.422Mn in December 2017, after the funds obtained from the cash capital increase and the positive operating cashflow generation in 1Q.

EDUCATION

- **On January 1, 2018, the IFRS15** has entered into force, establishing a new model of revenue recognition that implies deferring the recognition of revenues from the sale of services over time as the provision of the service is occurring. This regulation temporarily affects the business of learning systems (UNO and Compartir) as campaigns take place. The implementation of this standard has resulted in 1Q 2018 a negative temporal impact on revenues of -8.2 million and -4.6 million in EBITDA. This negative temporal impact will be corrected over the course of the year.
- **Negative FX impact on 1Q2018 of 33 million euros in revenue and 17 million euros in EBITDA** mainly for the FX evolution in Brazil and Argentina.
- **Santillana's total revenue** in constant currency and excluding the temporary impact of IFRS15 remain stable reaching 215 million euros.
- **Digital Education Systems (UNO and COMPARTIR) continue their expansion** in Latin America, growing in number of students (+8%) over the million.
- **Comparable EBITDA (85 million euros) excluding FX and temporary effect IFRS15 grows by 2%.**

MEDIA

RADIO

- According to the last EGM, Prisa Radio in Spain **maintains its leadership** both in radio generalist and in musical.
- **In Spain, gross advertising revenues of Prisa Radio fall by 2.4%**, affected the comparison with the previous year by the Easter effect. Local advertising shows a growth of 2.1% while national registers a decline of 7.4%. Excluding Easter effect, gross advertising would have remained stable.
- **In LatAm, total revenues grow 10.5% in constant currency (-2.9% in euros). Highlights the good behavior in constant currency of Colombia and Chile** whose revenues increase respectively 13% and 10%.
- **Negative FX impact** of -2.7 million euros in revenues and of -0,2 in EBITDA.
- **Adjusted EBITDA** at constant currency improves by 1.5 million of euros (+27%) **up to 7m€ mainly explained by the operational improvement in LatAm.**

PRESS

- **El País** consolidates its position as the first Spanish-language newspaper in the world media ranking, and **AS** emphasize its leadership in digital in America.
- **Press revenues fall by 9%** in the period. The increase in digital advertising and other digital businesses does not compensate the fall in traditional advertising and in circulation.
- **Total advertising revenues decline by 5% affected by Easter effect (-1,5% excluding the effect).** Digital advertising grows by 2% representing already 51% of total advertising revenues. Highlights As whose digital income represents 79% of the total.
- In 1Q2018 **average unique browsers reached 125 million growing by 29%.**
- **Strong cost control down -6%.** Implementation of the printing agreement and other measures that will continue to generate efficiencies over the course of the year.
- **Press adjusted EBITDA reaches -0.7 million euros** versus 0.9 million in the same period of 2017.



CONSOLIDATED P&L

€ Millions	JANUARY - MARCH		
	2018	2017	% Chg.
Operating Adjusted Results			
Operating Adjusted Revenues	282,3	327,5	(13,8)
Adjusted EBITDA	65,9	85,1	(22,6)
<i>Adjusted EBITDA Margin</i>	23,3%	26,0%	
Adjusted EBIT	52,4	66,1	(20,7)
<i>Adjusted EBIT Margin</i>	18,5%	20,2%	
Operating Adjusted Results at constant currency			
Operating Adjusted Revenues on constant currency	318,5	327,5	(2,8)
Spain	88,8	93,1	(4,6)
International	229,7	234,4	(2,0)
Latam	229,7	234,4	(2,0)
Portugal	0,0	0,0	(36,8)
Adjusted EBITDA on constant currency	83,0	85,1	(2,5)
<i>Adjusted EBITDA Margin</i>	26,0%	26,0%	
Adjusted EBIT on constant currency	67,9	66,1	2,7
<i>Adjusted EBIT Margin</i>	21,3%	20,2%	
Comparable results - at constant currency & excluding IFRS effect			
Comparable Operating Revenues	326,7	327,5	(0,2)
Comparable Adjusted EBITDA	87,6	85,1	3,0
<i>Adjusted EBITDA Margin</i>	26,8%	26,0%	
Reported Results			
Operating Revenues	282,3	327,5	(13,8)
EBITDA	55,0	77,6	(29,1)
<i>EBITDA Margin</i>	19,5%	23,7%	
EBIT	41,5	58,6	(29,1)
<i>EBIT Margin</i>	14,7%	17,9%	
Financial Result	(14,6)	(16,2)	9,8
Interests on debt	(11,9)	(13,5)	12,0
Other financial results	(2,8)	(2,8)	(0,8)
Result from associates	0,8	0,3	192,5
Profit before tax	27,7	42,6	(35,0)
Income tax expense	12,6	16,2	(22,3)
Results from discontinued activities	0,2	1,1	(80,5)
Minority interest	5,4	5,6	(3,4)
Net Profit	9,9	21,9	(54,8)

In 1Q2018, in local currency and excluding IFRS15 effect, revenues remains stable and EBITDA grows by 3%.

- Negative FX Impact on revenues of 36 million and 17 million on EBITDA.
- Temporary impact derived from the entry into force of IFRS15 with negative effect on revenues of 8.2 million euros and EBITDA of 4.6 million.
- Significant improvement in costs savings resulting from the implementation of the efficiency plan.
- Improvement of margins at constant currency and excluding IFRS15.
- Reduction of Interest costs.
- Positive NET Result of €9.9 Mn.



EDUCATION

	JANUARY - MARCH		
€ Millions	2018	2017	% Chg.
Operating Adjusted Results			
Operating Revenues	173,7	215,6	(19,4)
Spain	2,1	3,7	(43,9)
International	171,7	211,9	(19,0)
Latam	171,6	211,9	(19,0)
Portugal	0,0	0,0	(36,8)
Adjusted EBITDA	63,0	83,0	(24,1)
Spain	(15,6)	(15,1)	(3,0)
International	78,6	98,1	(19,9)
Latam	79,1	98,8	(19,9)
Portugal	(0,5)	(0,6)	19,1
<i>Adjusted EBITDA Margin</i>	36,2%	38,5%	
Adjusted EBIT	53,4	70,7	(24,4)
Spain	(16,2)	(15,9)	(2,2)
International	69,7	86,6	(19,6)
Latam	70,2	87,2	(19,6)
Portugal	(0,5)	(0,6)	19,2
<i>Adjusted EBIT Margin</i>	30,8%	32,8%	
	2018	2017	% Chg.
Operating Adjusted Results at constant currency			
Operating Revenues on constant currency	206,9	215,6	(4,0)
Spain	2,1	3,7	(43,9)
International	204,8	211,9	(3,4)
Latam	204,8	211,9	(3,3)
Portugal	0,0	0,0	(36,8)
Adjusted EBITDA on constant currency	80,0	83,0	(3,6)
Spain	(15,6)	(15,1)	(3,0)
International	95,6	98,1	(2,6)
Latam	96,1	98,8	(2,7)
Portugal	(0,5)	(0,6)	19,1
<i>Adjusted EBITDA Margin</i>	38,7%	38,5%	
Adjusted EBIT on constant currency	69,0	70,7	(2,5)
Spain	(16,2)	(15,9)	(2,2)
International	85,2	86,6	(1,6)
Portugal	85,7	87,2	(1,7)
Latam	(0,5)	(0,6)	19,2
<i>Adjusted EBIT Margin</i>	33,3%	32,8%	
	2018	2017	% Chg.
Comparable results - at constant currency & excluding IFRS effect			
Comparable Operating Revenues	215,1	215,6	(0,2)
Comparable Adjusted EBITDA	84,6	83,0	2,0
<i>Adjusted EBITDA Margin</i>	39,3%	38,5%	
	2018	2017	% Chg.
Reported Results			
Operating Revenues	173,7	215,6	(19,4)
Spain	2,1	3,7	(43,9)
International	171,7	211,9	(19,0)
Operating Expenses	111,9	134,0	(16,5)
EBITDA	61,8	81,6	(24,2)
<i>EBITDA Margin</i>	35,6%	37,8%	
EBIT	52,3	69,3	(24,6)
<i>EBIT Margin</i>	30,1%	32,1%	
€ Millions	2018	2017	% Chg.
Extraordinary Effects			
One-offs in Operating Expenses	(1,2)	(1,4)	17,6
Redundancies	(1,2)	(1,4)	17,6



EDUCATION

Breakdown of Revenues and EBITDA traditional education and Compartir and UNO

€ Millions	JANUARY - MARCH		
	2018	2017	% Chg.
Operating Revenues			
Total Santillana	173,7	215,6	(19,4)
Traditional Education and Compartir	158,4	197,4	(19,8)
South Campaign	144,4	183,0	(21,1)
North Campaign	13,9	14,3	(2,8)
UNO System	15,4	18,2	(15,6)
Operating Revenues at constant currency			
Total Santillana	206,9	215,6	(4,0)
Traditional Education and Compartir	189,3	197,4	(4,1)
South Campaign	173,7	183,0	(5,1)
North Campaign	15,6	14,3	9,0
UNO System	17,5	18,2	(3,7)
Comparable Operating revenues excluding FX and IFRS15			
Total Santillana	215,1	215,6	(0,2)
Traditional Education and Compartir	193,2	197,4	(2,1)
South Campaign	174,9	183,0	(4,5)
North Campaign	18,3	14,3	27,8
UNO System	21,9	18,2	20,1
Adjusted EBITDA			
Total Santillana	63,0	83,0	(24,1)
Traditional Education and Compartir	59,2	76,1	(22,2)
South Campaign	80,3	100,6	(20,2)
North Campaign	(21,1)	(24,5)	13,7
UNO System	3,8	6,9	(45,1)
Adjusted EBITDA at constant currency			
Total Santillana	80,0	83,0	(3,6)
Traditional Education and Compartir	75,7	76,1	(0,5)
South Campaign	97,2	100,6	(3,4)
North Campaign	(21,5)	(24,5)	12,3
UNO System	4,3	6,9	(37,9)
Comparable adjusted EBITDA excluding FX and IFRS15			
Total Santillana	84,6	83,0	2,0
Traditional Education and Compartir	80,2	76,1	5,3
South Campaign	102,2	100,6	1,6
North Campaign	(22,0)	(24,5)	10,1
UNO System	4,5	6,9	(35,1)



EDUCATION

A_MARKET POSITION

Santillana, PRISA's education business, maintains a leading position in practically all countries where it operates. We detail below the market share and position of Santillana in its main markets, according to the latest data available

Market share and position of private textbooks excluding languages

COUNTRY	Share	Market Share
Spain	20,1%	1
Brazil	22,3%	2
Mexico	16,6%	1
Argentina	40,7%	1
Chile	30,7%	1
Colombia	31,7%	1

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

B_CHANGE IN REGULATION: IFRS15

On January 1, 2018, IFRS15 has entered into force, establishing a new model of recognition of revenues that obliges to defer over time the revenues derived from the sale of services: the sale and the expenditure of the services will be recorded monthly in twelve months from the start of the school year. This legislation temporarily affects the business of learning systems while campaigns take place. **The implementation of this standard has resulted in 1Q2018 a negative temporal impact on revenues of -8.2 million and -4.6 million in EBITDA related to South Area campaigns. This negative impact will be reversed throughout the year.**

C_OPERATIONAL EVOLUTION

Main considerations in the comparison of the evolution of Santillana results in the 1Q 2018 versus 1Q 2017:

- Negative FX impact.
- Negative temporary effect derived from the entry into force of IFRS15.
- 1Q 2017 performance was extraordinary positive:
 - An extraordinary institutional sale in Brazil (EJA) amounting 8 million euros was registered.
 - Argentina institutional sale amounting 5 million euros took place in 1Q while in 2018 will take place in 2Q.
 - Real state asset in Barcelona was sold in 1Q with a capital gain of 1,7 million euros.

In **1Q2018 revenues evolution**, it should be noted that the campaigns have behaved in line with the expected, with a significant FX impact and temporarily affected by the entry into force of IFRS15. **Excluding both effects, revenues remain stable compared to same period 2017.**

- a) **South Area campaigns:** Brazil, Colombia, Costa Rica, Central America, Uruguay, Chile, Bolivia, Argentina, Paraguay and Peru take place mainly in the 1Q of the year. These campaigns have behaved as a whole in line with expectations showing a fall of 5% in local currency mainly explained by the lack of extraordinary institutional sale in Brazil and the delay in institutional sale in Argentina which will take place in 2Q.
- b) **Northern area Campaigns:** Spain, Mexico, Puerto Rico, Dominican Republic, Ecuador, USA and Venezuela. These campaigns take place in the 2H of the year and therefore figures are not representative in this quarter.
- c) **Digital learning systems (UNO and Compartir)** Their expansion continues in Latin America, increasing by 8% the number of students to surpass the million.
- d) **Negative FX impact** in 1Q2018 explained mainly by the FX evolution in Brazil and Argentina. The negative impact has been of 33 million euros in revenue and 17 million euros in EBITDA.
- e) **Comparable EBITDA** excluding FX and IFRS15 effect grows by 2% until reach 84.6 million euros. (+4% excluding real state sale in 2017)



RADIO

	JANUARY - MARCH		
€ Millions	2018	2017	% Chg.
Operating Adjusted Results			
Operating Revenues	58,8	61,0	(3,5)
Spain	39,9	41,7	(4,2)
Latam	19,4	20,0	(2,9)
Music	1,3	1,3	(0,0)
Adjustments & others	(1,9)	(2,0)	7,5
Operating Revenues w/MX&CR	63,5	65,7	(3,3)
Adjusted EBITDA	7,0	5,7	23,2
Spain	4,2	4,5	(6,6)
Latam	3,1	1,8	74,0
Music	(0,3)	(0,6)	53,0
Adjustments & others	(0,0)	(0,0)	(56,7)
<i>Adjusted EBITDA Margin</i>	11,9%	9,3%	
Adjusted EBITDA w/MX&CR	8,7	7,3	19,1
Adjusted EBIT	4,8	1,7	181,1
Spain	2,8	2,8	(1,8)
Latam	2,3	(0,2)	---
Music	(0,3)	(0,9)	67,8
Adjustments & others	(0,0)	(0,0)	(87,8)
<i>Adjusted EBIT Margin</i>	8,1%	2,8%	
Adjusted EBIT w/MX&CR	6,2	3,1	102,1
	2018	2017	% Chg.
Operating Adjusted Results at constant currency			
Operating Revenues on constant currency	61,5	61,0	0,9
Spain	39,9	41,7	(4,2)
Latam	22,1	20,0	10,5
Music	1,4	1,3	3,5
Adjustments & others	(1,9)	(2,0)	5,2
Operating Revenues on ctt ccy w/MX&CR	66,6	65,7	1,4
Adjusted EBITDA on constant currency	7,2	5,7	27,0
Spain	4,2	4,5	(6,6)
Latam	3,3	1,8	87,5
Music	(0,3)	(0,6)	48,4
Adjustments & others	0,0	(0,0)	---
<i>Adjusted EBITDA Margin</i>	11,7%	9,3%	
Adjusted EBITDA on ctt ccy w/MX&CR	9,0	7,3	23,8
Adjusted EBIT on constant currency	4,9	1,7	187,4
Spain	2,8	2,8	(1,8)
Latam	2,4	(0,2)	---
Music	(0,3)	(0,9)	64,6
Adjustments & others	0,0	(0,0)	---
<i>Adjusted EBIT Margin</i>	7,9%	2,8%	
Adjusted EBIT on ctt ccy w/MX&CR	6,4	3,1	109,3
	2018	2017	% Chg.
Reported Results			
Operating Revenues	58,8	61,0	(3,5)
Advertising	54,6	55,5	(1,7)
Spain	36,4	37,3	(2,5)
Latam	18,3	18,2	0,2
Others	(0,0)	(0,0)	---
Others	4,2	5,5	(22,6)
Operating Expenses	56,1	58,1	(3,5)
EBITDA	2,8	2,9	(4,7)
<i>EBITDA Margin</i>	4,7%	4,7%	
EBIT	0,5	(1,1)	---
<i>EBIT Margin</i>	0,9%	-1,8%	
	2018	2017	% Chg.
Extraordinary Effects			
One-offs in Operating Revenues	0,0	0,0	---

One-offs in Operating Expenses	(4,2)	(2,5)	(63,8)
Redundancies	(4,2)	(2,5)	(63,8)

The Group's adjusted results do not include Mexico and Costa Rica. For the purpose of giving a complete view of the business, it has been included an adjusted line both in Revenues and ebitda 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 4,235 thousand listeners** (market share of 35% of Spain’s generalist radio). **Los40 holds first place in the music radio market in Spain with audience shares of 21%.**

We detail below the number of listeners of PRISA in Spain

Thousands of Listeners	LISTENERS		
	1st Report 2018*	Market Share	Share
TOTAL SPAIN*	9.739		
TALK RADIO	4.235	1	35%
Cadena Ser	4.235		35%
MUSIC RADIO*	5.923	1	43%
Los 40	2.935		21%
Dial	2.158		16%
M80	440		3%
Máxima FM	323		2%
Radiolé	397		3%

Excludes duplicities

Source: EGM First Report 2018

Regarding international radio,

Miles de Oyentes	OYENTES		
	Tercera Ola 2017*	Posición de Mercado	Cuota
Colombia	7.436	1	27%
Chile	2.376	1	41%
México	1.701	2	15%

*Media móvil anual

Fuente: ECAR (Colombia), IPSOS (Chile), INRA (México), última información disponible

B_ OPERATING REVENUES

Main considerations in the comparative of Radio results evolution in 1Q2018 versus 1Q2017:

- Easter effect negatively affecting Spain.
- Latam recovery especially in Colombia and Chile.
- Negative FX impact.
- Implementation of the efficiency plan.
- Strong operational leverage.

In 1Q2018, **Radio adjusted revenues** grew by 1% in constant currency (-3.5% in euros) driven by good behavior in Latam whose revenues grow by 10% in constant currency (-2.9% in euros). Spain shows decline in revenues affected the comparison with the previous year by the Easter effect that this year has been in March.

Negative FX impact by 2.7 million euros in revenue and 0.2 million euros in EBITDA.

Adjusted EBITDA at constant currency of **Prisa Radio improves 27% until reach 7 million euros.**

Revenues breakdown:

Spain: Adjusted Radio revenues in Spain reaches 39.9 million euros in the period, compared to 41.7 million registered in the same period of the previous year. The recorded fall is explained by the fall of the ad affected by the Easter effect and by the fall in other revenues for lower services to third parties and lower revenues by brand management.

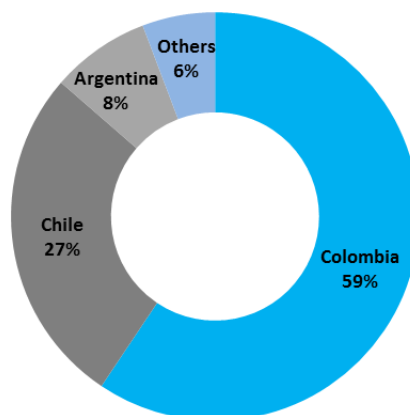
Gross advertising revenues fall 2.4% with local growth of 2.1% and fall in national of 7.1%. Discounting the effect of Easter, gross advertising revenues would have remained stable.

Latam: adjusted revenues of Radio Latam reach **22.1 million euros versus 20 million in the same period of 2017, +10%.**

By country, there is to highlight:

- **Colombia**, which shows growth of 13% in local currency.
- **Chile** improves its revenues by 10% in local currency.
- **México**, Whose revenues in local currency has experienced a growth of 9%.

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





PRESS

€ Millions	JANUARY - MARCH		
	2018	2017	% Chg.
Operating Adjusted Results			
Operating Revenues	45,7	50,4	(9,4)
<i>Advertising</i>	21,4	22,5	(5,0)
<i>Circulation</i>	17,4	20,1	(13,6)
<i>Add-ons and Others</i>	6,9	7,8	(11,3)
Adjusted EBITDA	(0,7)	0,9	---
<i>Adjusted EBITDA Margin</i>	-1,5%	1,7%	
Adjusted EBIT	(2,2)	(1,6)	(38,0)
<i>Adjusted EBIT Margin</i>	-4,8%	-3,1%	

	2018	2017	% Chg.
Reported Results			
Operating Revenues	45,7	50,4	(9,4)
<i>Advertising</i>	21,4	22,5	(5,0)
<i>Circulation</i>	17,4	20,1	(13,6)
<i>Add-ons and Others</i>	6,9	7,8	(11,3)
Operating Expenses	47,6	51,9	(8,3)
EBITDA	(2,0)	(1,5)	(27,6)
<i>EBITDA Margin</i>	-4,3%	-3,0%	
EBIT	(3,4)	(4,0)	13,1
<i>EBIT Margin</i>	-7,5%	-7,9%	

€ Millions	2018	2017	% Chg.
Extraordinary Effects			
One-offs in Operating Revenues	0,0	0,0	---
One-offs in Operating Expenses	(1,3)	(2,4)	47,0
Redundancies and other non-recurrent	(1,3)	(2,4)	47,0



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 (March 2018).

January-March 2018:
Market position of PRISAs Press business



Source: OJD March 2018

Digital Market position of PRISA's Press business:

In terms of unique browsers, and as for March 2018 an average of 125 million has been reached. El País maintains its leadership position, reaching 84 million monthly average.

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

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

B_ OPERATING REVENUES

Main considerations in the comparative evolution of Press results in 1Q2018 versus 1Q2017:

- Easter effect affecting negatively to revenues and EBITDA.
- Significant savings in expenses derived from the beginning of the implementation of the efficiency plan.

Revenues in Press business declined by 9.4% reaching 45.7 million euros. The increase in on-line advertising and other digital revenues has not compensated the declines in traditional advertising and circulation revenues.

Total advertising Revenues reach 21,4 million euros, with a fall of 5% affected the comparison by the Easter effect (-1.5% fall excluding Easter effect).

- On-line advertising revenue grow by +2% in the period already representing 51% of total advertising revenues. Highlights the behavior of AS, whose digital advertising revenue represents already 79% of the total advertising revenue.
- Off-line advertising revenues decline by -11%.
- Events revenues grow by 7.2% to reach 1.7 million euros.

Regarding the circulation of printed copies, evolution by newspaper is as follows:

Number of copies	JANUARY - MARCH		
	2018	2017	% Chg.
El País	164.225	183.851	(10,7)
Diario As	99.714	111.362	(10,5)

Highlights the strong cost control with a fall of -6%.

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

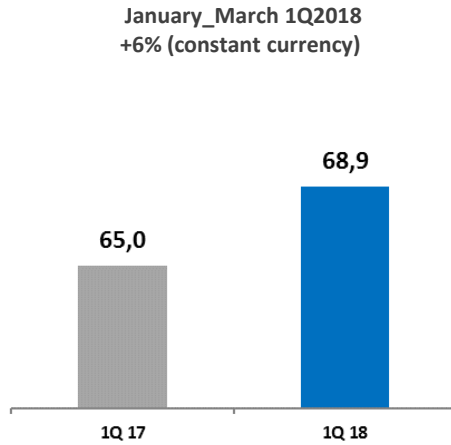
As for adjusted EBIT, it reaches -2.2M€ compared to -1.6 million euros of the same period of 2017.



DIGITAL TRANSFORMATION

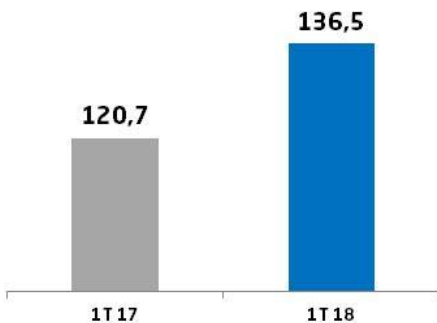
A_ TRANSFORMATION REVENUES

Digital transformation revenues of the group in 1Q2018, increases by 6% in local currency until reaching 69 million euros (-4.5% in euros) it already represent 22% of the total revenues of the group.



B_ UNIQUE BROWSERS

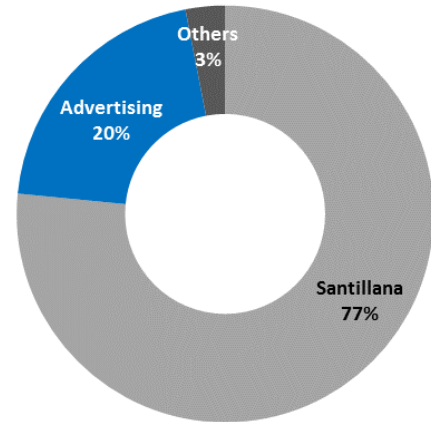
Average unique browsers of the Group's web sites grow by 13% reaching 137 million.



Unique browsers in Press in 1Q2018 grow by +29% reaching 125 million on average.

During 1Q2018, it has continued the growth of the unique browsers both in national and international web pages of the Radio: Unique Browsers to the web pages of radio in Spain reach 17 million of average (+13%). As for the international Radio, unique browsers reach 27 million average (+20%). In total, Prisa Radio's unique browsers reach 43 million and grow 17%.

C_ TRANSFORMATION REVENUES SPLIT



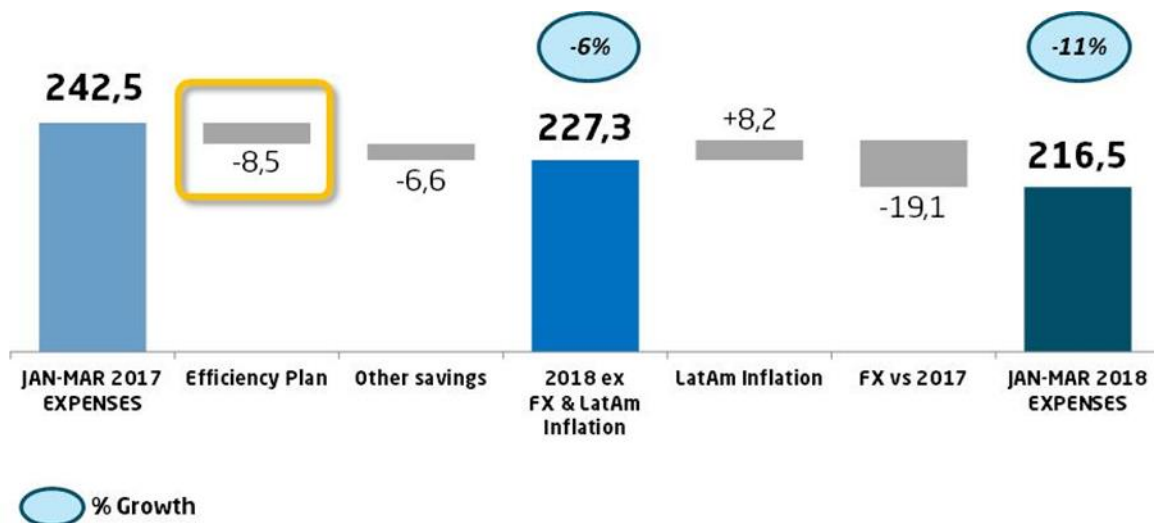
Digital advertising revenues mainly in press grow by +2% and represent 51% of the division's ad Revenues.

Digital education systems (UNO and Compartir) continue their development in Latin America showing a growth of 8% 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 1Q2018, savings derived from the beginning in the implementation of these measures reach 8.5 million euros with an impact in EBITDA of 6.9 million euros.**



Breakdown of savings in expenses by Concept is detailed below:

Breakdown of savings by concept	Amount
Personnel reduction	1.2
Closing of non profitable operations	0.9
Transformation operations in press	2.4
Corporate structures simplification	3.1
Other savings	0.9
Total	8.5



FROM EBIT TO NET RESULT

€ Million	JANUARY - MARCH		
	2018	2017	% Chg.
EBIT	41,5	58,6	(29,1)
<i>EBIT Margin</i>	<i>14,7%</i>	<i>17,9%</i>	
Financial Result	(14,6)	(16,2)	9,8
Interests on debt	(11,9)	(13,5)	12,0
Other financial results	(2,8)	(2,8)	(0,8)
Result from associates	0,8	0,3	192,5
Profit before tax	27,7	42,6	(35,0)
Income tax expense	12,6	16,2	(22,3)
Results from discontinued activities	0,2	1,1	(80,5)
Minority interest	5,4	5,6	(3,4)
Net Profit	9,9	21,9	(54,8)
Net result excluding discontinued activities	10,1	23,1	(56,1)

B_FINANCIAL RESULT

During 1Q 2018, financial result improves by 9%. During the period, there have been **fewer expenditures for financing interest** amounting to 1.6 million euros as a result of debt reduction.

C_ EQUITY METHOD RESULT

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

D_RESULTS FROM DISCONTINUED ACTIVITIES

Results from discontinued activities shows the resulting accounting loss of the acceptance of the binding offer for the sale of Media Capital.

E_MINORITY RESULTS

Corresponds to minority interest in Prisa Radio and Santillana.



FINANCIAL POSITION

A_ CASH FLOW STATEMENT

€ Million	Mar. 2018	Mar. 2017	Chg. 18/17	
			Abs.	%
EBITDA (excluding redundancies) - provisions	67,9	85,5	-17,5	-20,5%
Change in working capital	28,4	-25,2	53,6	---
Taxes paid	-5,7	-12,2	6,5	53,0%
Other cash flows and adjustments from operations	-1,3	-2,9	1,5	53,1%
OPERATING CASH FLOW	89,3	45,2	36,3	97,3%
Capex	-12,5	-14,7	2,3	15,5%
CASH FLOW BEFORE FINANCING ACTIVITIES	76,8	30,5	38,6	151,9%
CASH FLOW FROM INVESTING ACTIVITIES	-0,2	-2,2	2,0	88,9%
CASH FLOW FROM FINANCING ACTIVITIES	-11,4	-13,5	2,1	15,4%
Fx impact, perimeter effect and others	-1,8	-0,2	-1,6	-853,0%
RECURRENT CASH FLOW BEFORE OPERATIONS	63,4	14,6	48,8	335,0%
Redundancies paid and others	-11,7	-3,9	-7,8	---
CASH FLOW BEFORE OPERATIONS including redundancies & disinvestmer	51,6	10,6	41,0	386,3%
Capital increase operation and others	554,6	0,0	554,6	---
CASHFLOW	606,3	10,6	595,6	---

In 1Q2018, Cash generation before capital operations has been of 51.6 million of euros compared to 10.6 million in the same period of 2017. The improvement in working capital is mainly due to Santillana as in 1Q2018, 26m euros were collected corresponding to 2017 institutional sales in Brazil. **Generation of recurrent operating cashflow in 1Q2018 excluding these collections would have been of 25.6 million euros.**

A1_CAPEX

CAPEX

€ Million	Mar. 2018	Mar. 2017	Chg. 18/17
Santillana	-11,4	-13,5	2,1
Radio	-0,5	-0,4	0,0
Press	-0,4	-0,7	0,3
Audiovisual	0,0	0,0	0,0
Others	-0,3	-0,1	-0,1
Capex (investment)	-12,5	-14,7	2,3
Capex (disinvestment)	0,0	3,3	-3,3
Total PRISA Group	-12,5	-11,5	-1,0



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

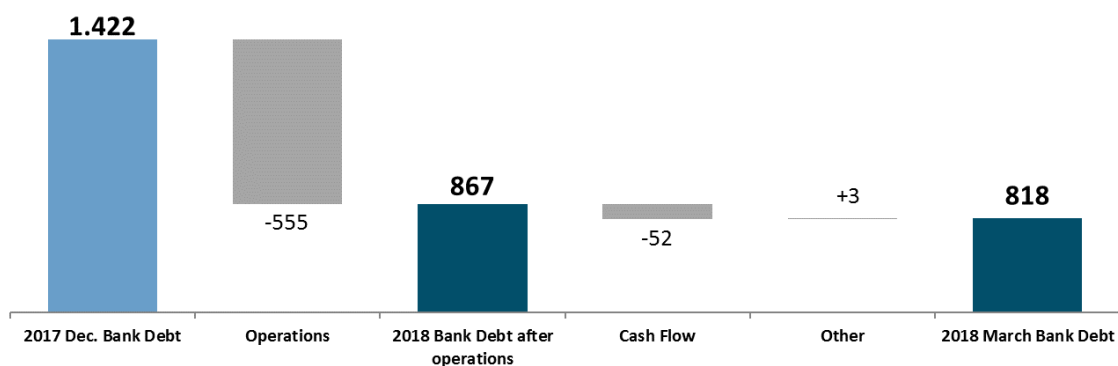
€ Million	Mar. 2018	Dic. 2017	Chg. 18/17	
			Abs.	Rel.
- Financial debt	1.638,1	1.644,9	-6,8	-0,4%
- Non- current financial debt	643,3	642,2	1,1	0,2%
- Current financial debt	994,8	1.002,6	-7,9	-0,8%
Short term financial investments	-22,6	-23,3	0,8	3,4%
Cash & cash equivalents	-811,8	-217,2	-594,6	-273,7%
Loan arrangement costs	14,2	17,3	-3,1	-17,9%
TOTAL BANK DEBT EXCLUDING MEDIA CAPITAL	817,9	1.421,6	-603,7	-42,5%

TOTAL BANK DEBT BY B.U.

€ Million	Mar. 2018	Dic. 2017	Chg. 18/17	
			Abs.	%
Prisa Holding+ Prisa Participadas+Otros	872,5	1.413,5	-540,9	-38,3%
- Financial debt	1.600,0	1.596,4	3,6	0,2%
Tranche 2	956,5	956,5	0,0	0,0%
Tranche 3	365,4	181,5	183,9	101,4%
PPL	267,0	450,9	-183,9	-40,8%
Others	11,1	7,5	3,6	48,3%
- Cash, Short term financial investments and interco	-727,4	-182,9	-544,5	-297,7%
Caja e IFT	-730,6	-176,8	-553,8	-313,2%
Deuda interco	3,1	-6,1	9,2	---
Santillana	-46,7	-9,3	-37,4	-401,6%
Radio	-13,5	6,5	-20,0	---
Press	-2,2	6,9	-9,1	---
Audiovisual	9,0	6,5	2,5	38,1%
TOTAL BANK DEBT EXCLUDING MEDIA CAPITAL	819,1	1.424,1	-605,0	-42,5%
Media Capital (*)	-1,2	-2,5	1,3	51,3%
TOTAL BANK DEBT	817,9	1.421,6	-603,7	-42,5%

Tranche 3 includes 50 million euros that, for the purposes of the agreement signed with the banks, compute as PPL.

The evolution of net bank debt is shown below:





2018 GUIDANCE

2018 GUIDANCE

Education

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

Radio

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

Press

- Margin enhancement despite expected revenues decline.

Efficiency plan

- Majority to be implemented in 2018.

FX Evolution

- Negative impact expected, mainly from Brazil and Argentina.

With the 1Q2018 Results evolution, the company reaffirms its guidance for FY2018.



APPENDIX

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BALANCE SHEET

€ Million	ASSETS	
	01/31/2018	12/31/2017
FIXED ASSETS	771,21	756,69
Property, plan and equipment	82,81	82,65
Goodwill	165,51	167,56
Intangible assets	108,80	110,80
Long term financial investments	25,50	25,56
Investment in associates	39,71	37,25
Deferred tax assets	348,86	332,85
Other non current assets	0,03	0,03
CURRENT ASSETS	1.709,41	1.166,39
Inventories	61,58	70,15
Accounts receivable	343,75	381,52
Short term financial investments	22,88	23,34
Cash & cash equivalents	811,80	217,21
Assets held for sale	469,39	474,17
TOTAL ASSETS	2.480,61	1.923,08
	LIABILITIES	
	01/31/2018	12/31/2017
SHAREHOLDERS EQUITY	60,26	-485,91
Issued capital	524,69	83,50
Reserves	-548,30	-545,03
Income attributable to the parent company	9,90	-102,91
Minority interest	73,97	78,53
NON CURRENT LIABILITIES	822,64	863,14
Long term financial debt	643,30	642,25
Other long term financial liabilities	116,80	120,15
Deferred tax liabilities	20,59	23,90
Provisions	39,74	39,01
Other non current liabilities	2,21	37,83
CURRENT LIABILITIES	1.597,72	1.545,85
Short term financial debt	994,76	1.002,63
Other current financial liabilities	27,86	22,63
Trade accounts payable	237,33	245,85
Other short term liabilities	149,63	94,27
Accrual accounts	35,40	21,39
Liabilities held for sale	152,73	159,08
TOTAL LIABILITIES	2.480,61	1.923,08



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

CONVOCATORIAS Y ACUERDOS DE JUNTAS Y ASAMBLEAS GENERALES

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.



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

€ Millions	JANUARY - MARCH		
	2018	2017	% Chg.
Operating Adjusted Revenues			
GROUP	282,3	327,5	(13,8)
Education	173,7	215,6	(19,4)
Radio	58,8	61,0	(3,5)
Press	45,7	50,4	(9,4)
Others	4,1	0,5	---

€ Millions	JANUARY - MARCH		
	2018	2017	% Chg.
Adjusted EBITDA			
GROUP	65,9	85,1	(22,6)
Education	63,0	83,0	(24,1)
Radio	7,0	5,7	23,2
Press	(0,7)	0,9	---
Others	(3,4)	(4,5)	23,6

EXTRAORDINARY IMPACTS AND CHANGES IN THE CONSOLIDATION PERIMETER

€ Millions	JANUARY - MARCH		
	2018	2017	% Chg.
Extraordinary Effects			
One-offs in Operating Expenses	(10,8)	(7,3)	(48,2)
Redundancies and other non-recurrent	(10,8)	(7,3)	(48,2)

- a) **Redundancies and other non-recurrent:** the extraordinary expense for redundancies increases with respect to the same period of the previous financial year. In 1Q2018, 10.8 million euros were registered vs. 7.3 million euros in the same period of 2017.



BRIDGE FROM OPERATING PROFIT TO ADJUSTED EBITDA AND EBITDA

€ Millions	JANUARY - MARCH		
	2018	2017	% Chg.
GROUP			
EBITDA	55,0	77,6	(29,1)
Extraordinary effects	10,8	7,5	44,7
Adjusted EBITDA	65,9	85,1	(22,6)
Amortizations	15,9	18,4	(13,9)
Provisions	(2,3)	(0,6)	---
Impairment from fixed assets	(0,1)	1,2	---
Operating Result	52,4	66,1	(20,7)
EDUCATION			
EBITDA	61,8	81,6	(24,2)
Extraordinary effects	1,2	1,4	(17,6)
Adjusted EBITDA	63,0	83,0	(24,1)
Amortizations	12,7	14,2	(11,1)
Provisions	(3,0)	(2,0)	(53,8)
Impairment from fixed assets	(0,1)	0,0	---
Operating Result	53,4	70,7	(24,4)
RADIO			
EBITDA	2,8	2,9	(4,7)
Extraordinary effects	4,2	2,8	52,1
Adjusted EBITDA	7,0	5,7	23,2
Amortizations	2,0	2,0	(0,9)
Provisions	0,2	0,8	(72,3)
Impairment from fixed assets	0,0	1,2	(98,6)
Operating Result	4,8	1,7	181,1
PRESS			
EBITDA	(2,0)	(1,5)	(27,6)
Extraordinary effects	1,3	2,4	(47,0)
Adjusted EBITDA	(0,7)	0,9	---
Amortizations	1,0	1,9	(47,1)
Provisions	0,5	0,6	(10,6)
Impairment from fixed assets	0,0	0,0	173,1
Operating Result	(2,2)	(1,6)	(38,0)
OTHERS			
EBITDA	(7,6)	(5,4)	(41,1)
Extraordinary effects	4,1	0,9	---
Adjusted EBITDA	(3,4)	(4,5)	23,6
Amortizations	0,2	0,3	(26,6)
Provisions	0,0	0,0	171,1
Impairment from fixed assets	0,0	(0,0)	---
Operating Result	(3,7)	(4,8)	23,5

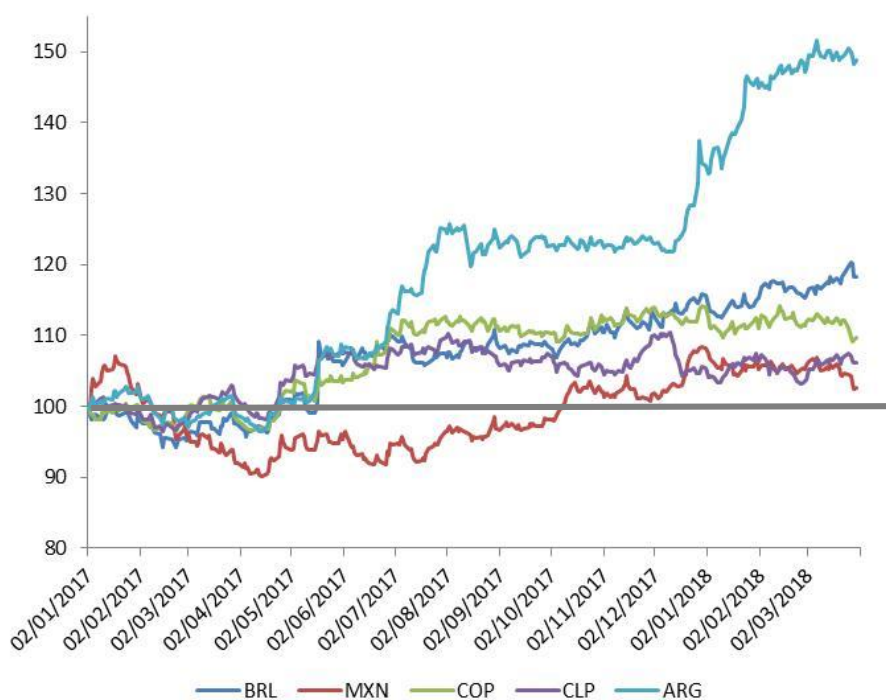


FX EVOLUTION

FX Evolution vs. Euro 2017/2018

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

The FX impact has been negative on revenues and EBITDA of the Group on 1Q2018. **Negative impact amounted to 36 million euros in Revenues and 8 million euros in EBITDA.**



	BRL	MXN	COP	CLP	ARG
1Q2017	3,35	21,63	3111,93	698,44	16,69
2Q2017	3,55	20,42	3221,61	731,47	17,33
3Q2017	3,71	20,93	3493,58	754,35	20,31
4Q2017	3,83	22,36	3517,41	745,69	20,67
1Q2018	3,99	23,01	3509,07	740,26	24,20

Source: Bloomberg