1H RESULTS PRESENTATION

Madrid, 2014

Disclaimer

In addition to figures prepared in accordance with IFRS, PRISA presents non-GAAP financial performance measures, e.g., EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net profit, free cash flow, gross debt and net debt, among others. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. For further information relevant to the interpretation of these terms, please refer to the “Reconciliation Section” of the 1Q 2014 earnings press release filed with the Securities and Exchange Commission and posted on prisa.com.

This document may contain “forward-looking statements” as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act, including statements about the financial conditions, results of operations, earnings outlook and prospects of the Company. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

Forward-looking statements are based on management’s current expectations and are inherently subject to uncertainties and changes in circumstance and their potential effects and each speaks only as of the date of such statement. There can be no assurance that future developments will be those that have been anticipated.

These forward-looking statements are typically identified by words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “would” and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in our filings with the Securities and Exchange Commission under “Risk Factors”.

Main highlights 1H2014

ADJUSTED EBITDA AT CONSTANT CURRENCY REACHES €112 MILLION GROWING BY 12.7%

- **Quarterly improvement in advertising** both in Spain and Portugal
- **Solid growth in Latam** in local currency both in Santillana and Radio
- **Cost reduction** and capex under control **in all business areas**
- **The group continues its transformation**

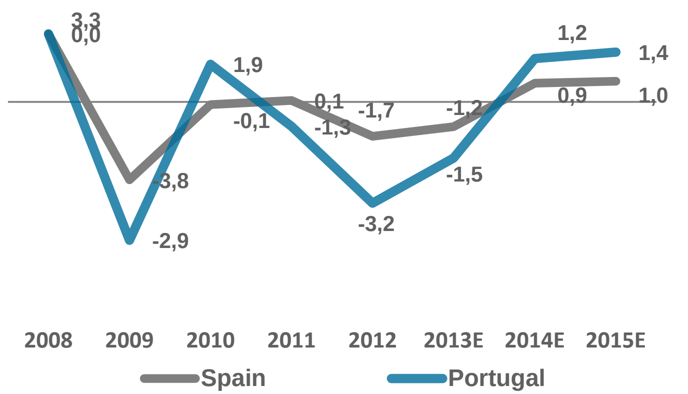
GROUP FOCUS ON EXECUTING THE REFINANCING PLAN

- Disposal of the **Trade Publishing Business**
- Selling of a **3.69% stake of Mediaset Spain**
- **Debt buy back at discount** with Mediaset Spain proceeds
- Agreement **to sell 56% stake in canal+ to Telefónica** for an initial price of €750 million
- **Capital increase** amounting to 100 million euros at 0.53 € per share

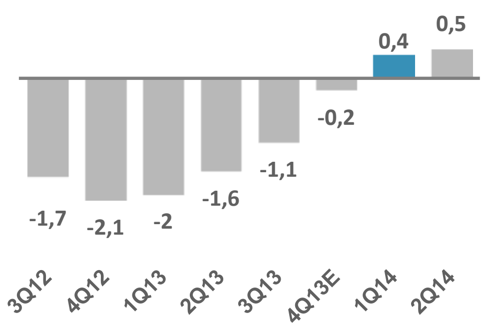
  (61% premium over closing price at the date of announcement and 41% premium over last 3 months average)
- Option from banks **to buy up to 600 millions** euros at **a minimum discount of 25%**

Spain & Portugal macro environment

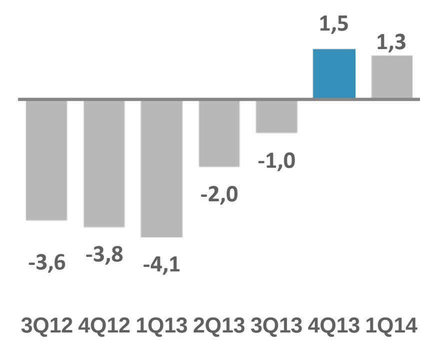
Spain & Portugal GDP (%)



Spain

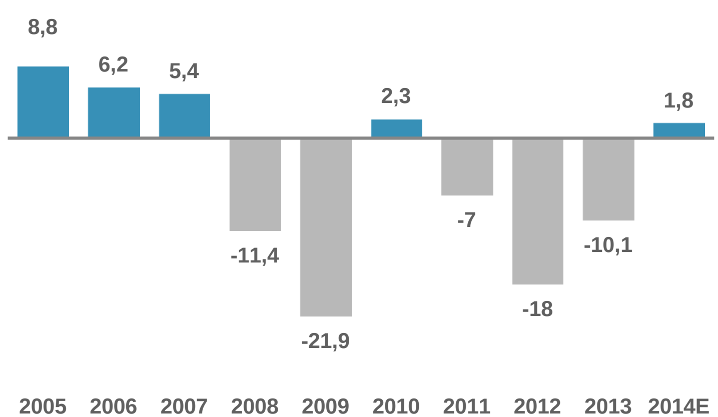


Portugal

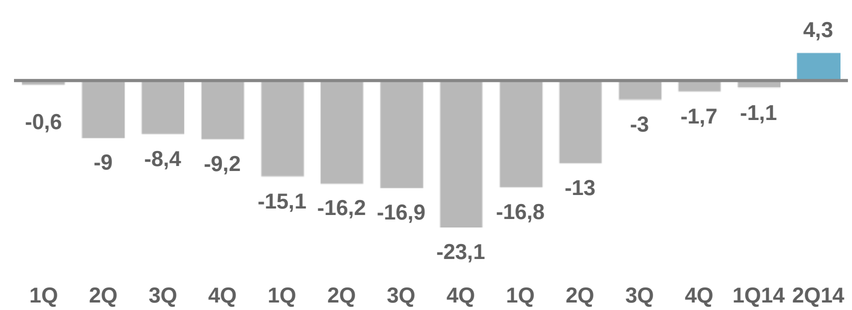


Source: INE, Bank of Portugal & IMF

Spain advertising market growth (%)



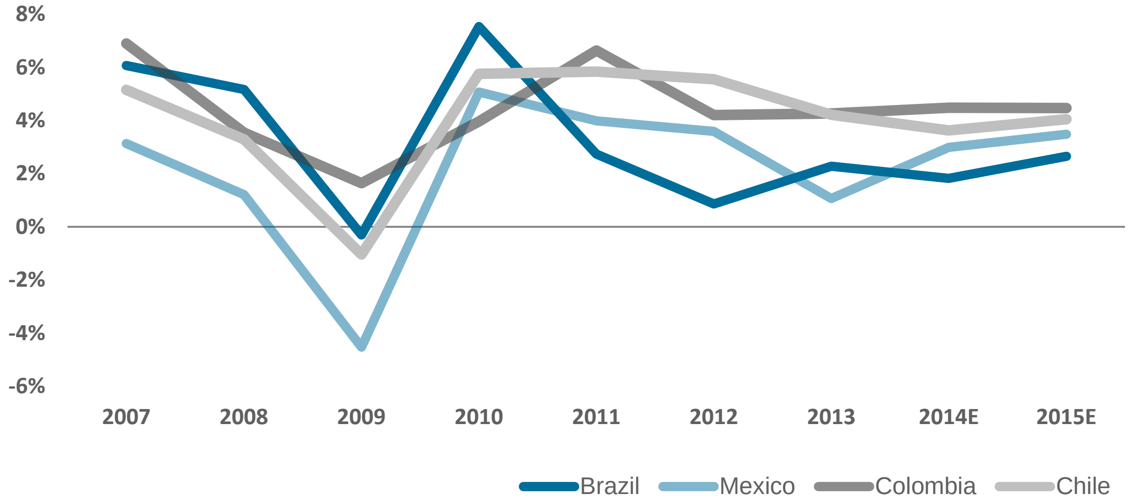
2011 2012 2013 2014



Source: i2p, June, 2014

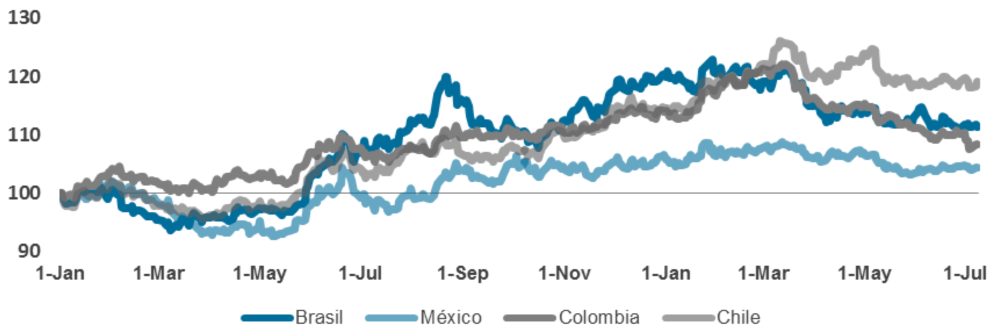
Latin America macro & FX environment

Latam GDP growth (%)



Source: World Bank, IMF

Latam FX evolution



	Brasil	México	Colombia	Chile
1Q 2013	2.64	16.69	2,365.27	623.76
2Q 2013	2.70	16.30	2,433.00	633.41
3Q 2013	3.03	17.11	2,526.75	671.48
4Q 2013	3.10	17.73	2,604.18	703.22
1Q 2014	3.24	18.13	2,747.88	756.11
2Q 2014	3.06	17.83	2,624.31	760.69
1Q14 / 1Q13	**22.83%**	**8.63%**	**16.18%**	**21.22%**
2Q14 / 2Q13	**13.24%**	**9.38%**	**7.86%**	**20.09%**

Source: Bloomberg

Consolidated Group Results

Group results (€m)

	1H 2014	1H 2013	% Ch.
Revenues	**635.76**	**696.02**	**(8.7%)**
EBITDA	**96.78**	**99.49**	**(2.7%)**
EBITDA margin	*15.2%*	*14.3%*	
EBIT	**36.32**	**41.13**	**(11.7%)**
EBIT margin	*5.7%*	*5.9%*	

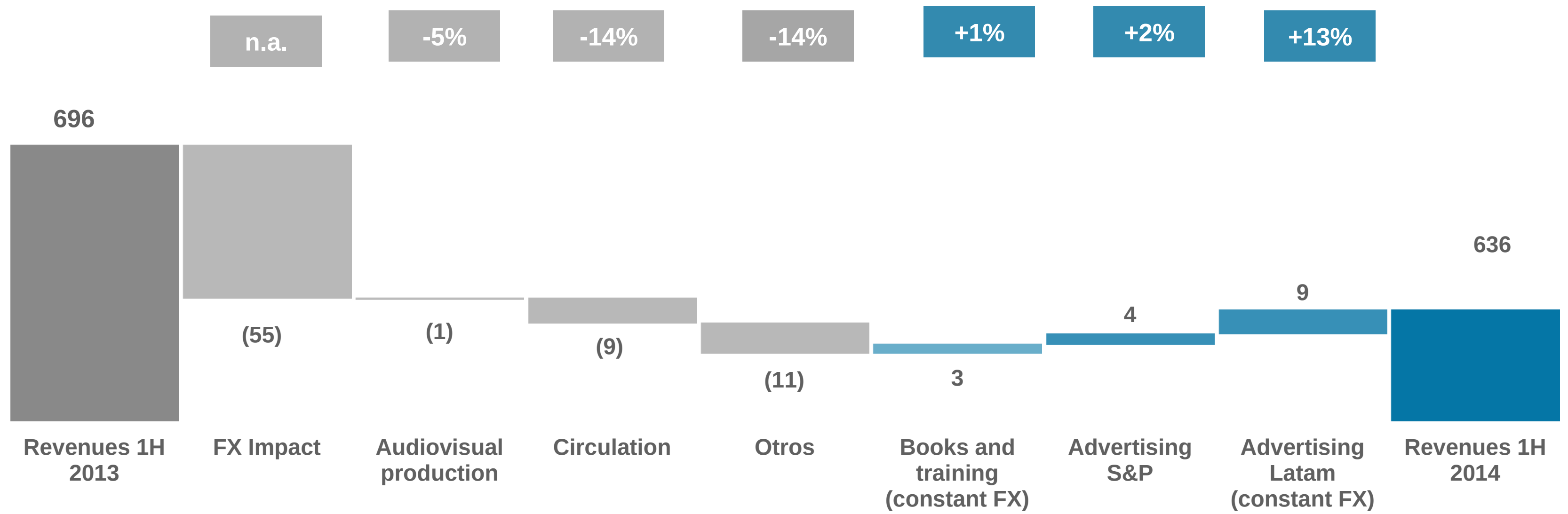
Group results at constant currency (€m)

	1H 2014	1H 2013	% Ch.
Revenues	**691.23**	**696.02**	**(0.7%)**
EBITDA	**112.16**	**99.49**	**12.7%**
EBITDA margin	*16.2%*	*14.3%*	
EBIT	**47.03**	**41.13**	**14.3%**
EBIT margin	*6.8%*	*5.9%*	

* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

Revenue Evolution

Group results (€m)



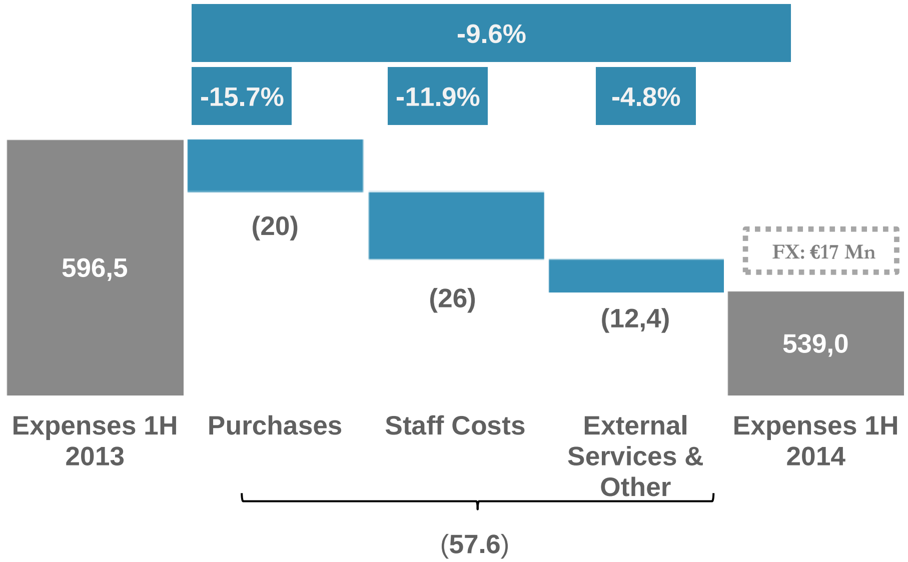
	Audiovisual production	Circulation	Otros	Books and training (constant FX)	Advertising S&P	Advertising Latam (constant FX)
1H 2014*	1,7%	8,5%	10.8%	47.6%	28.6%	11.6%
1H 2013*	1,6%	9.1%	11.4%	43.0%	25.5%	9.3%

(*) As % of total revenues

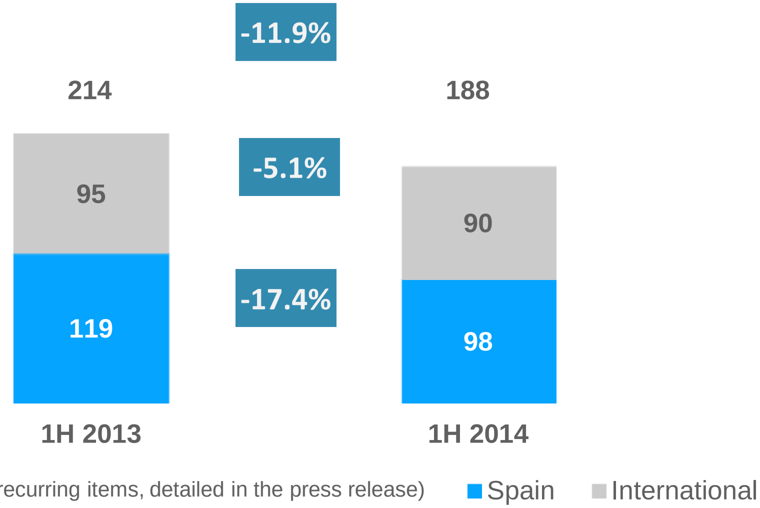
* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

Focus on efficiency & cost control

Opex reduction



Staff costs (€m)



* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

Santillana

Market position

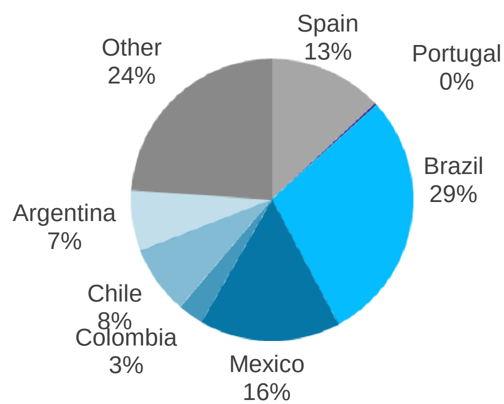
	Textbooks	
	Position	Market Share
Spain	19,3%	**1**
Brazil	19,9%	**1**
Mexico	17,4%	**1**
Argentina	27,6%	**1**
Chile	38,8%	**1**
Colombia	17,2%	**1**
Portugal	7,1%	3

Source: Santillana Market Research, 2013 (all except Mexico – 2012)

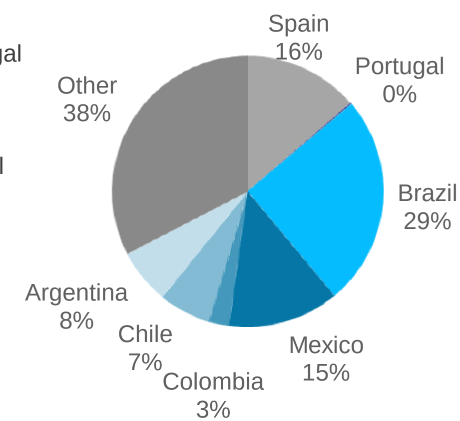
Geographical position

Latam revenues as % of total revenues

1H 2014



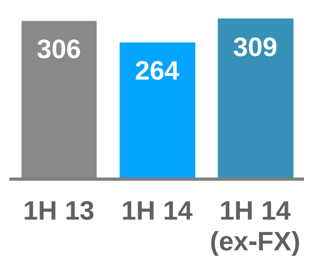
1H 2013



Recent performance (€m)

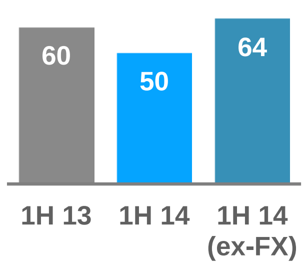
Revenues

-13,6% | +1.3%



EBITDA

-16.4% | 5.4%



Digital development – learning systems

UNO	Schools	Students
Brazil	327	111.505
Colombia	81	27.793
Mexico	843	265.467

COMPARTIR	Schools	Students
Total	1,110	361,630

* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

Radio

Market position

Spain

Thsd. Listeners	Listeners 2Q 2014	Listeners Rank	Listeners Share
Generailst Radio	**4.566**	**1**	**38,3%**
Cadena SER	4.566		38,3%
Music Radio	**7.469**	**1**	**50,7%**
40 Principales	3.203		21,7%
Dial	2.254		15,3%
Máxima FM	834		5,7%
M80	580		3,9%
Radiolé	598		4,1%
Total	**12.035**		

Source: EGM 2ª Ola 2014

International

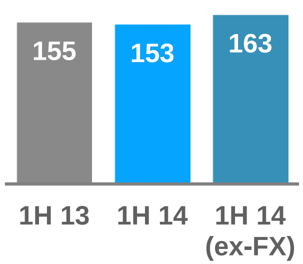
Thsd. Listeners	Listeners 2013	Listeners Rank	Listeners Share
Colombia	10.672	1	36,5%
Chile	2.137	1	48,4%
México	1.353	3	14,0%
Argentina	1.109	4	8,8%
Costa Rica	156	4	7,1%
USA - Miami	102	9	2,5%
USA - Los Ángeles	70	4	8,2%

Source: ECAR (Colombia), IPSOS (Chile), INRA (Mexico), IBOPE (Argentina), latest data available 2014-2013

Recent performance (€m)

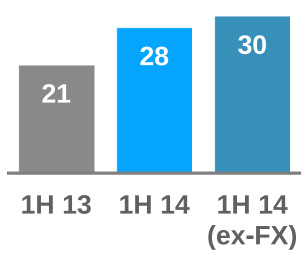
Revenues

-1.2% | +4.7%



EBITDA

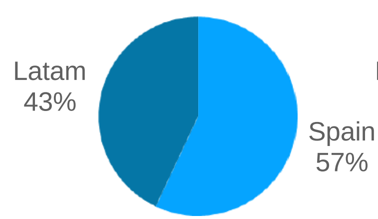
+34.8% | +45.1%



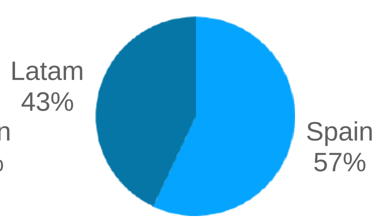
Geographical position

Latam revenues as % of total revenues

1H2014



1H 2013



* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

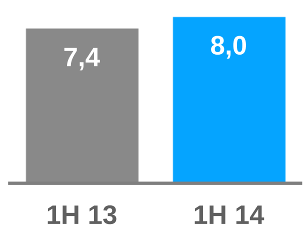
Radio (Digital development)

Online radio listening hours (million hours)

Online audience evolution

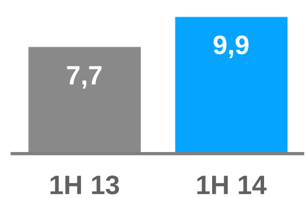
Spain

+8.6%



International

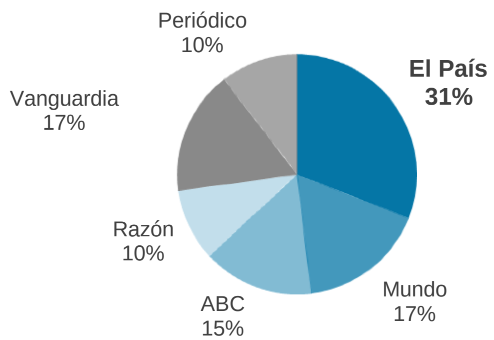
+28.2%



* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

Press

Market position

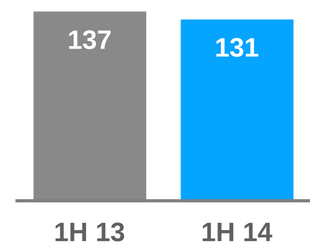


Source: OJD May 2014

Recent Performance (€m)

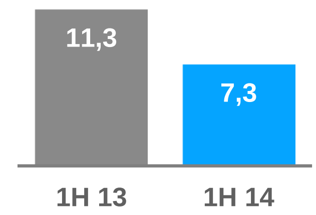
Revenues

-4%



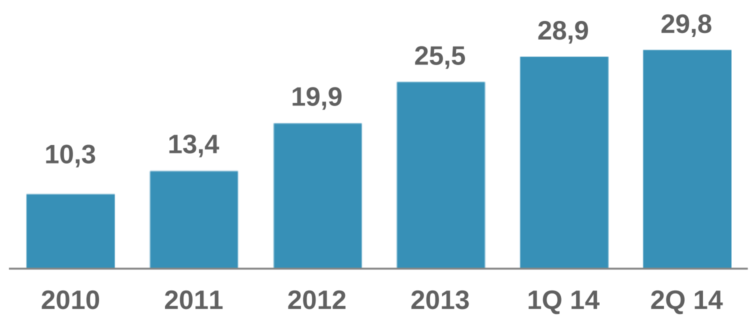
EBITDA

-36%



Digital development

Digital advertising / total advertising (%)



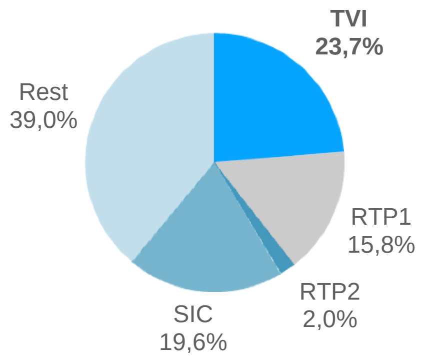
Source: AEDE May 2014

* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

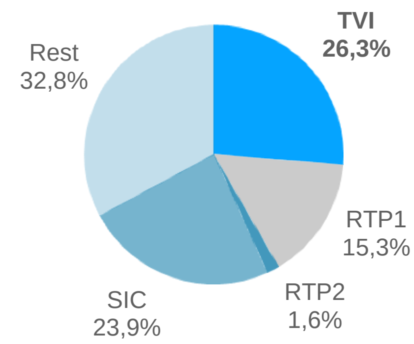
Media Capital

Market position

24 hours



Prime time

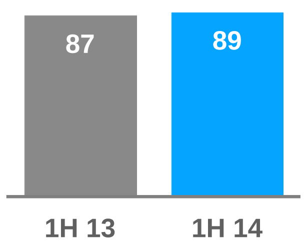


Source: Gfk. Audience share as of 2Q 2014

Recent performance (€m)

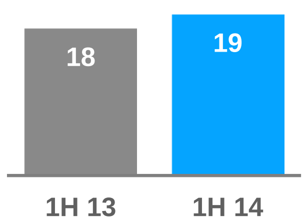
Revenues

+1.8%



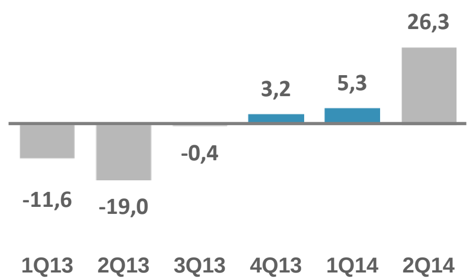
EBITDA

+9,7%



Advertising revenues evolution (%)

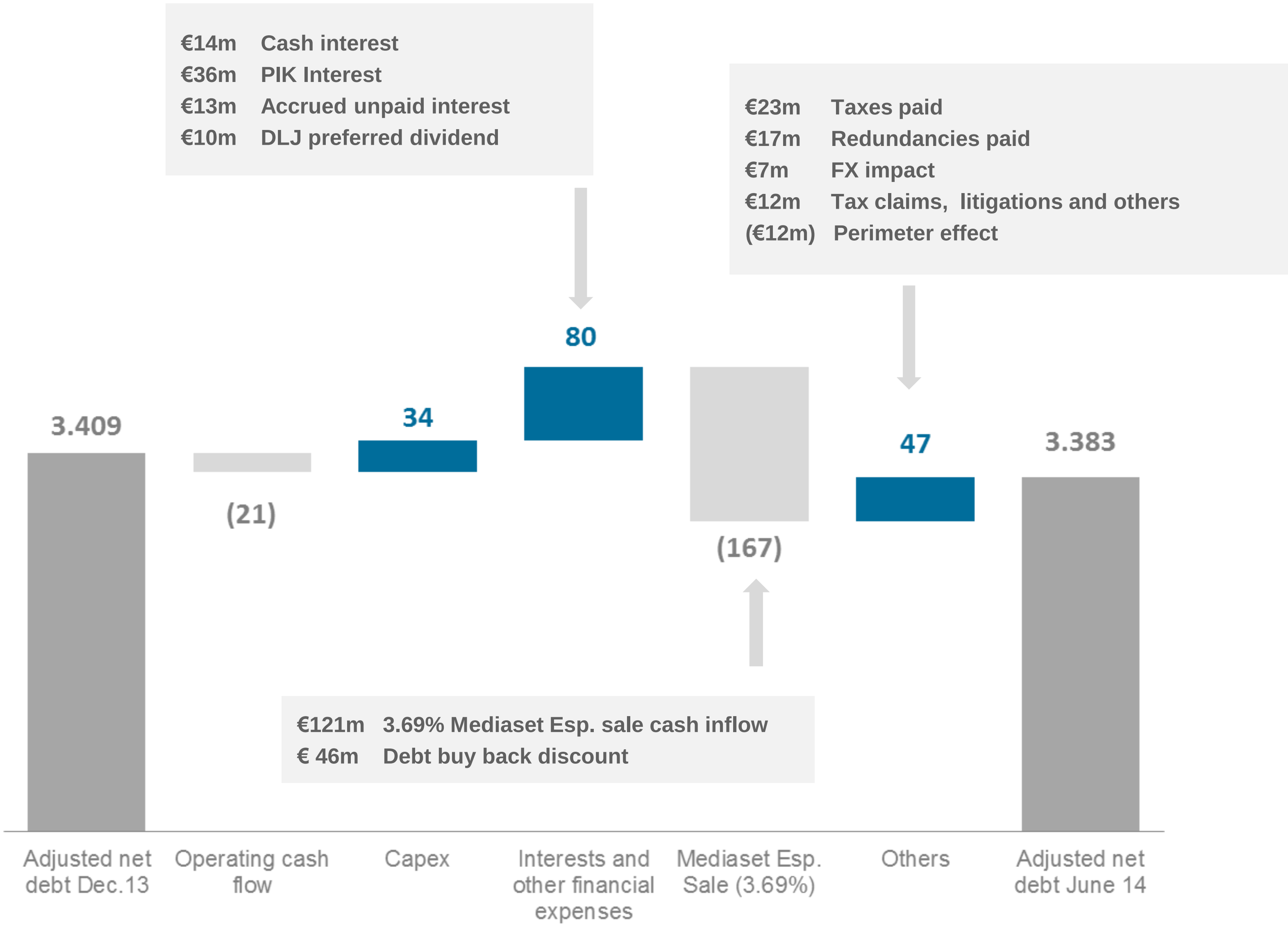
Media Capital advertising



* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

Cash Flow generation & adjusted net debt position

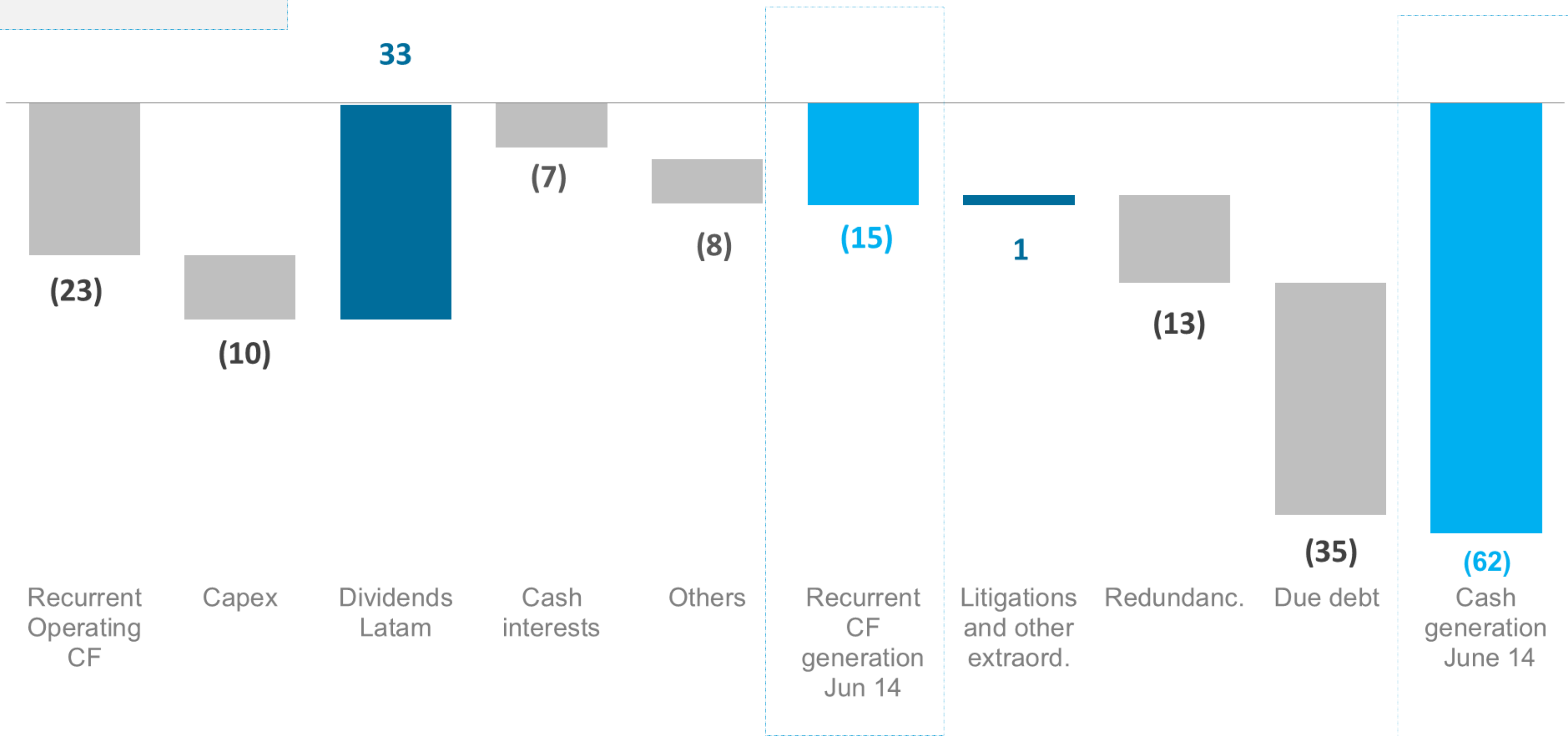
Grupo Prisa Net Debt (€m)



Cash generation at Holdco level- 1H 2014

Cash generation at Holdco level 1H 14 (€m)

Operating cash flow reflects seasonality of Santillana



Canal +

SALE OF 56% STAKE IN CANAL+ TO TELEFONICA FOR AN INITIAL AMOUNT OF € 750 MILLION

1 AGREEMENT

- **Price adjustments** at the closing of the transaction
- **Non-opposition of representative panel of Prisa lenders** already granted
- Subjected to **the authorization of the anti-trust authorities**

2 ACCOUNTING IMPACT

- **The transaction implies an accounting loss** in the consolidated Group accounts of € 2,064 million and in the individual accounts of € 750 million **which triggers a capital impairment situation**
- **Refinancing agreement includes an automatic mechanism of automatic conversion of a portion of Tranche 3 of the Company´s debt into equity loans** in an amount sufficient to compensate for this capital impairment situation
- **The result of this transaction** is included in the consolidated Group Profit and Loss accounts **as "Result after tax from discontinued operations"** and the assets and liabilities of this business as **"Non current assets held for sale"** and **"Liabilities associated with non-recurrent assets held for sale"** in the consolidated Balance Sheet

Capital Increase

CAPITAL INCREASE ANNOUNCEMENT

AGREEMENT

- **€100 million capital increase in cash** at 0.53€ per share fully subscribed by “ Consorcio Transportista Occher”
- **188,679,245 new shares** to be issued. Subject to independent expert opinion
- Proceeds will be used to **Debt buy back** at a minimum **discount of 25%**
- **Several banks have agreed to sell €600 million euros of their existing debt at a minimum discount of 25% before December 31th through the different mechanisms foreseen in the refinancing agreements**

SANTILLANA

Digital learning systems

Why Digital Learning Systems?

1 DIGITAL TRANSFORMATION OF K-12 EDUCATION

- From print content to a new learning experience
  - Digital Content + Services+ New technological platform and devices + Social communities

2 SCHOOLS REASONS

- Pedagogical
  - Technologies and services as factors to improve the teaching process
- Technological
  - Innovative solution to bring schools to the digital age
- Economical
  - Innovative teaching proposals as a factor of differentiation to compete with other schools

Digital learning systems: shift in business model

FROM	TO

TEACHERS

SCHOOL

B2C	B2B
Supply of products to teachers through business (Santillana, Richmond)	Integrated offerings (through partnerships) in terms of value for schools: Sistema Uno Santillana Compartir
PRODUCT BASED STRUCTURE	CUSTOMER-FOCUSED STRUCTURE
VALUE = CONTENT	VALUE = INTEGRATED SOLUTIONS

The offer of Sistema UNO and Santillana COMPARTIR

Product offering	CONTENT			SERVICE		DIGITIZATION (HW-SW)			BUSINESS MODEL		
	PRINTED BOOKS	DIGITAL CONTENT	BILINGUAL	PEGAGOGICAL ASSESSMENT	TECHNOLOGY ASSESSMENT	PLATFORM	HARDWARE	SOCIAL EDUCATION COMMUNITY	CUSTOMER RELATIONSHIP	TERM OF CONTRACT	SPEND/ STUDENT/ YEAR (€) (2014)
1 SANTILLANA MODERNA	★	☆	☆	–	–	–	–	–	B2C	–	50
2 SANTILLANA COMPARTIR SANTILLANA.COMPARTIR	★	☆	☆	☆	☆	☆	☆	☆	B2C ↓ B2B	3 YEARS	107
3 SISTEMA UNO INTERNACIONAL	★	★	★	★	★	★	★	★	B2B	3-4 YEARS	256

★ Complete offer of the product ☆ Partial offer of the product

Sistema UNO: proposes a complete shift of model, bringing schools in a 100% digital environment from the first moment

Santillana Compartir: offers a progressive introduction of school in the digital environment

Milestones in the strategy of development

Sistema UNO

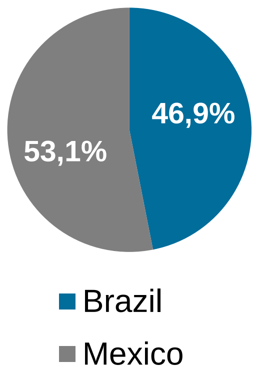
- Acquisition of know-how in Brazil (Editora Moderna)
- A complete new concept launched in Mexico in 2011
- Launch of the new concept in Brazil in 2013
- Consolidation of the model in Mexico in 2014: renewal of 80% of 2011 contracts for 4 additional years
- Larger room for growth in Brazil in the next years (difficult market with high potential)
- Leverage on Santillana’s structure

Santillana Compartir

- Launch in Mexico (2012) and Brazil (2013)
- Mass launch in 2014 in an important part of Latam countries
- Leverage on Santillana’s structure

Sistema Uno : key drivers

(€ million)	2011	2012	2013	H1 2013	H1 2014
	Main figures Brazil + Mexico				
Revenues	13,1	36,8	58,3	26,5	27,8
EBITDA	-6,9	0,4	2,9	-2,2	5,8
% EBITDA	-52,7%	1,1%	5,0%	-8,3%	20,9%
Number of students (thousand)	59	187,7	231,8	214,8	237,7
CAPEX	6,6	20,9	18	9,3	3,5



Key drivers

- **Revenues are accrued in accordance with the delivery of the materials.**
- **High implementation, commercial and promotional expenses** during the first years of launching.

  Important reduction of these expenses in the following years ➡ Significant margins improvement.
- **Strong initial CAPEX to create content and digitize the classrooms**.
- Significant **lower CAPEX to renew** content and digitization.

Santillana Compartir: key drivers

(€ million)	2013	H1 2013	H1 2014
Revenues	15,5	8,9	23,8
Number of students *(thousand)*	192,5	114,5	361,6

Students *(thousands)*	H1 2014
Argentina	34,2
Brazil	97,1
Central America	40,2
Chile	22,1
Colombia	59,0
Dominican Republic	6,2
Ecuador	17,9
Mexico	85,0
Total	**361,6**

Peru: launch in February 2015

Key drivers

- **Revenues are accrued in accordance with the delivery of the materials.**
- **Improvement of margins** through higher average sale per student and **synergies** with the **traditional business content and structure.**

Conclusions

1. **Operating improvement** keeps on consolidating thanks to**:**

    - **Economic recovery pushing revenues in Spain and Portugal**
    - **Cost structure adequacy**
    - **new products and businesses** starting to contribute

2. **Latam continues to improve in local currency** and we expect a less volatile FX impact in 2H

3. **Significant progress** on the execution **of the debt refinancing plan**

    - **Asset sales: Canal+, MediasetSpain 3.69%stake,Trade Publishing**
    - **Debt buy backs committed**
    - **Capital increase**

4. **Business and cash performance** in line with plan

THANK YOU.