

'SI' ENFADADA

Irlanda respalda el tratado de austeridad abanderado por Al...
que limita al máximo el gasto público. Hollande quiere renegoc...

04

Education, information and entertainment processing

Education, information and entertainment processing

In 2012 PRISA continued to forge ahead with its ambitious transformation process. Since 2010 the Group has faced the challenge of upgrading its traditional business model to become a consumer-oriented company through the most advanced technology. This process is tied to the changes that are utterly transforming the media and content sector, and requires PRISA to transform itself into a new company, focused not only on the production and distribution of content in Spanish and Portuguese, but also on acquiring in-depth knowledge of each and every one of its stakeholders, as well as on the use of new technologies.

The transformation of PRISA

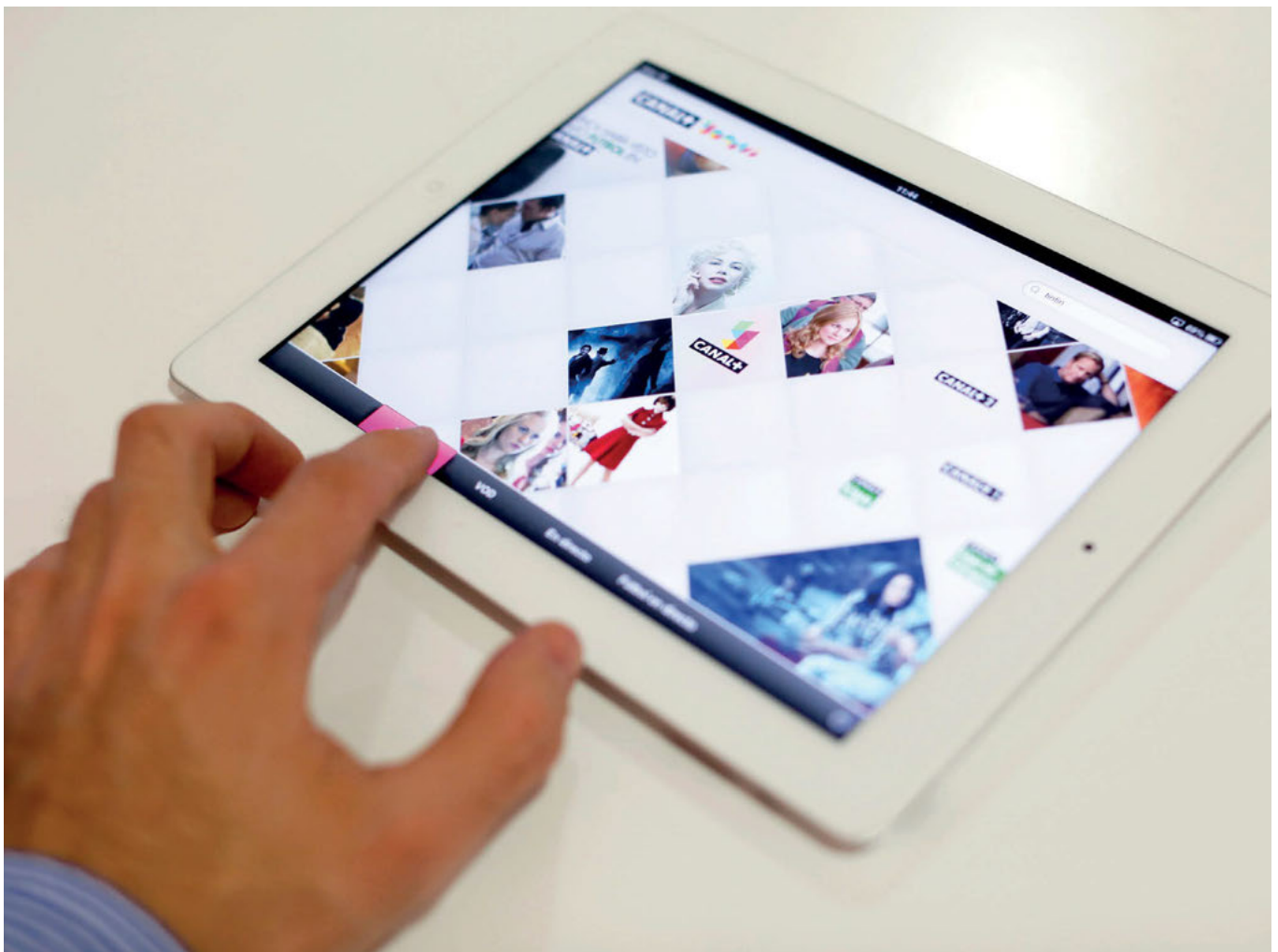
All too aware of the need to transform our industry and of the demands that transformation necessarily places on organizations, in 2011, PRISA created the **Transformation Office** to promote and foster development, training and cultural transformation within all the companies that are part of Group. After designing the transformation plan and setting up the required task force, the Transformation Office finally began implementing the plan in 2012, following its approval by all CEOs in 2011.

This plan seeks to meet a complex challenge: changing business culture, ensuring PRISA is more innovative than when it operated in a traditional environment, and making it more dynamic and more creative. The plan envisages four major areas of action: professional development, leadership, training and knowledge management. And the plan introduces tools that go further

still, tools that will be the driving force behind developing this new corporate culture and that will foster: collaboration, horizontal development, renovation of leadership style, talent retention, transparency, dynamism, project management culture, self-development, and so on.

For the first time, all these new tools have been designed and targeted at all professionals, regardless of their country, business unit or enterprise.

The first product to be launched was **Mi idea!** (My idea!), Rolled out in January 2012, this is a collaborative platform where professionals can share their ideas and find collaborators. What's more, those in charge of decision making can describe a challenge they are facing and PRISA professionals, no matter where they might be, can suggest how to solve it.



March saw the launch of **PRISA Jobs**, a product which marks profound change in the dynamics of recruitment and selection of new professionals. It also provides an incentive and fosters retention of talent. Despite these times of employment adjustment, PRISA Jobs has permitted the Company to successfully conduct a number of job reallocation processes.

Also in March diplomas were given to 40 professionals from all business units after having successfully completed a specially designed in-company course on General Digital Training.

In May the selection process began for 130 mid-level professionals who will act as **Agents of Change** over the next three years. The selection is carried out through interviews with different professionals from various levels of the organization.

Over the course of 2012, the Transformation Office held numerous meetings with senior and middle management to explain the plan to them in person and to stress the need for them to play an active role in the process of change.

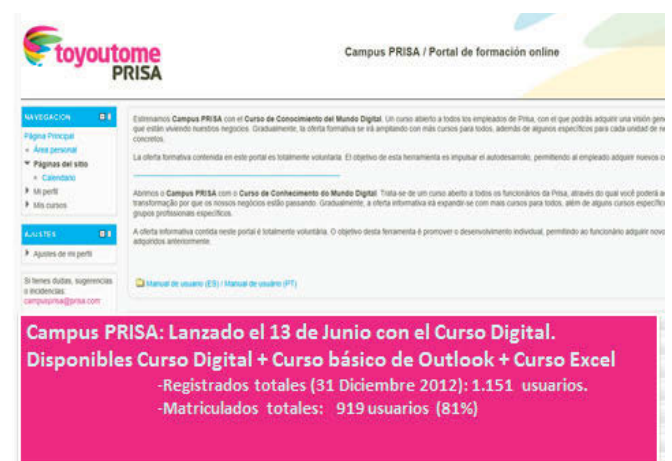
June 2012, saw the launch of **Campus PRISA**, an online training and education platform aimed at professionals / students who can follow courses from any country and on any device. In

January 2013, 919 colleagues were following one of the courses that were launched over the previous months.

All these tools, plus those due to launch over the course of 2013, are integrated into **Toyoutome**, PRISA's global intranet. All of them reinforce the philosophy behind the Toyoutome concept and do much to foster the new conversation taking place between us within the organization.

All PRISA employees also receive a **daily tweet**, via email, that helps to keep them abreast of company and economic developments, and provides updates on PRISA products and businesses, as well as progress being made by the Transformation plan. And every month the corporate newsletter reinforces the communication of this content and of current projects.

This special communication program also provides PRISA professionals with a new channel, the Toyoutome **blog**, which allows them to share their vision and knowledge with all readers.

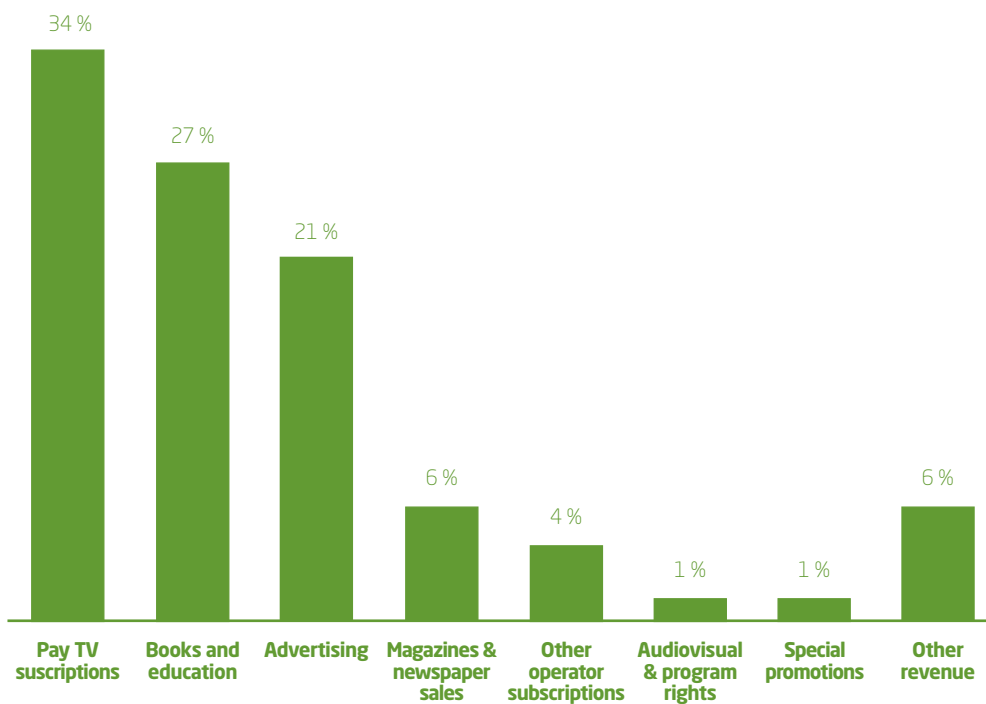


Main figures

Operating revenues (in millions of euros)



Contribution to revenue by business area



Proforma data with no special items

Revenue source by geographic region (in millions of euros)

2012		2011		2010	
Spain	International	Spain	International	Spain	International
1,740 (66 %)	912 (34 %)	1,836 (68 %)	878 (32 %)	1,959 (71 %)	792 (29 %)

EBITDA (in millions of euros)



EBIT (in millions of euros)



Proforma data with no special items

Digital audiences

In 2012 PRISA reported digital revenues of 60,319,000 euros, with growth up by 18 % as compared to the previous year.

Mobile advertising revenue grew 170 % compared to 2011. Total mobile revenue reached 4 million euros.

In 2012, PRISA attracted an average audience of 32.7 million unique visitors (comScore), representing growth of over 26 % compared with 2011. Over the course of the year, PRISA media were visited by 72 million unique browsers (Omniture + Netscope), 9.4 % more than in 2011, indicating how, despite a highly fragmented ecosystem populated by multiple devices and browsers, users access our content and services wherever they are. PRISA's main sites continue to trend upwards, in some cases doubling the number of average monthly unique users compared to last year. Noteworthy is the growth experienced by Elpaís.com, Cincodías.com, Planeo.com and Canalplus.es. This growing trend is reinforced by strong brand awareness. Testament to this is the fact that users continue to directly access PRISA websites, with users directly typing site addresses into their browsers on 49 % of occasions. Visits via social networks are also up, making up 4 % of the total. Users accessed PRISA sites through search engines on 35 % of occasions.

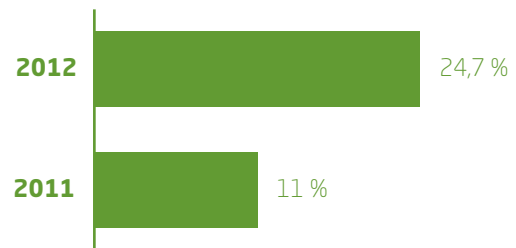
Latin America and Spain represent, in equal proportion, 84 % of the audience. The rest is divided between several countries, with major presence in Portugal. Also noteworthy is the U.S., which represents a 3 % of the total.

Mobility

2012 has witnessed a significant boom in traffic from mobile devices to PRISA sites. Mobile traffic at the end of year, stood at 24.7 % of the total, reaching maximums of over 25 % in some months. These figures double those of 2011. Among the platforms available, Android is still the fastest growing in terms of traffic, in line with market trends.

PRISA has nearly 400 applications available across different mobile platforms (Apple, Android, Windows, Blackberry). Many of these are operated by Santillana, demonstrating its firm commitment to mobility in the educational field. The number of downloads stood at over 11 million in 2012, almost triple the figure of 4 million app downloads registered in 2011. The launch

PRISA mobile traffic (%)*



*Strong growth in 2012 (+ 13.7 % up from 2011)

Source: Adobe Omniture. Pageviews. Cumulative December 2011 and Cumulative: December 2012

of PRISA Radio apps in Latin America has been instrumental in this growth, accounting for nearly 2 million downloads and about 60 million annual hours of radio listening through our applications.

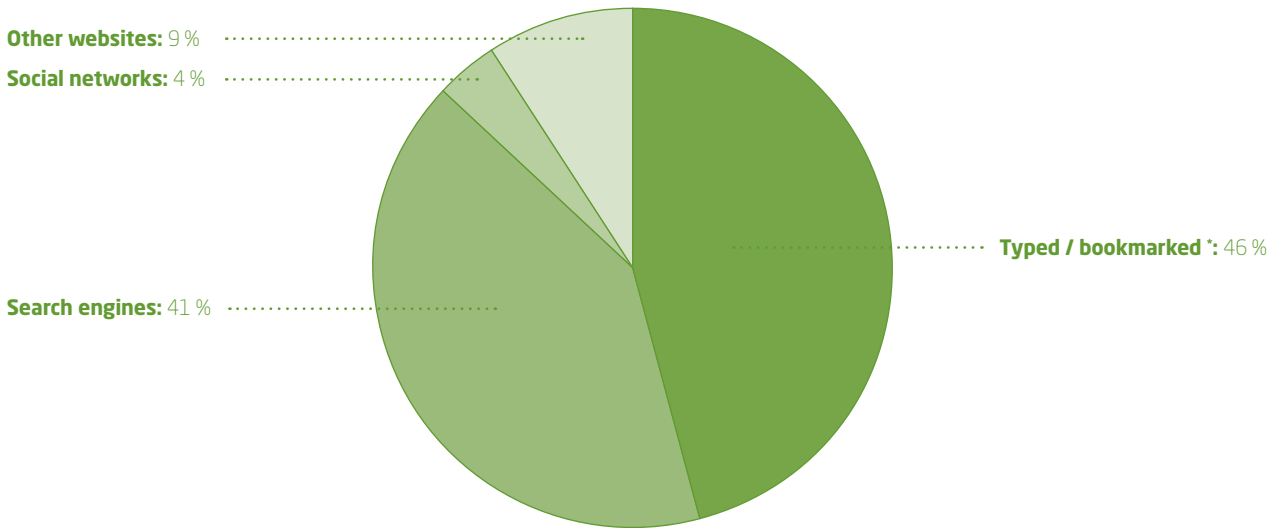
Registered users

We closed 2012 with nearly 10 million registered users in our databases. In 2012 we expanded our databases by more than 3 million users, with the figure exceeding 9.8 million if we add users of our business units and of our partners. It is noteworthy that 29 % of new registered users signed up through a social network, demonstrating, once again, the growing socialization of our brands and the close relationships that can be established with users in these environments.

Fans and followers

All business units have experienced intense growth in follower numbers, totaling 24 million compared to 11 million for the year 2011.

PRISA search 2012 referred visits



* Users typed our brands directly to access at PRISA's sites.

Source: Adobe Omniture. Instances. December 2012

PRISA digital audience (unique users)

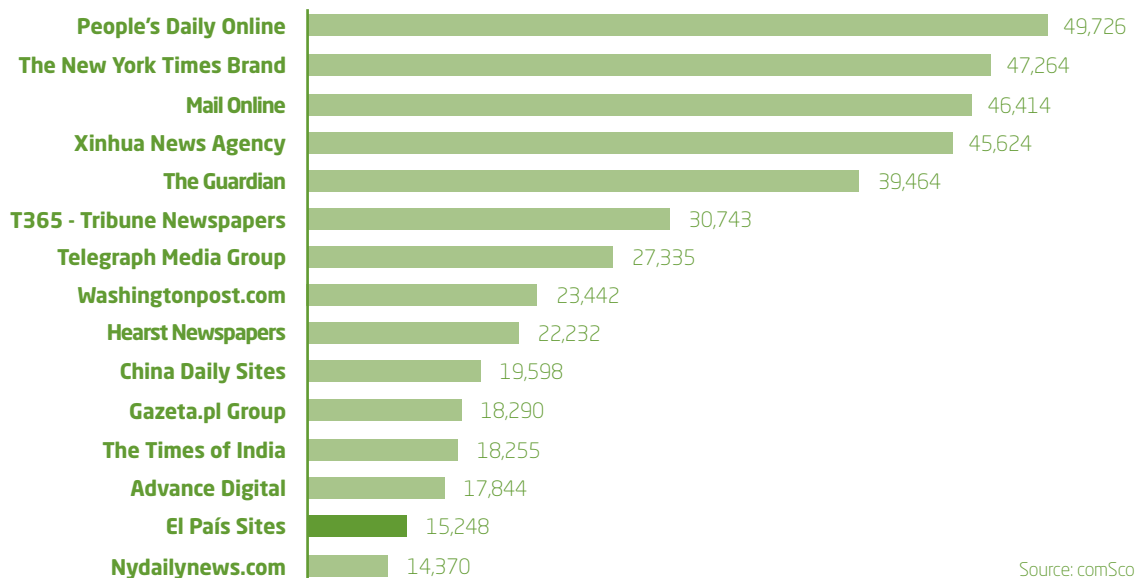
	2012	2011
España	42 %	42 %
Lat AM	42 %	45 %
EE. UU.	3 %	3 %
Otros	13 %	10 %

Source: comScore december 2012

Unique users 2012: 32.7 millions (Source: comScore)

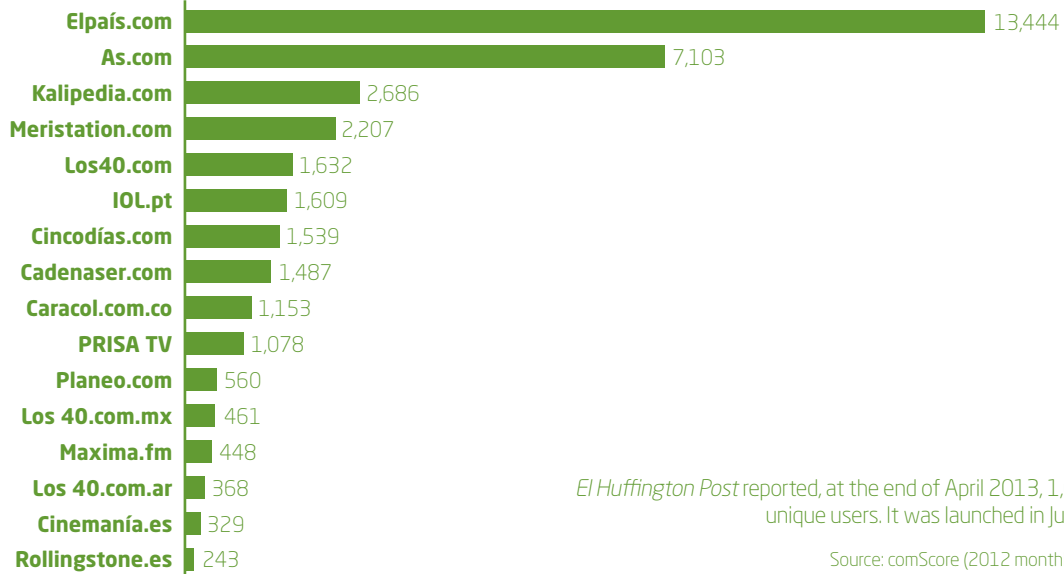
Unique browsers 2012: 72 millions (Source: Omniture + Netscope)

Worldwide audiences for PRISA sites (millions of unique users)

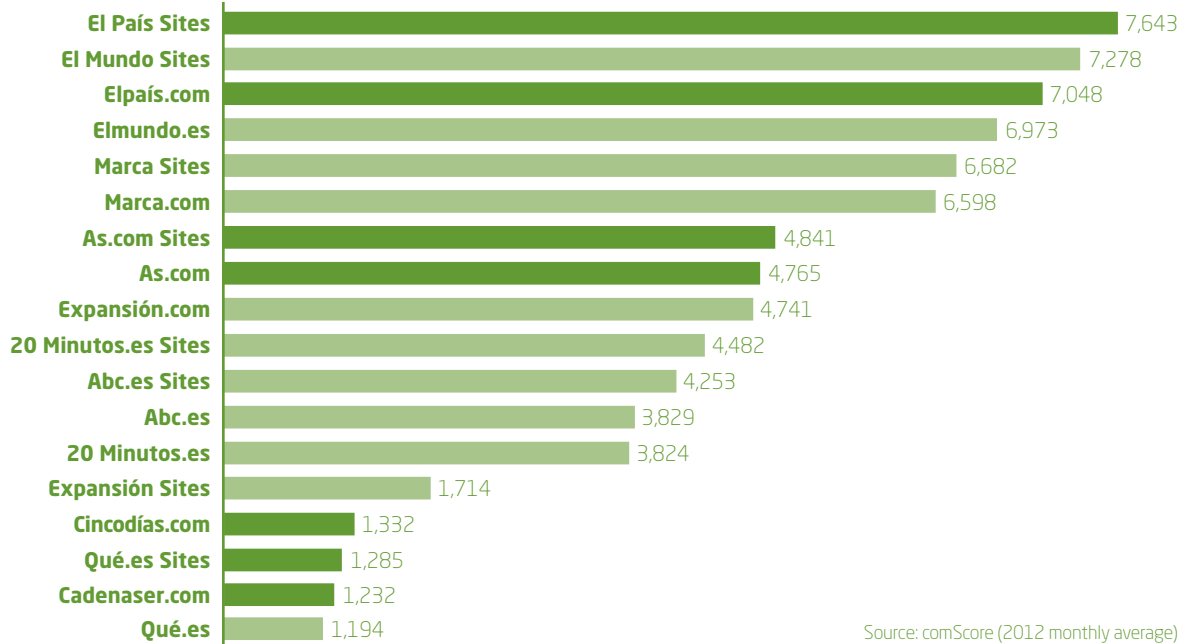


Source: comScore

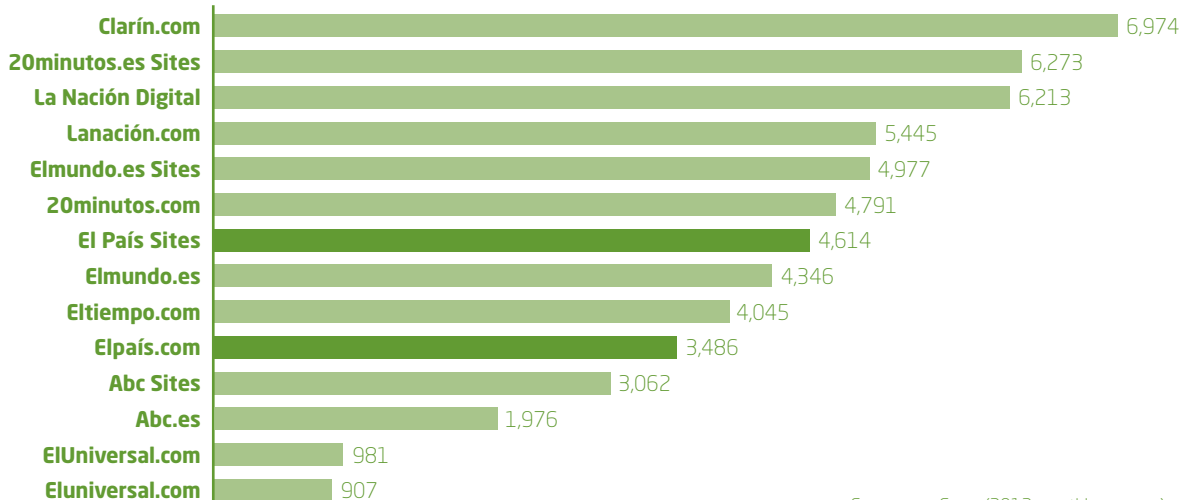
Worldwide audiences for PRISA sites (millions of unique users)



Spanish audiences for news sites (millions of unique users)



Latin American audiences for news sites (millions of unique users)



Business areas

SANTILLANA

At the forefront of content and of educational and cultural services

Since the Company was established more than 50 years ago, Santillana has consolidated its position as the most important educational and publishing group in the Spanish and Portuguese-speaking markets, with a strong presence in almost all Spanish speaking countries, plus Brazil, Portugal, the USA and the the United Kingdom. Its operations on both sides of the Atlantic has enabled it to build bridges between Spain and Latin America, critical to the Group's growth internationally. This factor has been decisive in countering the effects of an economic crisis that has affected and continues to affect Spain, significantly reducing the consumer spending.

Despite this negative context, the Company's geographic diversification has allowed the it to grow and launch new projects. Among these are Santillana Compartir and the Sistema UNO Internacional (UNO International System), both of which are integrated solutions fostering pedagogical innovation and change in schools. 2012 also saw the creation of new digital content and services targeted at multi-device use that will foster study outside the classroom, such as the website *Tareas y más* and *Pupitre*, one of our most successful Apps over the Christmas period.

An element of uncertainty has been created in the Spanish market by the announcement of a new education law, the LOMCE (Organic Law for the Improvement of Educational Quality) whose entry into force will require SANTILLANA to implement a new project that adapts to the new law and that is at the same time attractive and highly competitive.

In the area of general-interest publishing, PRISA Ediciones has significantly increased its digital catalog, with about 3,000 titles from Spain and Latin America. It is also a pioneer in the publication of works in new advanced digital formats, such as iBooks Author and Fixed Layout, thereby offering the reader a more intuitive multimedia experience. The implementation in

Latin America of iBookstore has boosted digital sales considerably across the region.

Throughout 2012, SANTILLANA published **8,896** new titles, bringing its in-print catalog to a total of **38,086**, and the Company sold a total 125,608,000 books. Despite a difficult economic climate, Santillana reported record results, reinforcing the Company's robust lead in the field of content and services for all levels of education.

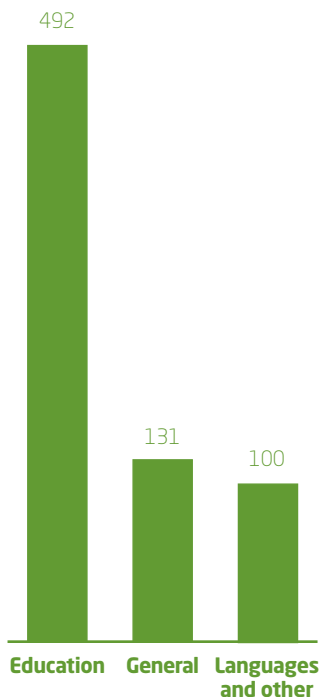
Operating income was 733.7 million euros (1.8 % more than in 2011), and EBITDA was 184.2 million (+8.2 %). This excellent result owes much to the significant growth experienced in Latin America, which reported a 5.4 % increase in revenue and 16.3 % in EBITDA. By country, the best results were from Mexico (+17.6 %), Ecuador (+23.3 %), Puerto Rico (+35.4 %), Dominican Republic (+43.3 %) and the U.S. (+41 %); as well as Argentina (+20.6 %), Central America (+27.3 %), Colombia (+3.4 %), Peru (+129.4 %), Bolivia (+16.1 %), Uruguay (+22.2 %) and Chile (+16,5 %), with a smaller contribution from Brazil due to its different education cycle.

Education. Integrated solutions for the entire education community

By business unit, Santillana Educación reported sales of 449.8 million euros (4.2 % less than 2011) and EBIT of 96.4 million euros (+ 3.2 %).

SANTILLANA is deeply committed to education, which we understand in a comprehensive and innovative fashion, that includes educational content and services aimed at the entire school community, based on technological innovation and bilingual education. The Sistema UNO, launched in 2011, perhaps best expresses this new way of addressing the educational challenges of the 21st century. During the 2012-2013 academic year, over 240,000 students from Mexico, Brazil and Colombia have studied using this innovative project, which has earned revenues of 42.5 million euros. Along the same lines, 2012 saw the launch of Santillana Compartir, a hybrid solution that integrates print texts, digital content and a training service for teachers, and

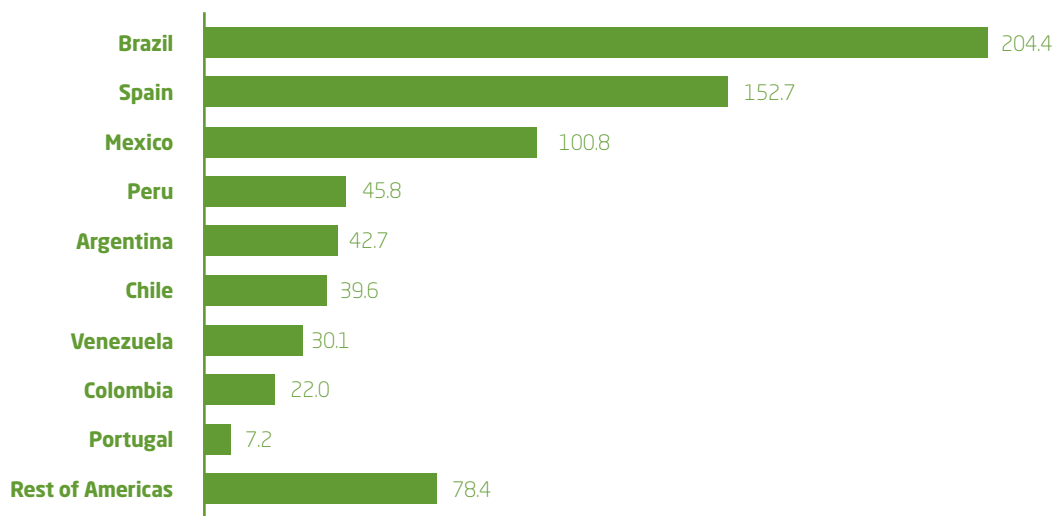
Revenue by business area
(millions of euros)

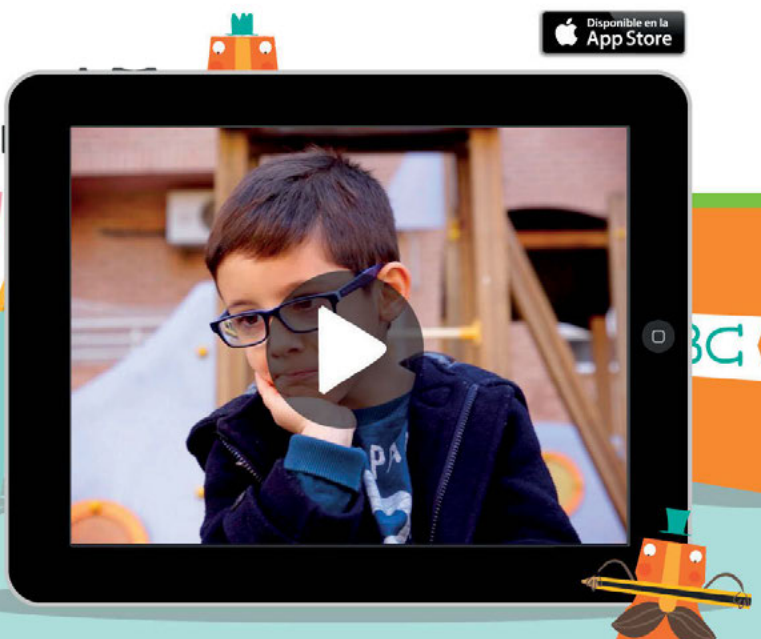


Annual book sales
(millions)



Book sales by geographic region
(millions of euros)





is designed to accompany schools as they make the inevitable transition to a greater use of technology. Both initiatives are supported by a technology platform that integrates a Learning Management System and a Student Information System that enable linkage between ICT and school management.

In the area of multi-device, cross-platform-format educational content and services, Santillana has developed new applications such as **Pupitre**, which harnesses the full potential of tablets to motivate and enhance learning among children aged 3-8. Over the Christmas period, **Pupitre** was one of the most downloaded and top-rated educational applications by parents and children alike. Another important release was **Tareas y más**, a study aid website aimed at students aged 10 to 18. With over 6,000 resources in subjects such as Language, Mathematics, Physics and Chemistry, the site offers students a repository of video tutorials, articles, maps, animation, etc., tailored to each educational level and there is also a service allowing students to consult a specialist teacher in each subject. Late in the year, Santillana also launched for the Spanish market **Edusfera**, a new online store for digital educational resources, which will gradually be rolled out in other countries.

Moderna, our educational publisher in Brazil since 2001, reported excellent results with sales of 178.2 million euros and EBITDA of 58.0 million euros. 13.7 %. It strengthened its lead in the private school sector, with a market share of 13.7 %. In the state school sector, its share is now 19.4 %, with sales of 25.8 million copies.

In the language-learning sector (the imprints **Richmond**, **Santillana Español** and **Santillana Français**), 2012 has been a good year, with revenue growth of 7.9 % and EBIT up by 20 % compared to 2011. Richmond launched, with great success, its **App Collection**, a pack of applications for iPad and iPhone designed to enhance English language learning, classified by level (from 3-12 years).

Regarding French language learning in Spain, Santillana Français leads the market at all levels of education from Primary (with a 40.2 % market share) to Secondary (40.9 %), to Bachillerato, where we have more than a 45.2 % share.

In addition to broad support from the private sector, confidence in the quality and professionalism of content and services provided by Santillana has also been widely demonstrated at the institutional level, thanks to public procurement in 2012 in all countries where the Company operates.

PRISA EDICIONES: A growing digital catalog and new multimedia formats

In 2012 PRISA EDICIONES, which groups together the general-interest imprints, published 3,554 titles and had revenues 131.1 million euros, and EBIT of 5.3 million euros.

The year was marked by a significant drop in domestic sales in Spain that has significantly affected book sales. According to official data, combined sales at the Madrid Book Fair decreased by 19 % and at the Sant Jordi Fair sales were down by 8 % compared to the previous year. Fortunately, the good results obtained in Latin America have offset this decline, thanks to geographical diversification and a catalog of authors of national and international renown.

In the area of digital publishing, sales growth compared with the previous year has been exponential, with a 950 % increase in the case of PRISA Ediciones. 2012 witnessed the consolidation of the digital catalog, which now offers almost 3,000 titles from Spain and Latin America, including *The Distant Hours* by Kate Morton, the works of Mario Vargas Llosa, José

Saramago, Joseph Stiglitz and Arturo Perez-Reverte, whose new novel *El tango de la guardia vieja* is among

the bestselling ebooks. All these titles enjoyed a simultaneous release with the print edition. The year also saw the launch of the newly minted label, **Alfaguara Digital**, offering more than 100 titles from the best of Hispano-American literature.

Multifunction devices are winning over fans of e-readers as readers increasingly demand enriched multimedia content. PRISA Ediciones has released several titles in the El País-Aguilar food collection, such as *Objetivo: Cupcake perfecto*, developed in formats that allow access to interactive content, full-color images, 3D, video and audio.

However, the emergence of digital publishing is threatened by two factors: the high levels of piracy and the high rate of sales tax (VAT of 21 % for digital versus 4 % for print). Spain is the European country where the ratio between legally downloaded books and the number of devices in circulation is lowest. In an effort to address these difficulties, PRISA Ediciones focuses on offering a wide and competitive catalog at attractive prices that discourage illegal downloads without jeopardizing the future of the business.

In terms of content, the publishing year was marked by the death of writer Carlos Fuentes.

Ever since publishing his first novel *Where the Air Is Clear*, readers and critics alike agreed they were witnessing a work that would have a lasting legacy on Mexican and world literature. The author of *The Years with Laura Diaz* and *The Death of Artemio Cruz* won the Cervantes Prize in 1987 and was renowned as a magnificent intellectual and political analyst. His last works were *Personas* and *Federico en su balcón*. The year also saw the deaths of Argentine writers Alicia Steimberg and Hector Tizon, whose career as a writer and activist inspired millions.

In 2012 one of the most iconic novels by Mario Vargas Llosa, *The Time of the Hero*, celebrated its fiftieth anniversary with a special, definitive edition from the Royal Spanish Academy (RAE). The author also won the first International Carlos Fuentes Award for fiction in Spanish.

In literary fiction and essay, **Alfaguara** offered a rich and varied catalog, which included José Saramago's *Claraboya*, *The Civilization of Spectacle* by Mario Vargas Llosa and Perez-Reverte's *El tango de la guardia vieja*. Leopoldo Brizuela won the Alfaguara Prize 2012 with *Una misma noche*, and Juan Gabriel Vasquez (Alfaguara Prize 2011) won the Roger Caillois prize for *El ruido de las cosas al caer*. Other highlights included Xavier Velasco's (Mexico) *La edad de la punzada*, *Erase una vez*



Arturo Pérez-Reverte and Cayetana Guillén Cuervo at the book launch for *El tango de la Guardia Vieja*

Colombia by Ricardo Silva (Colombia) and *Sobrevivientes* by Fernando Monacelli (Clarín Prize, Argentina),

Successful titles in Brazil included *Diálogos Impossíveis* by Luis Fernando Verissimo and Diane Keaton's memoirs, both published by **Objetiva**. Novels by Jose Luiz Passos and Ricardo Lísias, published by Alfaguara, were among the books of the year, according to the newspaper *O Globo*.

Within the essay genre, **Taurus** published three of most outstanding books of the year, as voted by readers and selected by influential world media: *Thinking the Twentieth Century* by Tony Judt (*El País's* book of the year), *The price of inequality* by Joseph Stiglitz, and *Intelligent Governance for the 21st Century*, by Nicolas Berggruen and Nathan Gardels (best political book of the year according to the *Financial Times*).

2012 also saw the launch of the *Great Ideas* collection, books which throughout history have changed the world and have inspired debate, discord, war or revolution. The series includes *The Social Contract* by Jean-Jacques Rousseau and *Days of Reading* by Marcel Proust, to name but two.

Suma de Letras began the year with a new hit from successful Australian author Kate Morton, *The Distant Hours*. And the publisher closed the year with the digital launch in Spain of the erotic novel *Naked* by Raine Miller,

the first book in a trilogy that is already a bestseller U.S.. In Argentina there was continued success for Florencia Bonelli and *El umbral del bosque* by Patricio Sturlese, and in the United States for Carlos Alberto Montaner's *Goodbye Again*.

The current affairs imprint **Aguilar** published *Una maestra en Katmandú* by Vicki Subirana, *En resumen... o casi* by Stéphane Hessel and *Mapa sentimental* by the psychologist Javier Urra. Top sellers in the U.S. included *Micky. Un tributo diferente* by Martha Figueroa and *La chica de Cartagena* by Dania Londoño, and in Mexico, *Renuncio* by Jorge Cardona.

Alfaguara Infantil y Juvenil, had a great year with activity books based on *Monster High* and *Angry Birds*, as well as books by Tonya Hurley and the Christmas sensation, *Wildwood Chronicles*.

.In the food niche, **El País-Aguilar** had a surprise hit with *Objetivo: Cupcake perfecto* by Alma Obregon, a multimedia book born on the Internet and that has become one of the bestselling titles both in print and at the Apple iBookstore.

Finally, **Punto de Lectura's** paperback collection included hits such as *El puente de los asesinos* by Arturo Pérez-Reverte and *Mi hermana vive sobre la repisa de la chimenea* by Anabel Pitcher.

Management team

- President: Ignacio Santillana del Barrio.
- CEO: Miguel Angel Cayuela.
- Chief Operating Officer: Federico Blanco Giner.
- Chief Digital and New Developments Officer: Miguel Barrero Majan.
- Global Managing Director for Education: Francisco Cuadrado Pérez.
- Global Managing Director for General-Interest Publishing: Armando Collazos.
- Global Managing Director for Language Learning: Christopher West.
- Director of Communication: Rosa Junquera Santiago.
- Director of Institutional Relations Mariano Jabonero Blanco.
- Director of Human Resources: Francisco Lorente Power.

PRISA Noticias

***El País*: The global newspaper in Spanish**

The newspaper *El País* was forced in 2012 to undertake a sharp reduction in expenses, which included a labor force adjustment plan.

Yet these measures, involving organizational and production changes, have not prevented the newspaper's print and digital editions from continuing to attract more new readers than any other Spanish paper.

2012 also saw the successful conclusion of the comprehensive multimedia integration of the newsroom, guided by the *digital first* policy (ie news goes on the Internet first). There was increased focus on the International section covering Latin America and an independent newsroom was set up in Mexico, which works in tandem with Madrid. Other initiatives included the new editorial sections on Culture and Sports and the digital version of the travel supplement, *El Viajero*.

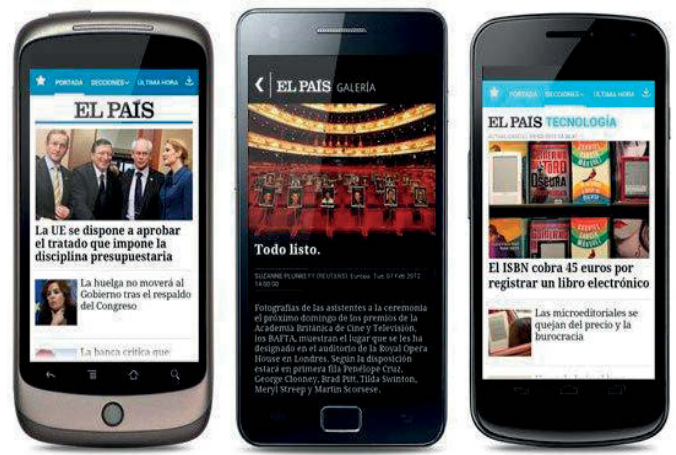
This multimedia integration would not have been possible without video, and we now offer live broadcasts of different events, be they institutional (eg. debates organized by *El País*) or spontaneous demonstrations in the streets (including the May 15 protests).

In 2012 *El País* remained the leading general-interest print newspaper with a circulation of more than 320,000 copies on average (OJD data). It was also the most international Spanish-language newspaper, with a circulation of around 40,000 copies in the United States, Mexico, Argentina, Chile, the Dominican Republic and Peru, as well as in several European countries. 38 % of the online audience for Elpaís.com comes from outside Spain.

El País enjoys a lead of more than 100,000 copies over its immediate competitor, *El Mundo*.

As for the number of readers, as measured by the *Estudio General de Medios* (EGM), the third and fourth quarter figures from 2012 gave the paper a total readership of 1,929,000 against *El Mundo's* 1,219,000.

In the digital world, Elpaís.com is the world's leading Spanish media outlet, according to comScore data from December. Elpaís.com was also market-share leader in



Spain (7.5 million per month, ie. 316,000 unique users ahead of *El Mundo*).

Users check out the site not merely via computers, but also via a range of platforms and new applications, with mobile device audiences now making up around 30 % of visitors.

Meanwhile, the Kiosko y Más platform, a partnership between PRISA and Vocento that brings together more than 300 titles from the major Spanish publishers, has become the top generator of revenue in the Apple Store and was awarded "Publishing Platform of the Year."

The presence of *El País* in social networks has also been very noticeable. The main Twitter account has 2.22 million followers, which is twice last year's figure. In all, the newspaper has 29 accounts. The Sports account boasts 350,000 followers, while politics has 68,000.

Among the specific digital media products, 2012 saw the launch of *El País Selección*, which brings together articles, reports, interviews and unpublished work, and is available for Amazon's Kindle.

El País also remained extremely active in 2012 within the branded debates and lecture series *El País Encuentros*. The year's highlights included the November 27 event at the Teatro Real in Madrid with the participation of the president of Brazil, Dilma Rousseff, entitled "Brazil on the path to growth"; the January 20 event covering business opportunities in Peru, which included a talk by that country's president, Ollanta Humala and the Spanish Minister of Economy, Luis de Guindos; and the event in Bogotá on April 18, "Investing in Colombia", with the participation of the president of that country, Juan Manuel Santos.



In addition, the newspaper, in partnership with ENDESA, continued to run the initiative *El País de los Estudiantes*, in which more than 373,000 students and 58,500 teachers took part.

El País also came out to meet the public at a number of cultural events held in Mexico (the Guadalajara International Book Fair), Madrid, Barcelona and other cities in Spain and worldwide.

El Huffington Post

On June 7, 2012, PRISA Noticias launched the portal *El Huffington Post*, in which PRISA and AOL-*The Huffington Post* each have a 50 % stake. This is the Spanish version of the popular U.S. news and opinion website created in 2005 by Arianna Huffington and Kenneth Lerer. The executive editor is the journalist Montserrat Domínguez. In December 2012 the site had 1,056,000 monthly users, according to data from comScore.

Diario As

The sports daily *As* closed the year with an average circulation of 180,016 copies and its readership reached 1,480,000 according to the third quarter EGM figures, representing an increase of 10,000 readers from the previous year. It's the top sports paper, both in total and newsstand sales, in the Madrid region and Barcelona, and in Toledo, Guadalajara, Cuenca, Ciudad Real, Segovia, Avila, Seville, Malaga, Huelva, Cáceres and Badajoz.

As.com finished the year with an average daily audience of 1.9 million unique browsers, a 15.8 % increase with respect to 2011. International audience growth

was 27.6 % over the same period, supported by the launch of new services and content such as *As Televisión* (which hosts the most interesting sports videos), *As Color* (which reproduces and updates the *As* archives), *Motormercado*, *Tikitakas* and new applications for following live matches, as well as *As Poker*, a new product offering users tips, tournaments and news.

The English-language version was also launched, and *As* became the sports section for the MSN portal.

Almost 20 % of As.com users come from outside Spain, chiefly Latin America.

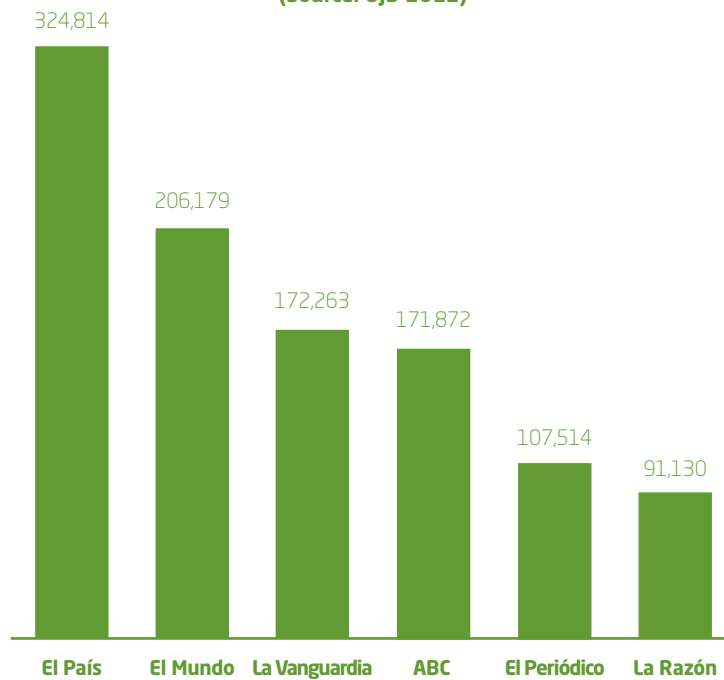
For the sixth consecutive year, *As* hosted its gala tribute to sport (December 10), with the awards ceremony for the *As Sports Awards*. The event was attended by big names from the Spanish world of sport and was held at the Palace Hotel in Madrid. It was broadcast on *As Televisión*. The big winners were Iker Casillas, the Vuelta a España cycling team, Mireia Belmonte, Falcao, Laura Gil, Teresa Perales, the Spanish Olympic Committee and Vicente del Bosque.

Cinco Días

Cinco Días, which in 2013 will celebrate its thirty-fifth anniversary, is Spain's most veteran business and finance daily. It's read by the most influential professionals from the worlds of business and finance, and offers the widest range of sectoral and regional supplements on the market, with a thorough analysis from the perspective of the business press. According to third quarter EGM figures, the paper closed 2012 with 58,000 daily readers.

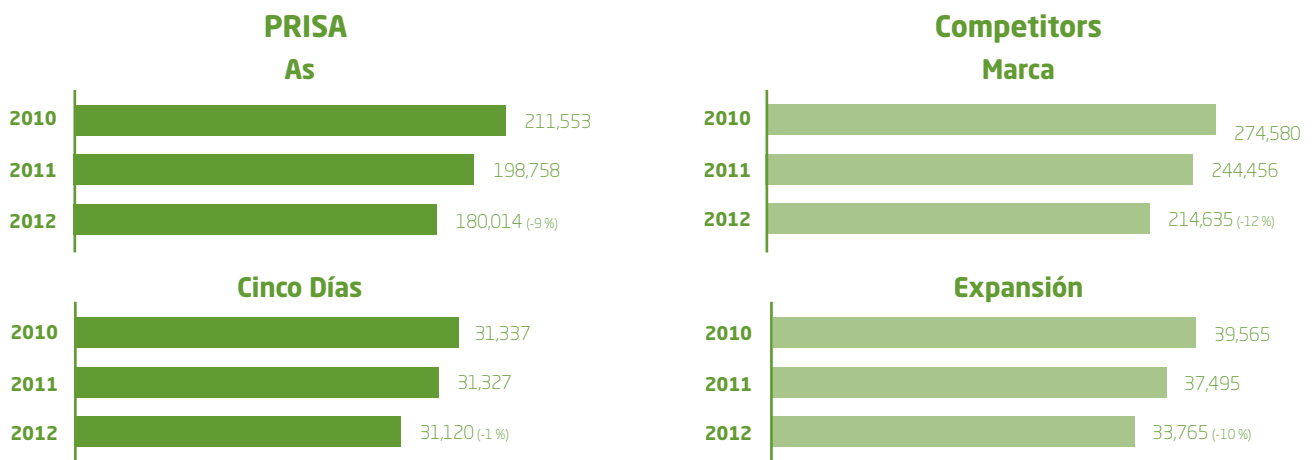
Circulation figures for leading Spanish general-interest printed newspapers

(Source: OJD 2012)



Circulation figures for leading Spanish specialist printed newspapers

(Source: OJD 2012)



Application downloads of PRISA newspapers (2011 - 2012)

		2012	2011	2012 vs 2011
El País	iPhone	882,400	622,108	141.84 %
	iPad	523,977	263,630	148.75 %
	Android	294,555	6,574	4,480.60 %
As	iPhone	518,949	357,453	145.17 %
	iPad	138,995	77,854	178.53 %
	Android	593,651	232,280	255.57 %
Cinco Días	iPhone	105,993	90,888	116.61 %
	iPad	86,568	70,324	123.09 %
	Android	12,851	3,825	335.97 %

The digital edition of the newspaper -CincoDías.com- has seen unique users and page views grow continually. According to Omniture, the site had more than 16 million unique users in 2012. The new sections "Emprendedores" (Entrepreneurs) and "Finanzas Personales" (Personal Finance) illustrate the strength of our commitment to provide quality and practical content. On July 5, 2012, the *Cinco Días* was upgraded with a more dynamic and social design, while content and tools to analyze the markets were revamped. Furthermore, *Cinco Días* is also available in other formats and platforms -such as Kiosko y Más- and its apps for mobiles and tablets set a new benchmark for innovation.

In 2012 *Cinco Días* maintained its commitment to the organization of events with a high public profile. The *Cinco Días Forum*, a space for debate which brings together leading business figures, this year welcomed Patxi López, Jose Antonio Monagas, Paulino Rivero, Miguel Sanz, Luis de Guindos and Ana Pastor.

The fifth annual *Cinco Días Awards for Business Innovation* were held on November 28, and are among the most prestigious events in the business calendar. The winners of this year's awards were Santander, Mutua Madrileña and Tecnalia.

PRISA Revistas

PRISA Revistas continued its expansion in 2012 with the development of specific products

for the iPad. On November 1 *Cinemanía* magazine launched its iPad edition with *The 200 Best Movies of All Time*, while *Rolling Stone* published *The Top 100*



Artists of All Time. The *Cinemanía* website became MSN's Film Channel in July 2012, and traffic doubled, according to Omniture between December 2011 and December 2012.

November saw the fourth edition of the *Rolling Stone Awards*, with winners including performers such as Manolo Garcia, Kiko Veneno and Vetusta Morla and the movie world's Paco León and Juan Antonio Bayona.

In October *Gentleman* magazine its 100th issue with a special edition of the magazine published together with a style guide entitled *The Style Secrets of the 21st-century Gentleman*, sponsored

by department store El Corte Inglés. Among the new projects developed by Area Factory are *Canal Tendencias* (a lifestyle website hosted by the Group's different sites: *Diario As*, *Cinco Días* and Cadena SER); and Cadena SER's mobile app for the Football League called *Guía Carrusel*. Finally, May saw the redesign of *Claves* magazine, which became bimonthly, offered readers more pages and changed to a new book format.

Management team

- Executive President of PRISA Noticias and CEO of El País: José Luis Sainz.
- Managing Director for Press and CEO of PRISA Revistas: Julio Alonso Peña.
- CFO and Resources Officer: Matilde Casado.
- Chief Digital Officer: Carlos Relloso.
- Editor-in-Chief, El PAIS: Javier Moreno.
- Editor-in-Chief, Cinco Días : Jorge Rivera.
- Editor-in-Chief, As: Alfredo Relaño.
- Director of Communication: Pedro Zuazua.

PRISA Radio

Global communication in Spanish

PRISA Radio is the world's largest Spanish-language radio group with 27.84 million listeners and more than 1,250 stations, either directly owned or associates, spread out over Spain, the US, Mexico, Colombia, Costa Rica, Panama, Argentina and Chile, and franchised in Guatemala, Ecuador and the Dominican Republic.

2012 has highlighted the robust economic health of Latin American countries and the PRISA Radio companies operating throughout the continent. The economic crisis that has hit Spain and the advertising market in this country, has not prevented PRISA Radio from consolidating its management model, designed to revitalize radio formats, usher in technological innovation and promote the production and presence of content across all digital platforms.

Over the course of the year, PRISA Radio has remained a benchmark for global radio in the Spanish speaking world. This model, with its global presence and the special attention paid to the local milieu, enables us to optimize synergies and generate increased value.

Over the year, PRISA Radio has worked on creating a uniform global news discourse based on the different realities that shape the production facilities that the Company operates in Spain and America. The pooling of PRISA Radio resources to cover events such as the U.S. elections,

Venezuela's political crisis, the Repsol crisis and the presidential elections in Mexico are but a few examples. This model, whereby a single team produce global coverage, was also used to cover the major sporting event of the year: the London Olympics, which was broadcast in eight countries. In music, the 40 Principales Awards crossed the Atlantic to Latin America, with the

the first edition held in December in Veracruz (Mexico). Interviews with Barack Obama and Bill Gates demonstrated the real potential of joint ventures between PRISA Radio stations in Spain and the Americas.

2012 also witnessed an acceleration of the process of digital transformation which first began in 2010.

All indicators place PRISA Radio as the benchmark for digital radio in Spain and in

Latin America: there are more than 8 million unique digital listeners and there has been an 84 % increase in the number of fans and followers on the social networks, reaching a total of 4.8 million. All this is reflected in the increase in advertising revenues which have gone way beyond expectations, up by 37 % over the previous year.

At the product level, the chief focus has been on the development of mobile apps for radio,

developing our brands in Spain and the Americas across the four main technologies (Apple, Microsoft, Google, Blackberry). PRISA Radio closed the year with 40 available apps, and the process will be completed in the first third of 2013. More than 125 million hours of online listening has been registered, with exponential growth in the the mobile sector relative to the websites, with each currently holding a 50 % share. Also very important was the focus on transversal music product development, as evidenced by the launch of the first legal song lyrics site, **Buluba.com**. Furthermore, the first strategic steps have been taken to launch a 360-degree music-streaming product next year (includes radio, limited interactivity channels and full interactivity channels) which draw on the competitive advantage of having our radio presenters to recommend it.

This, coupled with the ongoing work of upgrading our spoken-word and musical radio sites over the coming year, will enable PRISA Radio to remain at the forefront of digital development in the media sector.



PRISA Radio closes 2012 with 27.84 million listeners, 5.2 % more than last year

In Spain, PRISA Radio closed 2012 with 13,122,000 listeners. **Cadena SER** enjoyed its eighteenth consecutive year as market leader, with 4,914,000 listeners daily, Monday through Friday, according to EGM data. In addition, its programs were audience-share leaders in all time slots, and 24 hours a day, putting it way ahead of its competitors. **40 Principales**, with 3,844,000 listeners, has been the No. 1 entertainment brand in Spain for more than four decades and, thanks to its expansion, also tops the charts among young people in those Latin American countries where it operates.

Radio Caracol, with 2,049,000 listeners, remains the leading network in Colombia and one of the most prestigious in Latin America. It has thus become one of the pillars of PRISA Radio, both for its brilliant track record as well as its financial solvency. Caracol produces and distributes nine lines of programming in different formats of music and spoken-word radio, with 9,712,000 followers, plus a further two radio formats distributed exclusively online.

In Chile, PRISA Radio is the undisputed radio market leader with 2,094,000 listeners. Of the eleven forms distributed, seven are among the top-ten ranking for audiences. **Radio Corazon**, yet again, is the most popular radio station in the country.

In the Mexican market, PRISA Radio operates through **Radiópolis**, owned 50 % by Televisa, and to which

PRISA Radio brings its extensive experience in the radio business. Radiópolis, through its 117 stations and affiliates, distributes five lines of spoken-word and music programming, reaching 1,272,288 fans daily.

In Argentina, PRISA Radio reached 1,155,600 listeners in October-December 2012. **Radio Continental** continues to go from strength to strength on the Argentinian radio scene.

In the U.S., PRISA Radio operates two radio stations that broadcast in Spanish, one for the Los Angeles and southern California region, an area which encompasses more than 30 % of the U.S. Hispanic population, and another broadcasting in Miami, where we are No. 1 in the Hispanic spoken-word radio sector, with 282,300 listeners. In addition, PRISA Radio operates **GLR Networks**, a producer and distributor of programs and advertising space among more than 100 affiliated stations.

In Costa Rica, where PRISA Radio operates three radio formats through a company co-owned 50 % by the group and *La Nación*, October 2011 saw the launch of ADN, a new spoken-word radio format that includes news, sports, music and magazine programs. It has a daily audience of 198,510 listeners.

Music

2012 has witnessed the implementation of a number of projects that have resulted in new programs, new events and new products.

Music radio has maintained its lead in Spain and Latin America, both through the **40 Principales** global brand, as well as through local brands in each country. There were notable schedule and programming changes in Spain, with new, revamped morning shows on 40 Principales and on

Cadena Dial. Additionally, the year saw the launch of *YU: No te pierdas nada* (YU: Never miss a beat), a new concept in multi-platform programming presented by Dani Mateo, which is broadcast live online at 40.com, and rebroadcast on 40 Principales at night.

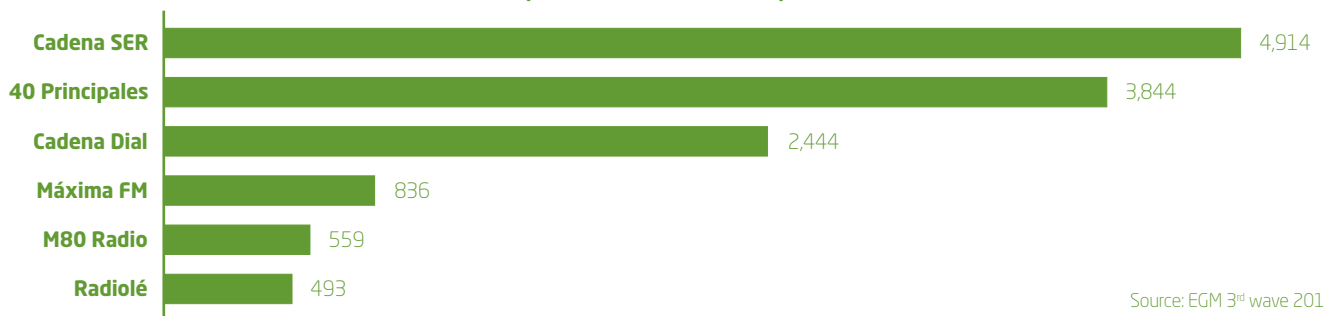
As part of our franchise expansion project in Latin America, PRISA Radio arrived in the Dominican Republic in December, with the addition of the 40 Principales in



PRISA Radio audience by country (in thousands of listeners)

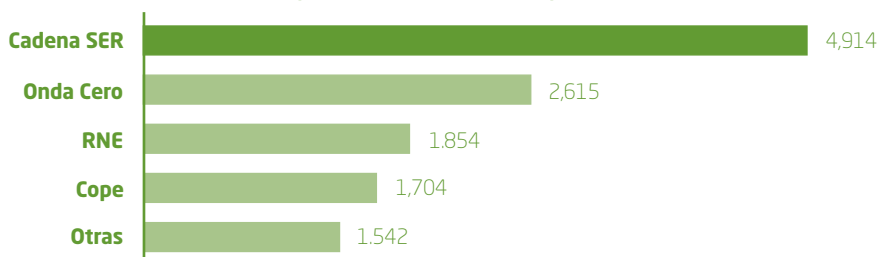
	Accumulated audience	Market ranking	Source
Spain	13,090	1	EGM 3 rd wave 2012
LatAm	14,655		
Colombia	9,712	1	ECAR 2012
Chile	2,094	1	IPSOS 2012 Chile
México	1,236	3	INRA Nov 2012 Mexico DF
Argentina	1,164	4	IBOPE 2012
USA	250	5	Arbitron, 2012
Costa Rica	199	5	EGM 2012
Portugal	1,793	1	Marktest 2012
TOTAL PRISA Radio	29,538		

PRISA Radio audience in Spain (in thousands of listeners)



General-interest radio in Spain

Audience for general-interest radio in Spain (in thousands of listeners)



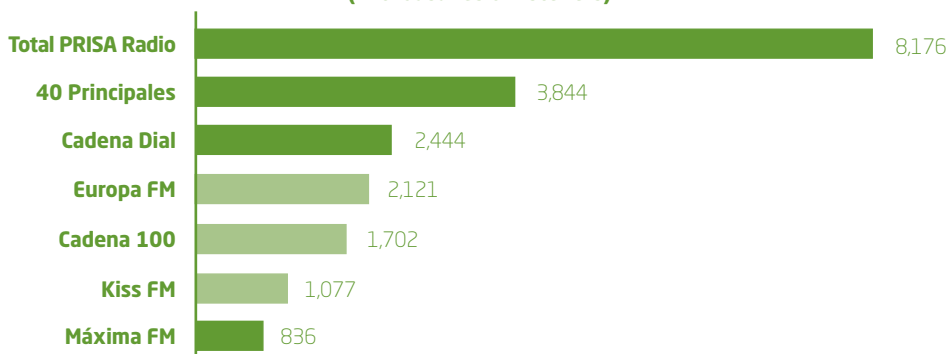
Audience-share ranking for general-interest radio in Spain

Cadena SER	38.9 %
Onda Cero	20.7 %
RNE	14.7 %
Cope	12.2 %
Otras	8.5 %

Source: EGM 3rd wave 2012

Music radio in Spain

Audience for music radio in Spain (in thousands of listeners)



Audience-share ranking for music radio in Spain

40 Principales	1
Cadena Dial	2
Europa FM	3
Cadena 100	4
Kiss FM	5

Source: EGM 3rd wave 2011

Santo Domingo. *World Dance Music* celebrated its 4th anniversary in all 40 Principales stations in the network in Latin America and has been added to the GLR Networks product portfolio in the U.S. It also kicked off a weekly program on 40 TV in Spain. 2012 was also a year of a number of big events for our radio brands, such as the Cadena Dial Awards, *Lo mejor de aquí y de allí* (The best of here and there), the 40 Principales and *Ke Buena* events in Mexico and the 40 Principales in Colombia. To close the year, PRISA Radio launched the first **40 Principales Awards America (Premios 40 América)**, hosted in Veracruz (Mexico) and broadcast by 40.com and Ritmoson Latino throughout the entire region.

Digital music media have continued to grow as these products / services offer the greatest future growth opportunities. Thus in October we launched **Mymajorcompany.es**, an online crowdfunding platform, whereby PRISA Radio makes good on its commitment to participatory funding and project launches for up and coming artists.

Artistically, 2012 was yet another year of success for the artists represented by our management company **RLM**, with new albums, tours and successful TV programs: Alejandro Sanz, Miguel Bosé, Raphael, Malu and Francisca Valenzuela. Alejandro Sanz released *La música no se toca* (Universal Music Spain), the best selling album in 2012 by a Spanish-language artist, Miguel

Bosé was back with his album *Papitwo* and the first leg of his tour of Spain and Mexico sold out. He is also the coach on *La Voz México*; Raphael performed 95 concerts around the world and recorded once again with Manuel Alejandro. It was a great year for Malu, coach on *La Voz España*, who released *DUAL*, an album of sensational duets that topped the charts and sold out concerts. The year also saw the rise of Francisca Valenzuela, who released *Buen Soldado* in Spain and toured Spain, the USA, Australia, Latin America and some of the world's most important festivals. To cap it all, she was chosen as one of the 100 most influential women in Chile.

2012 was also a year of big events for our tours and concert promoter, **Planet Events**, despite difficulties in the sector stemming from the change in taxation (a VAT hike on tickets to shows from 8 % to 21 %). The Company regularly scheduled top events such as tours by Enrique Iglesias, Pitbull, Laura Pausini, Luis Fonsi and Juanes' *Unplugged* tour. The year also saw major festivals with top international artists such as Regina Spektor, Charlotte Gainsbourg, Emir Kusturica, etc. Planet Events also oversaw the production of the Cadena DIAL Awards, the Ondas Awards, the 40 Principales Primavera Pop festival and the As Sports Awards. Planet Events also maintains a close relationship with brands and special projects, such as Windows (Leiva vs Ivan Ferreiro), NYC (Estopa Tour) and with the Tourist Board in Colombia and Avianca for the Juanes tour.



First Edition of the Premios 40 América Awards in Veracruz (Mexico)

PRISA Radio's New Business Division continued working on venturing into new sectors by promoting and extending the 40 Principales brand as well as other PRISA Radio brands in Spain, such as **40 El Musical**, a hit musical based on popular Top 40 hits from throughout the radio network's history. Since its premiere in 2009, the show has been enjoyed by one million spectators. After two seasons in Madrid, one in Barcelona and a tour of Spain, the musical extravaganza returns to Madrid in 2013 with brand new numbers and choreography.

40 Café, a multidisciplinary leisure space opened in 2011 on Madrid's Gran Vía, is home to a restaurant, bar area, shop, and live radio studio which plays host to top Spanish and international artists and exclusive concerts. Patrons can also listen to live broadcasts from 40 Principales.

PRISA Radio has launched a travel portal for each of the stations in PRISA Radio's Spanish network, with Nautalia Viajes as a partner. The offer is perfectly segmented to meet the travel and leisure needs of each profile of listener. PRISA Radio has launched two websites: **Los40viajes.com**, the 40 Principales travel and leisure site, and **Cadenaserviajes.com**, a travel retailer where users also find engaging editorial content on destinations written by top travel journalists.



In addition, the 40 Principales brand has also made forays into other areas of business, such as the **Tarjeta 40 Principales** Card, Spain's leading affinity card with more than 600,000 active clients, and **Arte40**, a talent-spotting program and competition for young, up-and-coming artists, that started in Mexico and which in its first Spanish edition in 2012 saw the participation of more than 5,400 artists.

Management team

- PRISA Radio President: Augusto Delkader
- PRISA Radio and SER CEO: José Luis Sainz.
- PRISA Radio Chief Financial and Resources Officer: Pedro Antón
- PRISA Radio International Managing Director: Andrés Cardó.
- PRISA Radio Managing Director of music radio: Sandra Rotondo.
- PRISA Radio Chief Digital Officer: Ignacio Azcoitia
- PRISA Radio Managing Director Spain: Alejandro Nieto.
- PRISA Radio Managing Director for South America and Colombia: Ricardo Alarcón.
- PRISA Radio Managing Director for Argentina: Nicolás Yocca.
- PRISA Radio Managing Director for Chile: Ricardo Berdicheski.
- PRISA Radio Managing Director for USA: Daniel Anido.
- PRISA Radio Managing Director for Mexico: Juan Ignacio Reglero.
- PRISA Radio Managing Director for Panama and Costa Rica: Jimena Quintero.
- PRISA Radio Managing Director of Comunicación: Susana Sánchez Riu.

PRISA TV

PRISA TV, PRISA's audiovisual holding, closed the year as market leader in both Spain and Portugal, the latter through Media Capital.

In Spain, Canal+ is the leading multi-channel player in the audiovisual market with more than 1.8 million households subscribing to its satellite platform. Canal+'s multi-distribution strategy of premium content this year led to important agreements with other operators, which has led to an increase in audience, and enabled the Company to open up new revenue streams. YOMVI, Canal+'s venture into the connected world, is now a year old. That's twelve months of quality service, highly rated by users, and is testament to our commitment to new ways of watching television. YOMVI has taken full advantage of the latest technology to bring premium content to new Canal+ devices.

2012 also saw a new agreement for the TV broadcast rights of the BBVA Football League (Liga BBVA), whereby Canal+ enjoys the exclusive rights for pay television football broadcasts for the next three seasons. This has enabled PRISA TV to offer viewers its best football package ever.

In addition, this year the Company also made available to its customers a new generation of iPlus decoders, which have been developed in collaboration with CISCO, world leader in network and infrastructure solutions for Internet, that will enable users of Canal+ to further optimize their interaction with audiovisual content. The iPlus decoder, which lets users enjoy high definition TV and easily record all programming, is used by over 30 % of the Canal+ subscriber base. Users have declared a very high satisfaction rate (more than 96 % would recommend it).

Media Capital -PRISA TV's company in Portugal- has made a commitment to the optimization of production systems, improved cost efficiency, channel diversification and to making further progress in the digital transformation of all business units (television, production and radio). While the Portuguese market is witnessing a sharp decline in ad spending, caused by the economic crisis, Media Capital, thanks to a major effort to reduce



costs and to seek new revenue growth, closed the year 2012 with an increase in EBITDA.

TVI, despite the increased competition from Pay TV platforms and increasing competition in soap opera and drama content genre, has once again positioned itself as the undisputed leader of commercial television in Portugal. For the first time ever MCR, through *Radio Comercial*, is the undisputed leader in the radio sector. Plural, both in Spain and in Portugal, has continued to improve production efficiency, cost restructuring and diversification of customer base, with a new focus on increasing international activity for its technical and stage design companies (EMAV and EPC).

During the year, TVI Internacional expanded its distribution to reach Portuguese citizens living in foreign countries and has launched **TVI Ficção**, a new channel broadcasting sitcoms, soap operas and TV series for the Pay-TV market in Portugal. The new channel brings together the best productions from TVI with new interactive solutions from the MEO platform (Telecom Portugal).

Television in Spain

Canal+. Number of subscribers

Dec 2012	
Subscribers Canal+ satellite	1,719,811
Subscribers Canal+ DTT	13,833
Subscribers Canal+ other platforms	106,786

	Suscribers	% Penetration	Growth vs 2011
IPLUS	587,331	34.2 %	+16.7 %
MULTIPLUS	244,851	14.2 %	+2.5 %

Canal+. Average revenue per subscriber per month

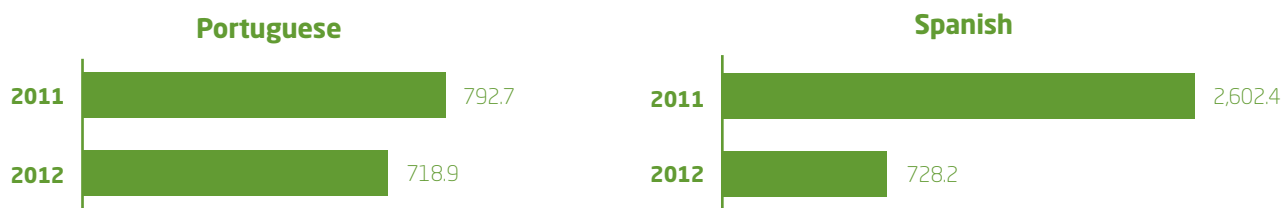
Euros	
Annual ARPU satellite	42.6

Canal+: cancellation rate

	Dec 2012	Dec 2011
CHURN at year end, satellite (%)	15.4	13.6

Fuente: elaboración interna

Audiovisual production PLURAL Entertainment (Hours produced)



NOTE: In 2011 there were 2,000 hours related to chip that are not covered in 2012

Television in Portugal (january to december)

	24 hours	Prime Time
TVI	38 %	40.5 %
SIC	33.9 %	36.1 %
RTP 1	22.9 %	18.9 %
RTP 2	5.3 %	4.6 %

Meanwhile, the production company Plural Entertainment, which ended the year with more than 1,500 hours produced, continues working on the development and creation of new formats, both soap opera/sitcom and general entertainment. To promote expansion, the Company has signed a strategic alliance with the prestigious production company POWWOW (Miami) to collaborate on improved exploitation and distribution of formats in Spanish-speaking markets.

In the area of social responsibility, PRISA TV has increased its activity, has launched a range of initiatives and activities to help the disadvantaged, has promoted and fostered participation among employees and has been particularly sensitive to the production and broadcast of documentaries, reports and campaigns of a social nature across its different television channels.

In 2012 PRISA TV's revenues amounted to 1.080 million euros and EBITDA was 191.3 million. Of the total of 1,834,495 subscribers, 1,719,811 correspond to Canal+ and 114,684 to other platforms. *Canal+ Liga* had 734.365 subscribers. ARPU was at 42.6 euros on average.

Canal+ offers its best football package ever

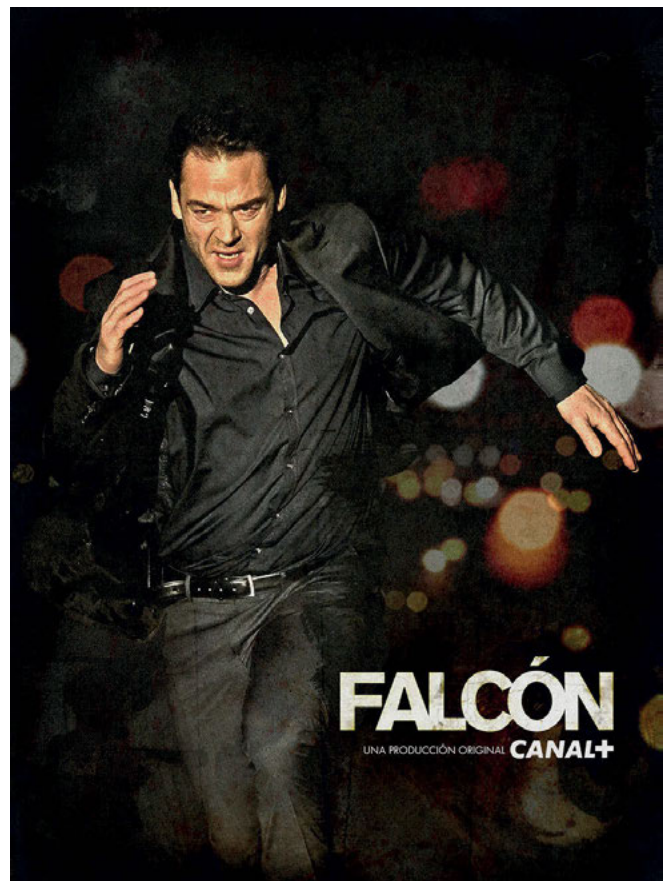
In 2012, Canal+ has renewed and strengthened the commitment to football fans that it has maintained for over 20 years. Following the agreement with Mediapro, signed last August, Canal+ has significantly added to its football programming. Now, as well as the entire Champions League and the best international football leagues, Canal+ has the exclusive rights for the Liga BBVA for Pay TV during the 2012-13, 2013-14 and 2014-15 seasons.

This is the best football package on offer in the history of Canal+. Starting this season, Canal+ holds exclusive broadcast rights for the Liga's best match of the day, significantly increases the coverage of Real Madrid and FC Barcelona matches, and also offers the remaining league matches on Pay TV on Canal+ Liga, which substantially increases its offer (from 3 to 8 matches per day, one of which is always Madrid or Barcelona). In addition, Canal+ holds the exclusive distribution rights for the Liga in all public places and all the digital rights for the Liga and the King's Cup (Copa del Rey).

From 2012, Canal+ has been more than ever the home of football. All the premier league Liga BBVA games, the King's Cup (the top match from each day), the best games from the second division *Liga Adelante* every Sunday on Canal+1, the full Champions League, and top international leagues (Premier League, Calcio, Bundesliga, Eredivisie, Apertura and Clausura Argentina, Brazil, etc.) are just some of the highlights for the 2012-13 season. Everything, as always, with the Canal+ quality guarantee, in HD thanks to the next generation iPlus decoder, and commentary from big names in sports: Carlos Martínez, Michael Robinson, Nacho Aranda, Julio Maldonado, Noemí de Miguel, Santi Cañizares, Kiko, etc.

The year of *Falcon*, *The Newsroom*, *Girls*, *Frozen Planet*, *The Intouchables*, etc.

Canal+ brought viewers the biggest and the most awarded international film productions in 2012, including *The Artist*, *Hugo*, *Harry Potter and the Deathly Hallows Part 2*, *The Avengers*, *Toy Story 3*, *Midnight in Paris*, *The Tree of Life*, *Tinker, Tailor, Soldier, Spy*, *Carnage* and the surprise hit *The Intouchables*. As for Spanish cinema, Canal+ has maintained its support for



Spanish productions and released films including *La piel que habito*, *No habrá paz para los malvados*, *Eva*, *Chico y Rita*, *Mientras duermes*, *Torrente 4* and *Blackthorn (Sin destino)*.

With regards to TV series, HBO continued to supply Canal+ with high-quality titles such as *Game of Thrones* (the second season), Aaron Sorkin's *The Newsroom* and Golden Globes winners *Girls* and *Game Change*. In addition, Canal+ viewers remained hooked on *Boardwalk Empire* (season three), *Mad Men* (season five) and *Boss* (seasons one and two). There were also original productions from Canal+, with the widely anticipated *Falcon*, which follows on from the success of *Crematorio* and *¿Qué fue de Jorge Sanz?*. *Falcon* is an international co-production which sees Canal+ teaming up with the German ZDF and Sky Atlantic HD. The series, set in Seville, follows the investigations of inspector Javier Falcon, a complex, ambiguous and dark character, at home in a dark and brutal Seville. *Falcon* is a four-part series based on the books *The Blind Man of Seville* and *The Silent and the Damned* by British writer Robert Wilson. There was plenty more on offer on Canal+. In sports, the NBA, exclusive Wimbledon coverage, tennis Masters 1000 in HD, the best of world golf, plus a memorable Ryder Cup in Medina, the Six Nations Rugby and the Super Bowl, to name but a few.

In the documentary genre, Canal+ broadcast *Steve Jobs: The Lost Interview*, *America in Primetime* -which reviews some of the most compelling shows on television today- further episodes from #canalplusestademoda and BBC's extraordinary production *Frozen Planet*.

All this plus interviews on *Iñaki* and the absurd humor of *Ilustres ignorantes*. *Informe Robinson* consolidated its following and its reputation for quality sports journalism in its fifth season. Also successful were the weekly magazine-format show *Tentaciones* and the new *Reportajes Canal+* with Jon Sistiaga, which won the 2012 Ondas Award in the category of "best special news coverage".

More content, more services, more High Definition

Canal+'s multichannel platform has continued to incorporate new content from different genres and remains

committed to high definition, in order bring our subscribers the most complete and varied programming on the market.

Since 2012, Canal+ viewers have been able to enjoy a new channel dedicated to the Champions League (Canal+ Liga de Campeones) that serves up all the matches from the league, live and simultaneously thanks to our Multiscreen service. There are two new channels covering the world of motor sport (El Garage TV and Motors TV), a channel devoted entirely to fashion (Fashion TV) and four new HD versions of channels that provide greater detail, maximum sharpness and better sound (Canal+ Golf HD, Canal+ 2 HD, FOX CRIME HD, and TAQUILLA2 HD).

Canal+ customers rate highly our commitment to high definition, allowing them as it does, to enjoy all the action on a large screen without losing picture quality. All this is made possible through the iPlus terminal, the advanced decoder used by more than 30 % of the customer base.

Services that provide added value to content are also being expanded. Thus, for example, Canal+ has started to add English subtitles to their series, allowing the viewer to follow them in their original version with subtitles. Meanwhile, FOX has created a specific Original Version slot allowing us to broadcast series closer in time to their premieres in the United States.

YOMVI: Canal+ content wherever and whenever the user wants

2012 was a year of consolidation for YOMVI, Canal+'s solution for the online environment, which offers live TV and video on demand (VOD). The brand was created last year in order to bring premium Canal+ programming to the connected world. It will continue to grow and adapt to current and future demand as part of the digital transformation strategy to which PRISA TV is firmly committed.

Canal+'s YOMVI, which brought subscribers a new way of enjoying television, has grown to reach any audience even if they are not a client of the platform. A new, very competitive package enables any user to access the contents of Canal+ in one of two ways:

"Film and TV", a subscription package that allows users to enjoy Canal+ 2 programming live as well as a back catalog (VOD) with over 2,000 titles of the very best movies, series and documentaries; and the option "Liga" package which hosts all the best of football from Canal+ Liga and Canal+ Liga de Campeones. In addition, with the Box Office option, online customers can choose to pay only for what they watch. YOMVI has thus become an online video club available to everyone to enjoy content from Canal+ wherever and whenever they want.

Forging ahead with its goal of reaching as many platforms as possible, YOMVI has continued to expand its presence to new devices and is now available for MAC and iPad, where it's been a huge hit with users, spending weeks as the most downloaded free app at the Apple iPad Store.

In addition, our partnerships with leading brands and companies in their sectors have continued to play an important role in the development of new projects at PRISA TV. These include an agreement with Cinesa, Spain's leading film exhibitor, to offer YOMVI customers exclusive on demand film and TV, plus numerous deals and advantages. Another agreement with LG, one of the leading companies in consumer electronics, adds YOMVI to LG's Smart TV and other audio and video devices that incorporate the functionality of Smart TV.

YOMVI has rapidly established itself as a digital entertainment brand and continues to evolve to bring the best possible service to subscribers of the platform, as well as to all those new online customers eager to enjoy Canal+ content.

Media Capital

Media Capital group was the Portuguese TV market leader through its commercial television channel TVI for the eighth consecutive year. Far ahead of its competitors, TVI was audience-share leader across all time all slots and ended the year with an audience share of 26.7 % during the day and 30.1 % in prime time.

In 2012, Media Capital reported revenue of EUR **184.3** million, with net profit (11.9 million euros)



ten times higher than in 2011. Despite a fall in advertising, EBITDA was higher than last year, at 41.2 million euros.

TVI maintains its lead for the eighth year running and expands distribution

TVI closed 2012 as the undisputed market leader once again despite Free To Air competition, especially in the soap opera genre. TVI offers a schedule of broad and varied programming in a wide variety of genres, with a special focus on dramas and soap operas, entertainment, sports and news. The channel has continued its strategy of bringing soap operas to prime time, with the broadcast of highly successful series such as *Remédio Santo* (nominated for an Emmy in the Soap Opera category), *Louco Amor*, *Doce Tentação* and *Doida por Ti*.



The major entertainment formats reported record audiences in prime time. From January to July, *A Tua Cara Não Em é Estranha* scored an average audience share of 51.1 %, 50.5 % and 46.4 % for its three seasons, and the reality show *Secret Story - Casa dos Segredos II* has topped the ratings since first broadcasting, closing the year with an audience share of 49.7 % for the December 31 Gala.

Monday to Friday, *Você na TV* (mornings) and *A Tarde é Sua* (afternoons) were also audience-share leaders in their slots. At weekends, *Somos Portugal*, broadcast live from around the country to promote regional cultures, with the aim of spreading local cultures and national music, scored an average audience share of 30.5 % for its 30 broadcasts in 2012.

In sports, TVI and *TVI 24* broadcast the Champions League, *La Liga*, *La Copa de Liga* and *the Eurocopa* in free-to-view format.

As for news, *Jornal da Uma* and *Jornal das 8* topped the ratings in their slots, with shares, respectively, of 28.5 % (577,000 viewers) and 27.1 % (981,000 viewers). On Mondays, *TVI Reporter* (investigative reports) reached an average audience of over 1,000,000 viewers.

TVI 24

The 24-hour news channel from the Media Capital group, TVI 24, recorded its best ever year, with an average of average share of 1.4 % (of all channels). Its growth is more evident when compared with the other two news channels in Portuguese. Broadcast to all distribution platforms in Portugal, TVI 24 unveiled new schedules in the third quarter of 2012, with new programs on the Champions League, the debut of political satire program *Governo Sombra* and a renewed commitment to *Olhos no Olhos*, *Maisfutebol* and *Prolongamento*.

TVI24's website and apps have also registered significant growth with record-breaking audiences and downloads.

TVI Internacional expands its presence

TVI Internacional strengthened its presence in Europe, a market in which the Portuguese-speaking community has a significant presence. From October 1, TVI Internacional is present on Eltrona, the new content-distribution platform in Luxembourg.

Since its launch in 2010, TVI Internacional has achieved a total coverage of 375 000 households.

TVI Ficção, the new channel for TV series

In October, Media Capital launched TVI Ficção, a new channel broadcasting sitcoms, soap operas and TV series for the Pay-TV market in Portugal. It's a joint venture between Portugal Telecom and TVI and is available exclusively through the MEO platform. TVI ficção delivers the best productions from TVI alongside new interactive solutions from the MEO platform, designed specifically to increase audience interaction

and satisfaction by offering them exclusive access to MEO services. Thus, TVI ficção, provides access to services such as advance purchase of soap opera episodes, offers alternative endings, exclusive interviews, actor biographies, talk shows, backstage videos, cooking with well-known Portuguese actors and music stars, and offers series that are part of the history of the soap opera in Portugal and hit TV movies and series. In its first months on air, TVI Ficção was the channel with the highest number of viewers to have been launched in 2012.

Activity in Portugal

In 2012, Plural has strengthened its lead, consolidating its position as a leading producer in the soap opera genre in Portugal, with over 800 hours of content produced. The Company's productions set the standard at both a national and international level. The award for Best Production Company in Portugal (from the professional journal M & P) and the International Emmy nomination are testament to the quality and competitiveness of the Company's output. Furthermore, Plural has achieved great success with new audiovisual products such as "Filmes RTP" and *Morangos com Açúcar - o Filme* (one of the three most-viewed Portuguese films of the last ten years and already the top selling DVD and VOD).

Meanwhile, EMAV (Plural's technical company) and EPC (stage and set design) have had a strong year with robust performance in European markets.

Activity in Spain

In Spain, Plural has produced programs for a variety of genres including entertainment, soap operas, news, sports, reality shows and documentaries. There was a total of over 700 hours of production, including programs such as *Hermano Mayor*, *Hijos de Papá*, *Más allá de la Vida*, *La Nube* and *Deportes Cuatro*.

Plural clients include major Spanish and Portuguese TV networks and the Company's projects have a well-deserved reputation for the originality of their scripts, cutting-edge image processing and high production values. The Company's programs are audience leaders among a range of different targets and in different time slots.

Other businesses

much of the success that Media Capital enjoyed this year was due to the exceptional contribution of radio businesses and events.

Media Capital Radios was audience leader for the first time ever in Portugal, via Radio Comercial, which recorded a record audience share of 15.4 %. The other Group radio stations also ended 2012 with a sharp rise in audience figures, particularly m80, with about 4.3 %, making it the leading radio broadcaster among stations without national distribution.

In the Digital sector, all sites owned by *Grupo Media Capital* have this year seen a 10 % increase in visits and

Management team

- President of PRISA TV: Manuel Polanco.
- CEO of PRISA TV: Pedro Garcia Guillen.
- Chief Financial Officer, PRISA TV: Juan Herrero Abelló.
- Director of Communications, PRISA TV: Purification Gonzalez.
- CEO of Canal+: Manuel Mirat.
- Managing Director of Contents and Rights Acquisitions, Canal+: Alex Martinez Roig.
- CEO of MEDIA CAPITAL: Rosa Cullell.



22 % rise in page views. In addition, during 2012, *Media Capital Digital*

developed various applications aimed at improving the content of the TVI site, focussed on strategic developments and signed important agreements for the exploitation of video content with partners such as Microsoft (MSN) and the newspaper *El Público*.

With regards to music and entertainment, the highlights included the December release of the new Tony Carreira CD, which went triple platinum in 18 days, the festival "Meo Spot Summer Sessions" - the largest summer event in the Algarve - The National Surf Championship, and a sell-out show by musician and singer José Cid in Lisbon. In 2012, Farol -Media Capital's record publishing label- won four platinum and six gold discs. Farol is market leader in Portuguese music and music compilations.