



Q1 2012 Results

May 14th, 2012

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 9M 2011 earnings press release filed with the Securities and Exchange Commission and posted on prisa.com.

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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”.

1. **Education, Pay TV & Latin America continue as main sources of growth**
 - a) **Education** EBITDA +11%, with campaigns strong accross the board
 - b) **PayTV** EBITDA up +12% with growth in subscribers and ARPU and lower churn
 - c) **Latin America** EBITDA up +9% now represents over 88% of total EBITDA
2. **Advertising in Spain & Portugal under pressure, but only account for 15.7% of revenues**
3. **Increasing Latin America contribution reaching close to 33% of revenues**
4. **Strong focus on cost control and efficiency** (recurring opex down 5.2%)
5. **Operating cash flow** reached 44 million Euros, which contributed to the **reduction of the Group's net debt** of 72 million Euros.

Underlying Group Performance

Revenues

(Millions of €)

5.7%

691

652

1Q 2011

1Q 2012

EBITDA

(Millions of €)

8.0%

117

108

1Q 2011

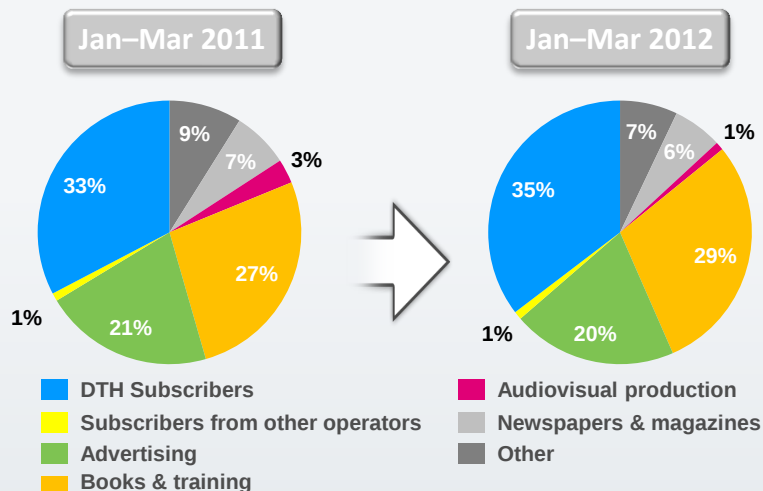
1Q 2012

- **Pay TV EBITDA of €26.37M (+12.0%)**
 - Total net adds +39,821 in 1Q2012, from both DTH and other operators
 - ARPU up and Churn down
- **Education EBITDA €70,66M (+11.0%)**
 - Strong performance of Spain with Revenues +21.4%
 - Latin America EBITDA +8.3%
- **Digital advertising Revenues €7.3M (+12.7%)**
 - **Digital press advertising revenues** (+20.1%) represent 16.6% of total press advertising revenues (vs 11.5% 1Q 2011)
 - **Unique browsers** to Prisa websites up 7.6%
- **SER remains absolute market leader, International Radio revenues up by +14.0%**

Diversification compensates for weak macro environment

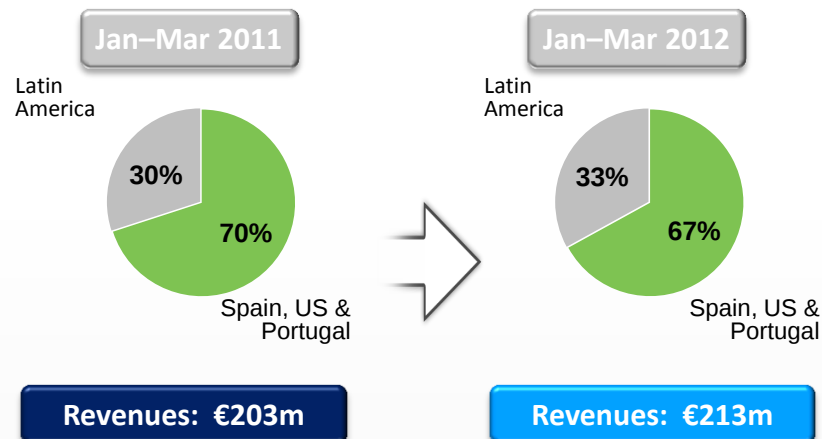


Exposure to non cyclical businesses



- **Subscribers** already account for 36% of total revenues, most of which from DTH.
- **Advertising** accounts for just 20% of total revenues, of which 20% is LatAm.
- **Education** showing a strong contribution, with a strong performance across the board

High exposure to strong growing LatAm

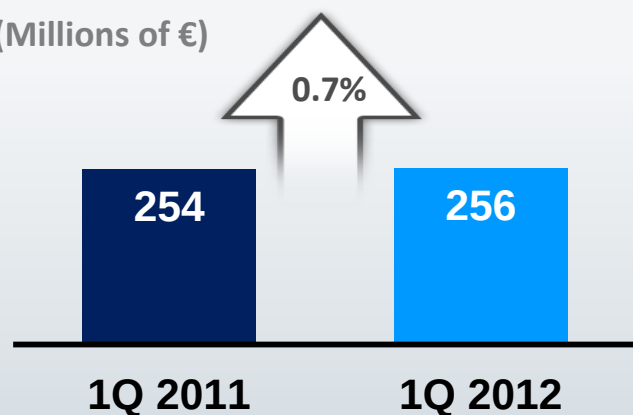


- **Latin America strong results:** Revenues +4.9% (Education +3.0% given Brazil cyclicity, Radio revenues up 15%), EBITDA up 9.7%
- **Latin America share of total revenues up to 33%** from 30% in 1Q 2011
- **Latin America share of total EBITDA up to 87.3%** from 73.2% in 2010

Pay TV: Strategic Shifts Accelerating Profitability

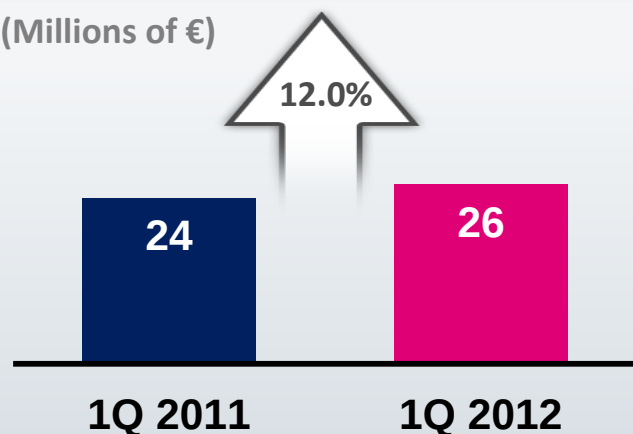
Revenues

(Millions of €)



EBITDA

(Millions of €)

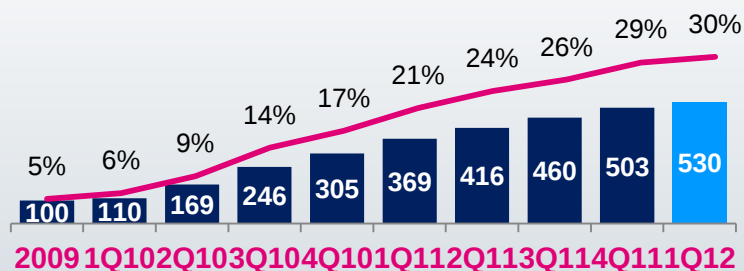


- Canal+ revenues up 0.7%, with strong improvement in all Key Performance Indicators:
 - Net DTH subscribers up by +15,051 (vs +13,049 in 1Q 2011)
 - Positive impact of **wholesale** agreements and OTT leading to net adds of 24,770 (vs +15,370 in 1Q 2011)
 - DTH ARPU up to €42.4 from €41.5 in 4Q 2011 (vs an average of €41.1 in 2011)
 - iPlus penetration up to 30% from 28.7% in 4Q 2011
 - Multiplus penetration stable at 14.2% vs 13.6% in 4Q 2011
- Telefónica & Jazztel agreements signed in 2011 starting to have a positive impact
- EBITDA up by 12.0% in the quarter

Pay TV: All KPI's Show Very Good Progress

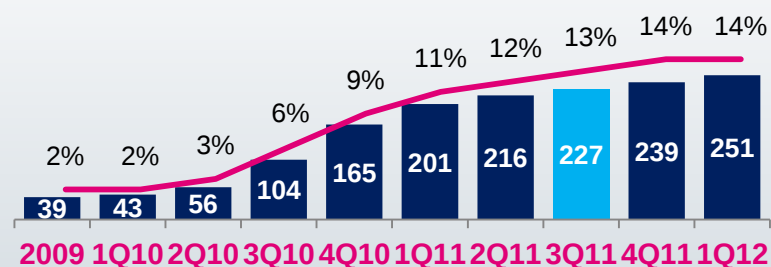
iPlus penetration growing

(Millions of Subscribers and Penetration Rates)



Multiroom penetration increasing

(Millions of Subscribers and Penetration Rates)

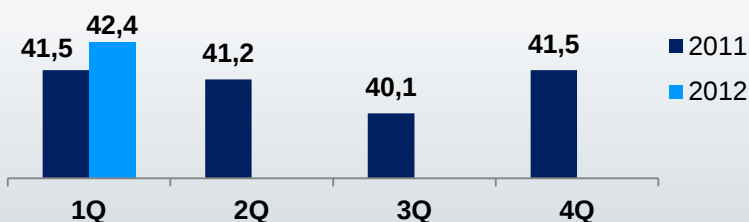


Total Subscribers & Net Adds

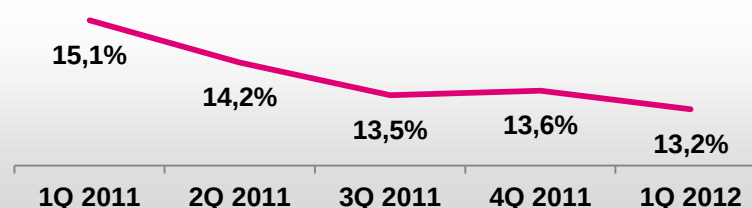
Total Subscribers		March 2012
DTH		1,771,236
Other Platforms/OTT		107,017
TOTAL		1,878,253

YTD Net Add	Mar 2011	Mar 2012
DTH	+13,049	+15,051
Other Platforms/OTT	+15,664	+24,770
TOTAL	+28,713	+39,821

Higher ARPU (€)



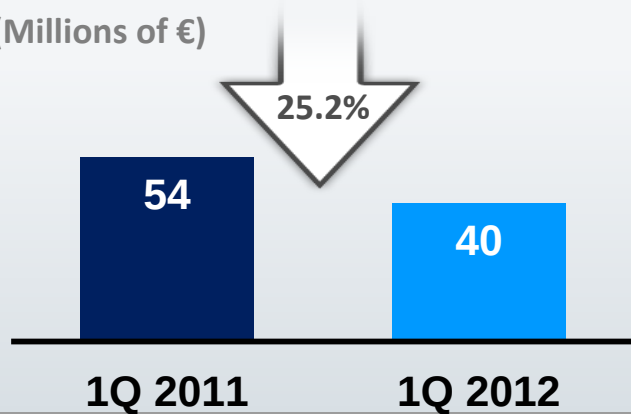
Falling Churn (%)



Media Capital: Still suffering from weak Portuguese market

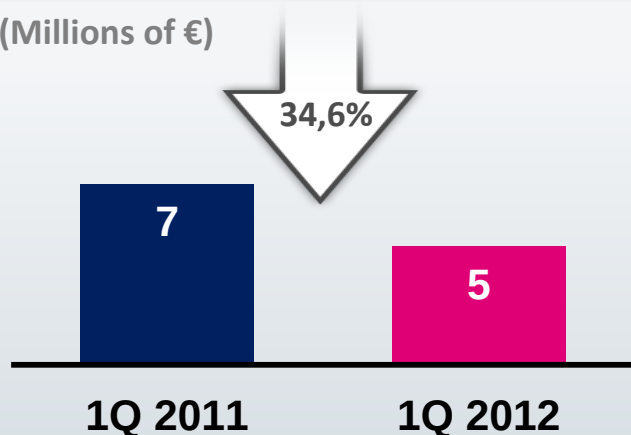
Revenues

(Millions of €)



EBITDA

(Millions of €)

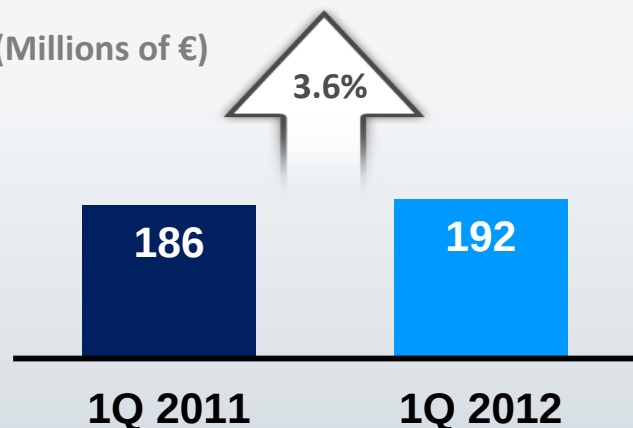


- Very weak performance of Media Capital as a reflection of the **weak economic conditions and weak advertising market in Portugal**.
 - **TVI** maintains leadership in Portugal: audience share up in 24hrs and Prime Time)
 - TVI performance better than market: Advertising revenues -21,7% vs -23% estimated for Portugal advertising sector
- Additional negative impact from **deconsolidation of Socater & Productora Canaria de Programas or PCP** (now equity consolidated vs global consolidation in 2011). Excluding this impact:
 - Revenues -19.2%
 - EBITDA -29.6%
- **Focus remains on cost control:** Recurrent costs down by -17.6% (excluding the impact of deconsolidation of Socater and PCP)

Education: Strong performance across the board

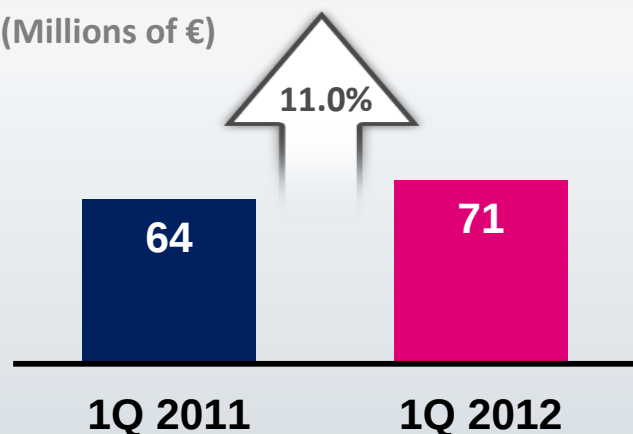
Revenues

(Millions of €)



EBITDA

(Millions of €)



Strong campaigns practically across the board:

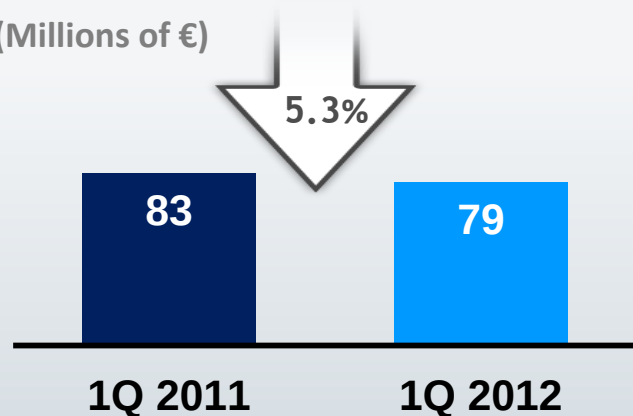
- **Mexico** +27.5% revenues
- **Argentina** +25.3%
- **Chile** +10.2%
- **Peru** +4.8%
- **Brazil** weaker given natural cyclicality (-4.6% at constant currency with flat EBITDA)
- **Spain** +21.4% with good performance of both General Publishing (+15.4%) and education.

- **EBITDA margin up by 240 bps to 36.7% from 34,3% in 1Q 2011**

Radio: Continued Outperformance in Latin America

Revenues

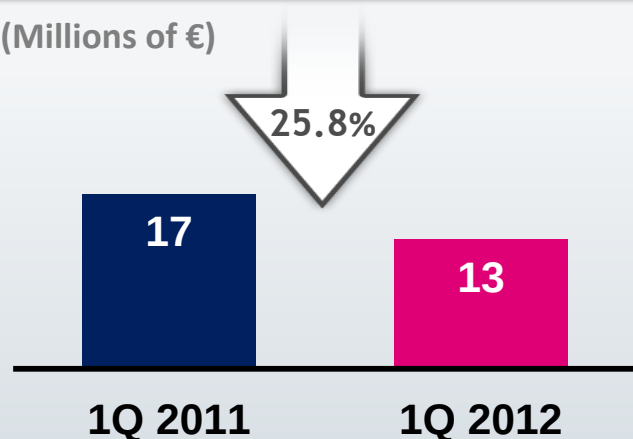
(Millions of €)



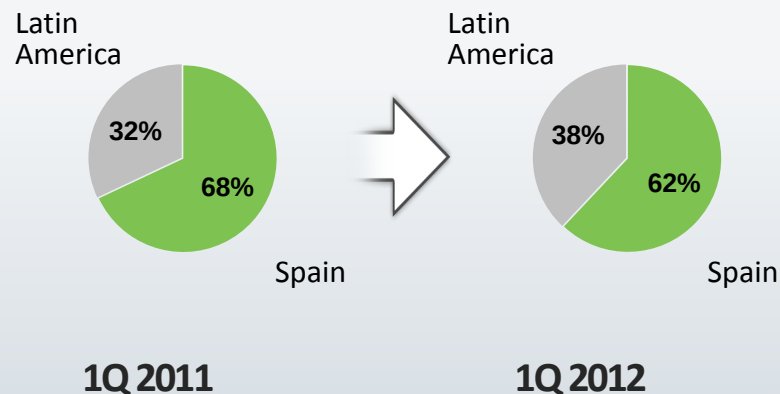
- **Spain advertising revenues** declined (-12%), affected by weak local advertising (-24%) but with positive national advertising (+1.5%).
 - Spanish radio advertising sector down by -11.8%.
- **Latin America** advertising revenues up 11.6%, already representing 38% of revenues (32% in 1Q 2011)
- **SER** maintains absolute leadership

EBITDA

(Millions of €)



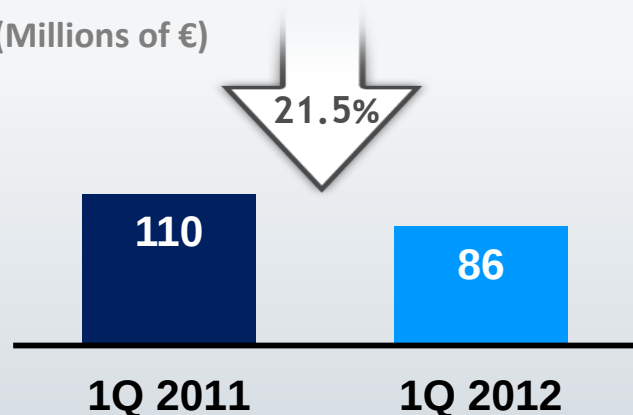
Increasing weight of LatAm



Press: Weak advertising market and circulation

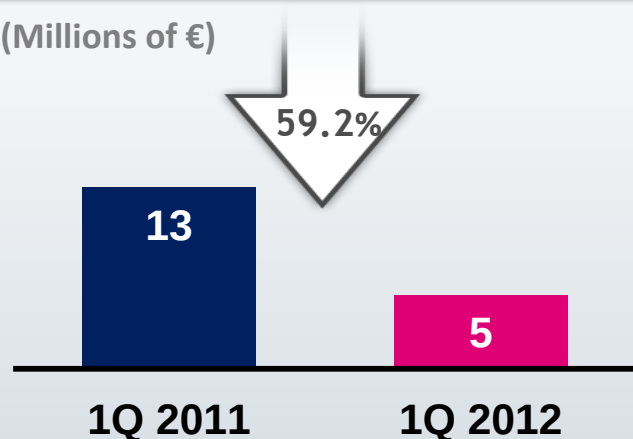
Revenues

(Millions of €)



EBITDA

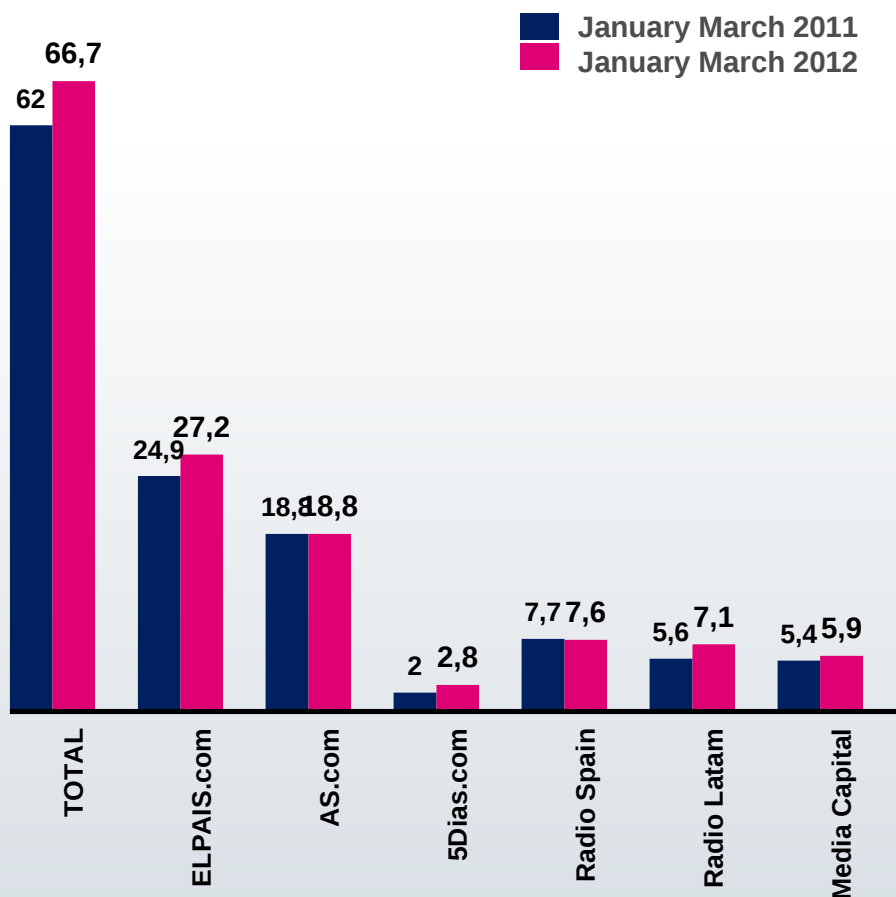
(Millions of €)



- **Weak advertising market** in Spain continues: Press continues to be the hardest hit sector, with a fall of -20,7% in the quarter. Prisa has performed better than the market with advertising revenues falling by -15.0%.
- **Circulation** fell by 13.1%:
 - El País (-11.2%), AS (-6.6%), Cinco Días (-9.0%)
 - We highlight the positive impact in 1Q 2011 of an individual promotion which has not taken place this year
- **Other Revenues** in press during 2011 were affected by a €6,7m fiscal deduction which has not taken place in 2011
- **EBITDA fell by 59.2%**, but excluding the impact of the fiscal deduction, EBITDA would have fallen by -16.5%.
- **Focus on cost control remains** given difficult environment.

Digital: Strong Growth Continues Across Platforms

Millions of Unique Browsers



- Only segment estimated to have to show any growth in the Spanish advertising market is online, and Prisa has performed better than the market: **Online advertising revenues** grew by +12.7% compared to +7,1% of the market.
- **Average number** of unique browsers grew by 7.6% thanks to strong performance of Prisa-TV, elpais.com, and cincodias.com
- Digital development remains **strategic priority for the company** and one of its growth drivers

Cash Flow

	31/03/2012	31/03/2011	31/12/2011
EBITDA	105,14	100,43	436,91
Provisions	(4,70)	(2,86)	(45,17)
Change in working capital	(56,07)	(87,30)	(136,45)
cash flow from operating activities	44,37	10,27	255,29
Capex	(37,35)	(65,61)	(217,98)
Financial investments	(2,78)	(11,25)	(11,95)
Disinvestments	1,00	0,00	5,71
Cash flow from investing activities	(39,12)	(76,86)	(224,22)
Interests paid	(29,42)	(27,80)	(124,39)
Dividends paid	(1,95)	(15,85)	(83,03)
Dividends recieved	0,10	0,02	26,46
Financing of associates	(15,02)	(15,49)	(46,89)
Warrants exercise	50,01	0,72	1,77
Other	(1,53)	(4,24)	(24,71)
Cash flow from financing activities	2,18	(62,63)	(250,80)
Taxes paid	(18,70)	(12,79)	(52,99)
Other	(19,90)	(10,05)	(37,44)
Cash flow	(31,17)	(152,07)	(310,16)
Sale of 10% of Media Capital	0,00	23,74	23,74
Cash flow from special operations	0,00	23,74	23,74
Cash flow after special operations	(31,17)	(128,33)	(286,42)

■ Cash Flow in 1Q 2012 includes:

1. €37.35m of Capex
2. €56.1m of Working Capital investment
3. €50.0m from the Warrants execution
4. €15.0m of financing to Associates

■ Working Capital investment is due to:

Education (- €67m), given the larger education campaign of Brazil in 2011; partly compensated with Prisa TV given the extraordinary elements which took place in 2011 (ONO -€10m, Espanyol €8.7m)

- The €150 million from warrants exercise are not fully included in the CF statement as €100m have been directly employed to reduce debt, so only €50m are included as cash inflow.

- Net debt has been reduced by €72m:

Million Euros	31/03/2012	31/12/2011
Gross Financial Debt	3.318,13	3.400,12
Gross Cash	(144,72)	(154,65)
Net Financial Debt	3.173,41	3.245,46
Change in Net Financial Debt	(72,06)	
Cash Flow Generation	31,17	
Debt Ammortisation (Warrants)	(100,00)	
Other	(3,23)	

