Annual Results 2014

February 2015

2014 HIGHLIGHTS

Group Results

MAIN HEADLINES

- **Adjusted EBITDA at constant currency (285 million Euros) increases by 6.9% (+5.3% in 4Q).**
  - **Adjusted advertising in Spain has registered a fall of -0.4% in the year, (growth of 4.3% in 4Q); in Portugal, advertising recovery is being consolidated during the last months with a growth of 11.1% in the year.**
  - **LatAm shows growth in local currency (in Santillana and Radio), despite a slowdown in the economic growth of some countries (Chile and Colombia)**
  - **Cost reduction and control of capex continues across all business areas**

- **Focus on the execution of the refinancing plan:**
  - **780 million Euro of debt cancelled to date and agreement for sale of Canal+ reached with Telefónica.**
  - **Capital increase of 75 million Euros at 0.53 € per share.**

- **The net result for the year is -2,237 million euros, due to the accounting impacts already reported on the sale of Canal +.**

Advertising in Spain consolidates a positive turnaround in 4Q

- Adjusted advertising revenues of the Group in Spain increase by +4.3% in 4Q, allowing an almost flat year end (-0.4%).
- In Radio local advertising revenues consolidates its annual growth trend (+3.7% cumulative revenues), with positive growth in each of the preceding 12 months. Network advertising has corrected its decrease showing growth in the last quarter.
- Press decline has been less severe over the four quarters, showing growth in the fourth quarter (+5.0%).
- In Portugal, advertising revenues, in Media Capital grow by +11.1% (+11.4% in TVI and +9.2% in MC Radio).

LatAm activities show growth in local currency but negative FX impact

- Solid growth in local currency in Education (+11.9%) and Radio (+5.4%)
- Fourth quarter saw growth in Education (+16.3%) and Radio (+8.2%), which was impacted by the economic slowdown in the area, Chile and Colombia.
- FX evolution has negative impact of 80.1 million euros on adjusted revenues and 22.9 million euros on adjusted EBITDA.
- 72.8% EBITDA of the Group at constant currency come from LatAm.

The Group accelerates digital transformation

- Digital transformation revenues increase by 20% and reach 164 million euros.
- Digital education systems (UNO) continue their development in Latin America improving margins significantly, reaching 21.3 Million Euro in EBITDA 2014 vs. 2.9 Million Euro in 2013.
- Adjusted digital advertising grows by 13.9% during the year.
- In the press division, digital advertising already represents 30% of advertising revenues.
- Average unique browsers to the Group's web sites grow by 13% reaching more than 94 million.

Opex and capex control continues

- Operating expenses have fallen by 21.3 million Euro (-1.6%)
- Adjusted personnel expenses fall by 33.5 million Euro (-7.9%): Spain (-12.4%); Portugal (-4.8%) and LatAm (-1.7%).
- The entire collective agreements have been renewed, new agreements of personnel reduction have been done, and voluntary severance and de-indexation agreements have been reached in several areas.
- Capex has been reviewed to channel resources to growth areas, mainly Santillana.

The Group continues with its focus on the execution of the refinancing plan

- The Group continues focusing on the execution of the refinancing plan: 780 million euros debt cancellation with a 25% discount debt buyback with funds coming from:
  - 100 million euros capital increase at 0.53 € per share.
  - sale of 13.68% stake in Mediaset Spain
- Agreement for the sale of 56% stake of Canal + to Telefónica for an initial price of 750 million
- 75 million euros capital increase at 0.53 € per share.
- The total net debt of the Group as of December 31st 2014 amounts to 2,580 million comparing to 3,306 million Euros on December 2013.

Results by business division

Education

- **North area campaigns of Spain, Mexico and Brazil,** have been a better behaviour than expected, taking into account the education cycles, mainly in Spain and Brazil.
- **Spain**: the campaign of **2014** has ended with a **growth compared to 2013**, despite the difficulties of the new law implementation, and as a result of commercial effort and cost control. Revenues grow by 2.2% and EBITDA by 6.0%.
- **Mexico**: The campaign had **performance**. Revenues grew by +7.4% and EBITDA grows by +17.7% in local currency.
- **In 2014 all the campaigns from south Area** have been closed showing mainly a good performance in local currency
- **Brazil**: the good behaviour in the **regular campaign** has almost fully offset the decrease of **the institutional sale**, due to the volume of government purchases has been lower than expected and that prices have not fully been impacted by inflation.
- **Digital education systems (UNO and Compartir) continue their development in Latin America,** significantly improving their profitability and growing in students (more than 630,000).
- **Sale of General Editions, which occurred in June 2014,** has generated a gain on disposal of **21.6 million euro.**
- **The adjusted revenue in local currency increased by +10%** (Spain 2.2%, Brazil 11.3%, Mexico 6.5%, Chile 14.5%, Argentina 49.6%).
- Exchange rate has a negative impact on revenues in Santillana in 2014 of 66.7 million.
- **Adjusted EBITDA grows by 17.6% in local currency (+4.3% in Euro),** within FX impact of 20.2 million Euro.

Radio

- **Adjusted advertising in Spain** grows by +0.6% (+2.5 in 4Q).
- **Advertising in LatAm grows in local currency in all countries** but Chile, due to a downturn of the economic cycle and the election period of the country.
- Reported results are impacted by **FX which** has a negative impact in radio revenues of 12.6 million Euro and 2.5 million in EBITDA.
- **Additionally, in 2014 consolidation criteria for Mexico and Costa Rica** was modified **to change from proportional integration to** equity consolidation (due to an international accounting rules change, adopted by the EU and which impacts since January 2014). Information for 2013 is provided with same criteria for comparative purposes. Mexico and Costa Rica operations are included in adjusted figures for both revenue and EBITDA.
- Adjusted for these items, Radio LatAm revenue would have grown by 5.4%.
- Effort in **cost contro**l, result of a cost control process implemented in last years, **continues (-3.8% in adjusted terms),** mainly in personal cost in Spain and LatAm.
- **Remarkable operational improvement in Spain,** where EBITDA increased by +45% to 18.1 million euro in a flat revenue growth scenario, being worth mentioning the high operating leverage of the business.
- Adjusted EBITDA in Radio in 2014 reached 65.6 million Euro (+3.4% compared to 2013), and 68.1 million Euro adjusted by FX (+7.3%)

Press

- **Adjusted advertising revenues in 2014** fall by -1.4% (El País -3.8% y AS +9.9%), growing by +5.0% in 4Q.
- **Traditional advertising revenues fall by -9.6% which are compensated by the excellent performance of the Digital advertising revenues which** grow by 18.4% and already represent 30% of the division's advertising revenues and by revenues from new business (event management) which grow by 22.2%. It has to be highlighted that during 4Q, digital advertising revenues more than offset the fall in traditional advertising.
- We highlight the **strength of AS** where digital advertising revenues grow by 19.1% and already 55% of the total advertising revenue.
- **Circulation revenues** fall by -13.4%.
- **Decrease in Other Revenues (-4.8%), despite the growth of the revenues from** promotions (+31.2%). In 2014 revenues have been generated by tax deductions, which have not been registered as revenues versus 7.4 million Euro registered in 2013.
- **Strong cost control in every item** (-4.0% in adjusted terms and -8.6% in staff costs).
- **Adjusted EBITDA in Press** reaches 14.6 million Euro (-41.8% compared to 2013 or -17.1% adjusting for deductions recorded in 2013 and not registered in 2014).

Media Capital

- **Advertising Revenues** increase by +11.1% in adjusted terms 2014 (1Q, +5.3%; 2Q, +26.4%; 3Q, 8.7%; 4Q, +4.3%). Very good performance both on TV (+11.4% in 2014) as well as on radio (+9.2%). It is worth noticing that advertising recovery in Portugal started in second half of 2013).
- **Decline in other revenues** in 2014 (-16.9%), mainly due to the drop in value added call services.
- **Adjusted EBITDA** reaches 43.8 million Euro and grows by 6.9 % on the back of the stability of Revenues and a strong effort to control the costs.

Sale of Canal +

On June 2014 the **contract to sell 56% stake of Canal+ with Telefónica** was formalized at initial amount of **750 million Euro**:

- **The price is subject to customary adjustments** in such operations until the closing of the transaction plus a specific adjustment depending on the resolution of the arbitrage with MediaPro concerning the costs of the 2012-2015 football seasons.
- The operation is already approved by the representative panel of the financing banks and is only subjected to the authorization of the competition authorities.
- The administrative inquiry of the operation has been transferred by the EU authorities to Spanish supervisor body, the CNMC (National Commission for Market and Competition). This case is currently being processed by the commission, who could impose conditions or require commitments for the approval of this operation.
- The signing of the agreement generates an **accounting loss** in the consolidated accounts of Prisa of **2,064 million Euro** and 750 million in the individual accounts, This loss in the individual accounts generates an **asset imbalance**, that was offset by an automatic conversion of a portion of tranche 3 of the corporate level debt, into equity loans for a sufficient amount to compensate for this **asset imbalance**.
- This conversion mechanism was set up in the refinancing agreement signed by the company in December 2013.
    - The amount of debt from Tranche 3 that was converted into equity loans (PPL's according to the contractual definitions), was 507 million Euro and took place on September 15th 2014.
    - As of December 31st 2014, Prisa Group has reviewed DTS sale price and an additional impairment of 23.7 million euros has been recorded, for the estimated impact that the future evolution of the business will have on the price of the operation, until the sale materializes.
    - With the purpose of restoring capital balance, as a consequence of the price review, the automatic mechanism for Tranche 3 debt conversion into participating loans in sufficient amount to offset said unbalance at conversion date, has been initiated.
- **The results of this transaction** are presented in the consolidated income statement under ***"Result from discontinued operations"*** and the assets and liabilities as ***"Non-current assets held for sale"*** and ***"Liabilities associated with non-current assets held for sale"***.

Consolidated P&L

The comparison of the results of the first half of 2014 and 2013 is affected by extraordinary items recorded under both revenues, expenses, amortizations & provisions. To conduct a homogeneous comparison, we are presenting a profit and loss account adjusting these extraordinary items:

	JANUARY - DECEMBER			OCTOBER - DECEMBER		
Eur Million	**2014**	**2013**	**% Chg.**	**2014**	**2013**	**% Chg.**
Operating Revenues	**1,454.73**	**1,550.16**	**(6.2)**	**385.98**	**413.09**	**(6.6)**
EBITDA	**183.39**	**257.56**	**(28.8)**	**4.00**	**59.54**	**(93.3)**
EBITDA Margin	*12.6%*	*16.6%*		*1.0%*	*14.4%*	
EBIT	**28.72**	**99.58**	**(71.2)**	**(24.71)**	**20.81**	**-**
EBIT Margin	*2.0%*	*6.4%*		*0.0%*	*5.0%*	
Net financial result	**(39.07)**	**(176.96)**	**77.9**	**(70.55)**	**(62.25)**	**(13.3)**
Interest on debt	(114.68)	(106.42)	(7.8)	(29.69)	(14.17)	(109.6)
Other financial results	75.62	(70.54)	-	(40.85)	(48.08)	15.0
Result from associates	**36.04**	**5.59**	**-**	**(1.10)**	**(1.59)**	**30.6**
Profit before tax	**25.70**	**(71.80)**	**135.8**	**(96.36)**	**(43.02)**	**(124.0)**
Income tax expense	(132.61)	(41.53)	-	(31.09)	(40.74)	23.7
Results from discontinued activities	**(2,203.00)**	**(916.02)**	**(140.5)**	**(86.87)**	**(654.99)**	**86.7**
Minority interest	**73.08**	**380.65**	**(80.8)**	**61.85**	**284.87**	**(78.3)**
Net profit	**(2,236.83)**	**(648.70)**	**-**	**(152.47)**	**(453.88)**	**66.4**
Adjusted Operating Revenues	**1,412.87**	**1,472.45**	**(4.0)**	**395.91**	**390.14**	**1.5**
Adjusted EBITDA	**261.77**	**266.30**	**(1.7)**	**69.46**	**66.19**	**4.9**
Adjusted EBITDA Margin	*18.5%*	*18.1%*		*17.5%*	*17.0%*	
Adjusted EBIT	**134.07**	**132.05**	**1.5**	**54.07**	**40.55**	**33.3**
Adjusted EBIT Margin	*9.5%*	*9.0%*		*13.7%*	*10.4%*	
Adjusted Net Profit	**n.a.**	**n.a.**				

Results at constant currency	**2014**	**2013**	**% Chg.**	**2014**	**2013**	**% Chg.**
Operating revenues at cosntant currency	**1,493.00**	**1,472.45**	**1.4**	**402.63**	**390.14**	**3.2**
EBITDA at constant currency	**284.64**	**266.30**	**6.9**	**69.71**	**66.19**	**5.3**
Adjusted EBITDA Margin	*19.1%*	*18.1%*		*17.3%*	*17.0%*	
EBIT at constant currency	**152.66**	**132.05**	**15.6**	**54.61**	**40.55**	**34.7**
Adjusted EBIT Margin	*10.2%*	*9.0%*		*13.6%*	*10.4%*	

During 2014, excluding extraordinary items and exchange rate impact:

- **Operating revenue grow by 1.4%**
- **Adjusted EBITDA grow by 6.9%.**
- **The improvement in margins continues.**

Index

1_ Market environment

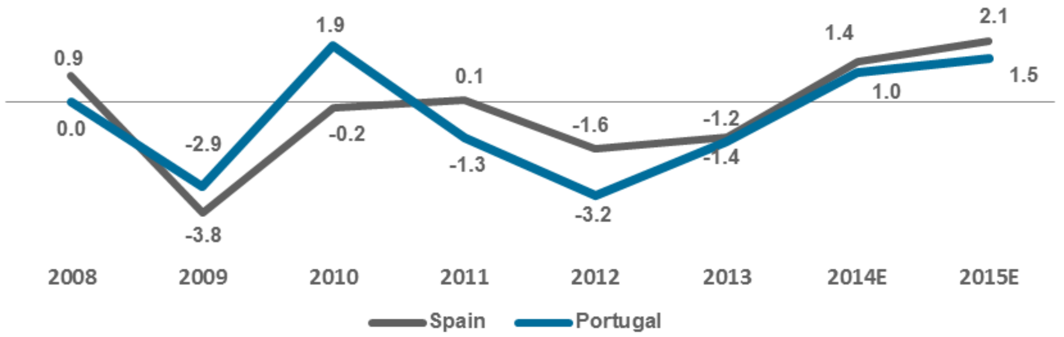
a_ Economic environment in Spain and Portugal

Despite the difficult economic environment that Spain and Portugal are going through since the beginning of the crisis in 2007, since 2013 a quarterly change in trend is taking place.

During 2014 positive growth rates have returned (+1.4% in Spain and +1.0% in Portugal), and are expected to continue in 2015 (+2.1% in Spain and +1.5% in Portugal):

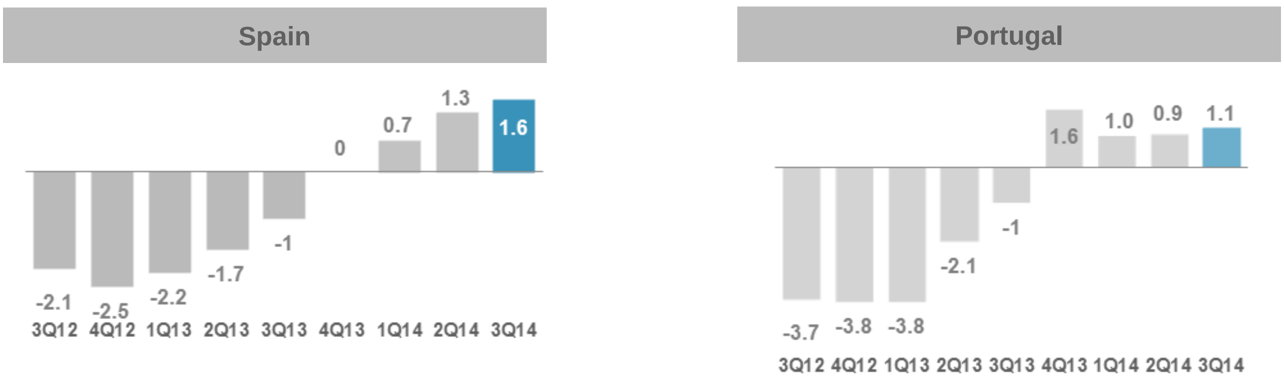
- Spanish GDP fell by -1.2% in 2013, although quarterly GDP went from a -2% decrease in the 1Q to a fall of just -0.2% in the 4Q (according to INE, Spanish Statistic Institute). In 2014, according to INE, GDP grew by +0.7% in 1Q; by +1.3% in 2Q and +1.6% in 3Q (in September 2014 a change of the year of calculation basis from 2008 to 2010 has taken place).
- As for **Portugal,** in 2013 GDP fell by -1.4% and the same change in trend took place although with much higher volatility. GDP went from declining by -3.8% on 1Q to grow by +1.6% on 4Q 2013 (according to Bank of Portugal). In 2014 growth has been confirmed: in 1Q growth was +1.0%, +0.9% in 2Q and 1.1% in 3Q (last data available)

GDP growth in Spain & Portugal (%)



Source: INE (Spanish statistic institute), IMF, Bank of Portugal

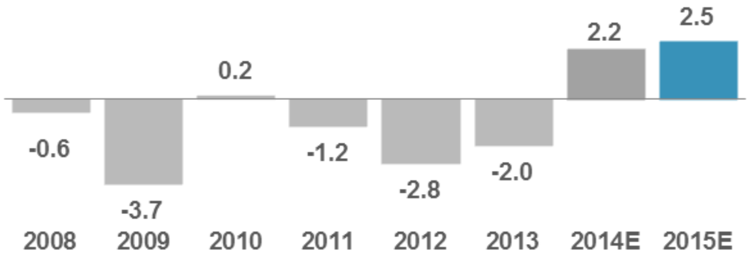
Quarterly GDP growth in Spain & Portugal (%)



Source: INE (Spanish statistic institute), Bank of Portugal

The improvement observed in the economic environment has had its reflection in private consumption. Private consumption in Spain went from a fall of -2.8% in 2012 to a fall of just -2.0% in 2013 (according to INE), in the sixth consecutive year of declines. According to the information compiled by consensus by FUNCAS, we can estimate a growth of this variable between +2.2% for 2014 and +2.5% for 2015.

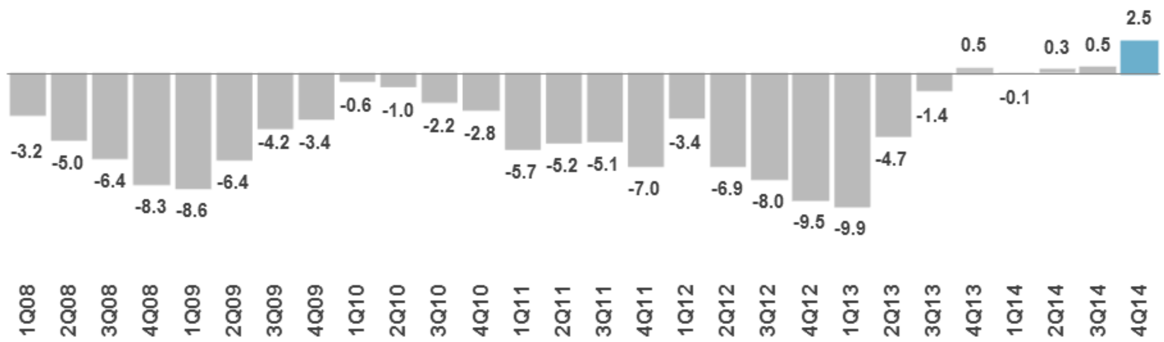
Annual growth of private consumption in Spain (inter-annual variation %)



Source: INE, FUNCAS

In terms of quarterly evolution, private consumption has also showed a significant turnaround from 2013 when it happened to fall -9.9% in Q1 to grow by +0.5% in Q4. During the first quarter of 2014, private consumption has remained flat according to INE, growing again by 0.3% in the second quarter. This trend is confirmed in the 3Q and 4Q with growth of +0.5% and 2.5% respectively. Therefore, this variable shows a slight growth of 0.8% in average quarterly rates.

Quarterly growth of private consumption in Spain (%)



Source: INE (Spanish statistic institute)

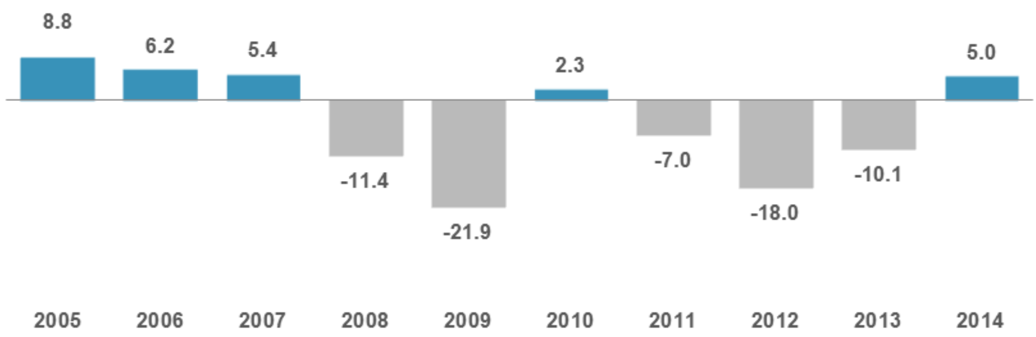
For 2015 an improvement in the economic environment is expected for both Spain and Portugal. Starting from GDP growth of +1.4% in Spain (Funcas) and +1.0% in Portugal (according to IMF), for 2015 expected growth is +2.1% and +1.5% respectively.

b_ Advertising market evolution

The Group's divisions are directly exposed to the Spanish advertising market through Radio, Press and Digital, as well as Pay TV, though less so. In addition the Group is also exposed to the Portuguese advertising market through its FTA TV (TVI) and Radio businesses.

During 2013, advertising investment showed a change in trend, in line with that of the economic environment. According to public sources (i2p) **advertising investment in Spain fell by -10.1% in 2013** compared to a fall of -18.0% in 2012. This consecutive trend is confirmed in 2014, year in which advertising market has recorded a total growth of +5%.

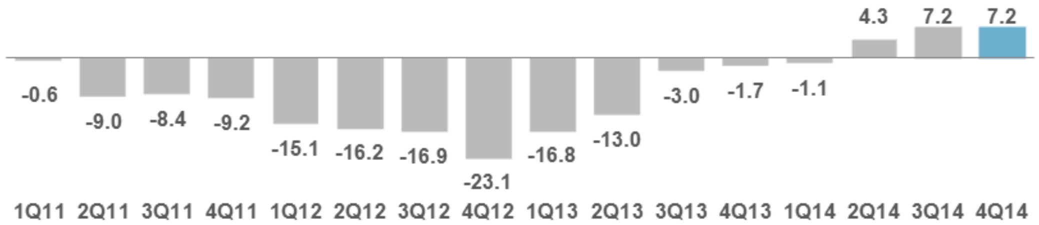
Annual growth of advertising investment in Spain (%)



Source: i2p (december 2014)

The behaviour of the market in the **third and fourth quarter 2013 showed an important improvement.** Advertising investment in Spain went from a fall of -16.8% in the first quarter to a fall of just -1.7% in the fourth. It still fell in 1Q 2014 by -1.1%, changing its trend in 2Q, increasing +4.3%. This trend is confirmed in 3Q with a quarterly growth rate of +7.2%, reaching the same growth in 4Q 2014 (+7.2%)

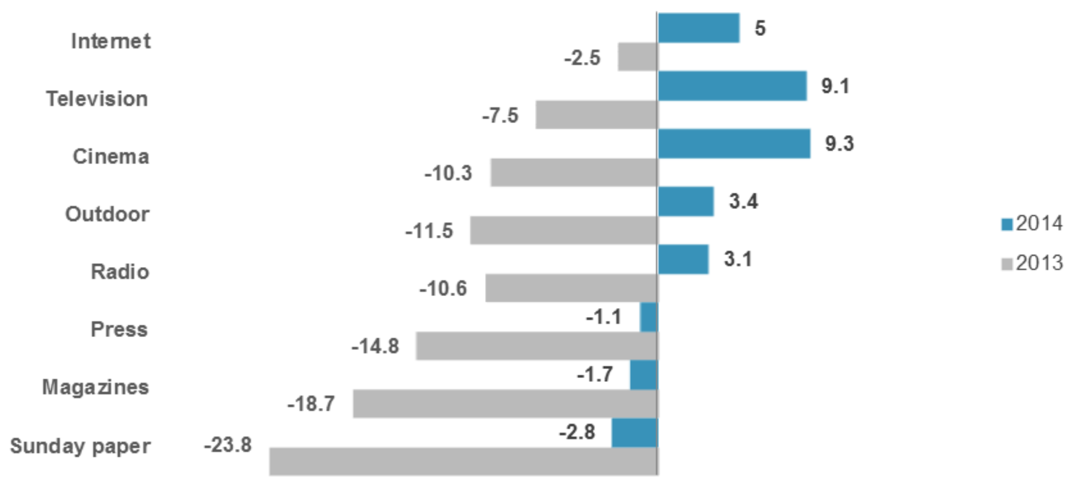
Quarterly growth of advertising investment in Spain (%)



Source: i2p (September 2014)

The evolution by sectors shows the improvement in 2014, with a positive performance of all sectors except press, where the falls have been relaxed compared to 2013, as observed in 2Q, 3Q and 4Q 2014.

Advertising investment in Spain (%)

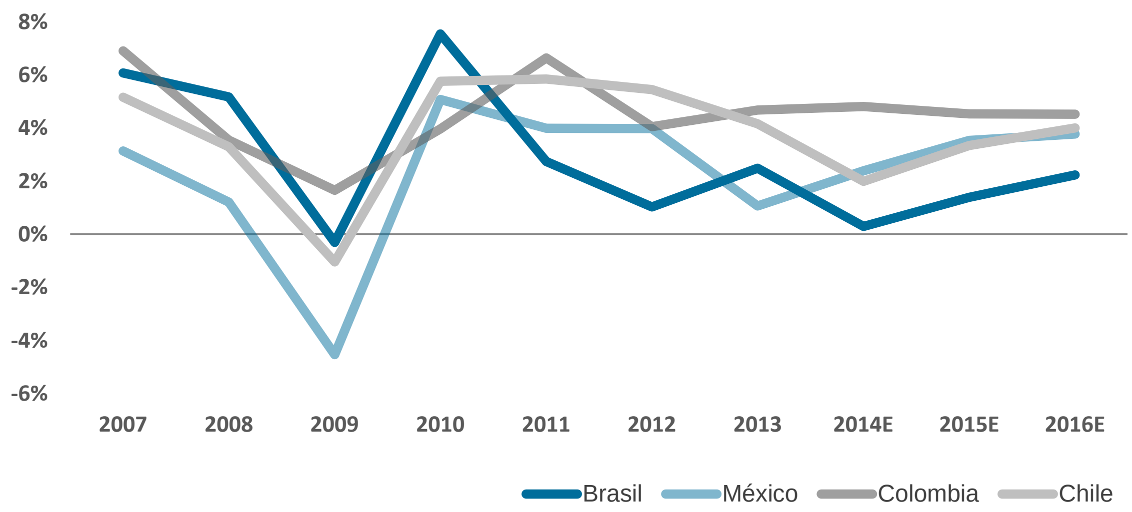


Source: i2p (December 2014)

c_ Economic environment in Latin America

Growth in countries to which PRISA is exposed has been uneven, with economic conditions worsening in some countries (Brazil, Chile), while showing larger growth in others. Growth trend will be recovered in all countries according to IMF 2014, 2015 and 2016 estimates (October 2014).

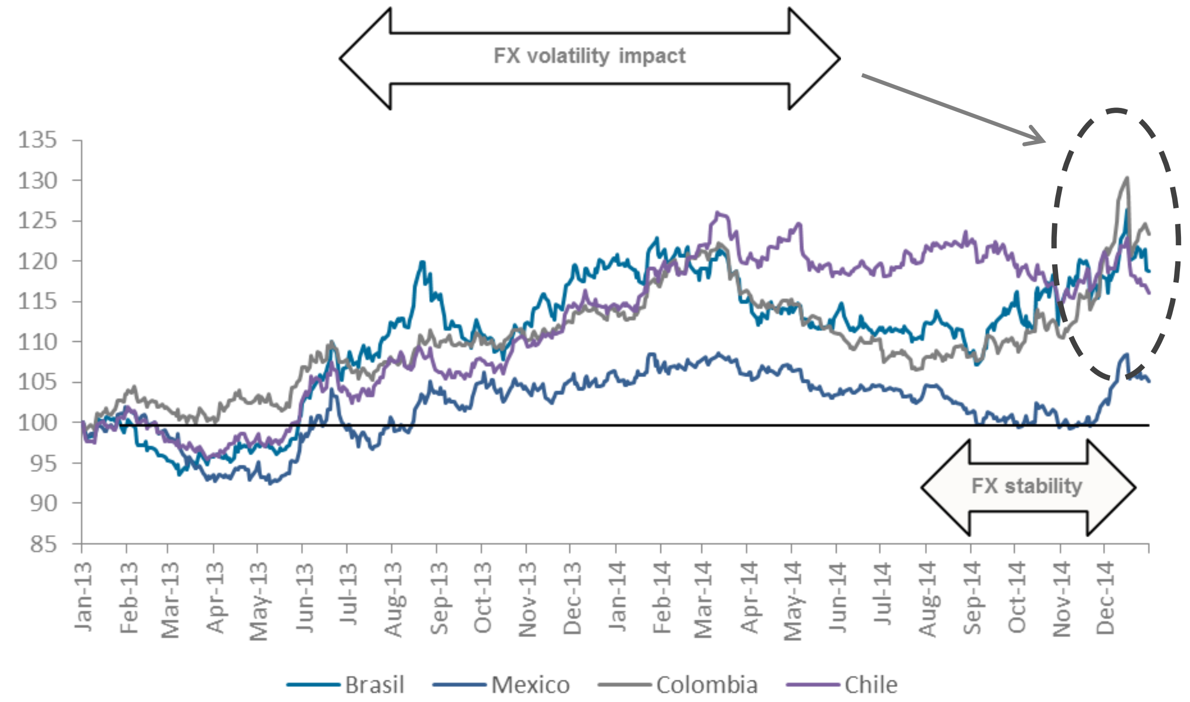
LatAm GDP growth (%)



Source: IMF (October 2014)

Group's results in Latin America have been negatively impacted by the **weakness of the Exchange rate** in the region. This negative impact reached 79.3 million Euro at revenue level and 22.5 million Euro at EBITDA in 2014. As a result, reported adjusted revenues from Latin America fell by -2.3% compared to the growth of +9.4% at constant currency, and adjusted EBITDA falls by -2.4% compared to +10.5% at constant currency (excluding the impact from the change in consolidation perimeter of the Group).
The impact of exchange rate volatility stabilized for major Latin American currencies in 3Q, but volatility resumed in the last months of 2014, as shown in the attached chart and table.
During 2014, the currencies in Brazil, Argentina, Chile and Venezuela have represented 83% of the impact on revenues and 85% of the impact on EBITDA.

Exchange rate vs. Euro 2013 - 2014



	Brazil	Mexico	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	2,604.92	703.54
1Q 2014	3.24	18.13	2,747.88	756.11
2Q 2014	3.06	17.83	2,624.31	760.69
3Q 2014	3.01	17.38	2,531.21	764.94
4Q 2014	3.18	17.34	2,720.13	747.23
1Q14 / 1Q13	**22.8%**	**8.6%**	**16.2%**	**21.2%**
2Q14 / 2Q13	**13.2%**	**9.4%**	**7.9%**	**20.1%**
3Q14 / 3Q13	**-0.5%**	**1.6%**	**0.2%**	**13.9%**
4Q14 / 4Q13	**2.6%**	**-2.2%**	**4.4%**	**6.2%**
1H14 / 1H13	**17.9%**	**9.0%**	**11.9%**	**20.6%**
2H14 / 2H13	**1.1%**	**-0.3%**	**2.3%**	**10.0%**
4H14 / 1H13	**20.7%**	**3.9%**	**15.0%**	**19.8%**

Source: Bloomberg

2_ Main operating indicators

a_ Group operating results

Group Operating Results	JANUARY - DECEMBER			OCTOBER - DECEMBER		
Eur Million	2014	2013	% Chg.	2014	2013	% Chg.
Operating Revenues	**1,454.73**	**1,550.16**	**(6.2)**	**385.98**	**413.09**	**(6.6)**
Spain	580.00	631.72	(8.2)	103.42	137.71	(24.9)
Portugal	183.01	182.23	0.4	50.93	51.17	(.5)
Latam	691.72	736.21	(6.0)	231.63	224.21	3.3
Operationg expenses	**1,271.34**	**1,292.60**	**(1.6)**	**381.98**	**353.55**	**8.0**
Spain	614.94	606.87	1.3	180.26	159.05	13.3
Portugal	137.79	141.63	(2.7)	32.76	35.17	(6.9)
Latam	518.61	544.10	(4.7)	168.97	159.33	6.0
EBITDA	**183.39**	**257.56**	**(28.8)**	**4.00**	**59.54**	**(93.3)**
EBITDA Margin	0.13	0.17	(24.1)	(.04)	(.01)	-
Spain	(34.94)	24.85	-	(76.83)	(21.33)	-
Portugal	45.22	40.60	11.4	18.17	16.00	13.6
Latam	173.11	192.11	(9.9)	62.66	64.88	(3.4)
EBIT	**28.72**	**99.58**	**(71.2)**	**-24.71**	**20.81**	**-**
EBIT Margin	*2.0%*	*6.4%*		(.03)	(.01)	
Spain	(106.74)	(42.95)	(148.5)	(75.46)	(26.51)	(184.7)
Portugal	36.05	30.53	18.1	15.45	13.45	14.9
Latam	99.41	112.00	(11.2)	35.30	33.87	4.2
Adjusted Operating Revenues	**1,412.87**	**1,472.45**	**(4.0)**	**395.91**	**390.14**	**1.5**
Adjusted EBITDA	**261.77**	**266.30**	**(1.7)**	**69.46**	**66.19**	**4.9**
Adjusted EBITDA Margin	*18.5%*	*18.1%*		*17.5%*	*17.0%*	
Adjusted EBIT	**134.07**	**132.05**	**1.5**	**54.07**	**40.55**	**33.3**
Adjusted EBIT Margin	*9.5%*	*9.0%*		*13.7%*	*10.4%*	

b_ Extraordinary impact and changes in consolidation perimeter

We show below the main extraordinary impacts:

Extraordinary Items	JANUARY - DECEMBER		OCTOBER - DECEMBER	
Eur Million	2014	2013	2014	2013
One-offs in operating revenues	**41.86**	**77.71**	**(9.93)**	**22.95**
Advertising sponsorship adjustment	5.21	11.78	1.81	6.70
Consolidation perimeter adjustment - Mx & CR	(25.11)	(19.58)	(10.05)	(6.03)
Digital R&D deductions	(3.25)	0.00	(3.25)	0.00
Trade Publishing	65.01	85.51	1.56	22.29
One-offs in operating expenses	**120.24**	**86.45**	**55.53**	**29.60**
Redundancies	39.91	22.44	7.05	9.63
Advertising sponsorship adjustment	5.21	11.78	1.81	6.70
Consolidation perimeter adjustment - Mx & CR	(13.20)	(11.44)	(3.80)	(3.07)
MediaPro Ruling	44.99	0.00	44.99	0.00
Trade Publishing	37.35	63.67	5.48	16.35
Non recurrent retirement complement	6.00	0.00	0.00	0.00
One-offs in amortization & provisions	**26.97**	**23.73**	**13.32**	**13.09**
Fondo de comercio	7.05	9.33	0.26	9.33
Trade Publishing	7.77	15.58	0.06	4.03
Consolidation perimeter adjustment - Mx & CR	(1.13)	(1.18)	(0.28)	(0.27)
Other Impairments	13.29	0.00	13.29	0.00

a) **Advertising sponsorships:** Revenues and expenses from the sponsorship of certain events which are considered extraordinary, though they have no impact at EBITDA level.

b) Change in the consolidation perimeter: starting January 2013, 2013 and 2014 accounts record Mexico and Costa Rica shareholdings using the equity method. Adjusted data includes the impact of these results.

c) In June 2014, the **Trade Publishing business was sold**, and no longer consolidates within Grupo PRISA (previously was part of Santillana)

d) Redundancies: The extraordinary expenses from redundancies reaches 39.91 million Euro in 2014, compared to the 22.44 of the same period in 2013.

e) MediaPro ruling: Adjustment of a higher accounting expense due to the impact of the ruling of the Supreme Court for an amount of 45 million euro.

f) Other impairments: mainly Press and Radio impairments.

c_ Foreign exchange impact

As previously explained, the exchange rate has had a negative impact in the Group's operating results. The exchange rate impact has been of 80.1 million Euro at revenue level, 22.9 million at EBITDA level and 18.6 million at EBIT level.

The following table shows **the evolution of Revenues, EBITDA and EBIT at constant currency**,

- Revenues would have grown by +1.4% instead of falling by -4.0%,
- Adjusted EBITDA have grown by 6.9% instead of falling by -1.7% in Euro.

	JANUARY - DECEMBER			OCTOBER - DECEMBER		
Eur Million	**2014**	**2013**	**% Chg.**	**2014**	**2013**	**% Chg.**
Adjusted Operating Revenues	**1,412.9**	**1,472.5**	**(4.0)**	**395.91**	**390.14**	**1.5**
Spain	545.8	591.9	(7.8)	107.34	123.84	(13.3)
International	867.1	880.6	(1.5)	288.57	266.30	8.4
Portugal	182.4	182.2	0.1	50.34	51.17	(1.6)
Latam	684.7	698.4	(2.0)	238.23	215.13	10.7
Adjusted EBITDA	**261.8**	**266.3**	**(1.7)**	**69.46**	**66.19**	**4.9**
Spain	30.6	40.0	(23.6)	(21.56)	(15.53)	(38.8)
International	231.2	226.3	2.2	91.02	81.72	11.4
Portugal	46.9	42.7	9.8	18.54	16.55	12.0
Latam	184.3	183.6	0.4	72.48	65.18	11.2
Adjusted EBITDA Margin	*19%*	*18%*		*17.5%*	*17.0%*	
Adjusted EBIT	**134.1**	**132.0**	**1.5**	**54.07**	**40.55**	**33.3**
Spain	(17.1)	(11.0)	(56.2)	(6.52)	(9.99)	34.7
International	151.2	143.0	5.7	60.59	50.54	19.9
Portugal	37.7	32.6	15.6	15.82	14.00	13.0
Latam	113.5	110.4	2.8	44.78	36.54	22.5
Adjusted EBIT Margin	*9.5%*	*9.0%*		*13.7%*	*10.4%*	

Results at constant currency	JANUARY - DECEMBER			OCTOBER - DECEMBER		
Eur Million	**2014**	**2013**	**% Chg.**	**2014**	**2013**	**% Chg.**
Adjusted Operating Revenues	**1,493.0**	**1,472.5**	**1.4**	**402.63**	**390.14**	**3.2**
Spain	545.8	591.9	(7.8)	107.34	123.84	(13.3)
International	947.2	880.6	7.6	295.29	266.30	10.9
Portugal	182.4	182.2	0.1	50.34	51.17	(1.6)
Latam	764.8	698.4	9.5	244.95	215.13	13.9
Adjusted EBITDA	**284.6**	**266.3**	**6.9**	**69.71**	**66.19**	**5.3**
Spain	30.6	40.0	(23.6)	(21.56)	(15.53)	(38.8)
International	254.1	226.3	12.3	91.27	81.72	11.7
Portugal	46.9	42.7	9.8	18.54	16.55	12.0
Latam	207.2	183.6	12.9	72.73	65.17	11.6
Adjusted EBITDA Margin	*19%*	*18%*		*17.3%*	*17.0%*	
Adjusted EBIT	**152.7**	**132.0**	**15.6**	**54.61**	**40.55**	**34.67**
Spain	(17.1)	(11.0)	(56.2)	(6.52)	(9.99)	34.67
International	169.8	143.0	18.7	61.14	50.54	21.0
Portugal	37.7	32.6	15.6	15.82	14.00	13.0
Latam	132.1	110.4	19.6	45.32	36.54	24.0
Adjusted EBIT Margin	*10.2%*	*9.0%*		*13.6%*	*10.4%*	

3_ Education business

EDUCATION	JANUARY - DECEMBER 2014	JANUARY - DECEMBER 2013	JANUARY - DECEMBER % Chg.	OCTOBER - DECEMBER 2014	OCTOBER - DECEMBER 2013	OCTOBER - DECEMBER % Chg.
Revenues	**716.64**	**738.30**	**(2.9%)**	**174.61**	**175.44**	**(0.5%)**
Spain	148.71	137.15	8.4%	(20.16)	(8.70)	(131.7%)
International	567.93	601.15	(5.5%)	194.77	184.14	5.8%
Operating expenses	**545.90**	**567.35**	**(3.8%)**	**159.63**	**156.05**	**2.3%**
EBITDA	**170.74**	**170.95**	**(0.1%)**	**14.99**	**19.39**	**(22.7%)**
% margin	*23.8%*	*23.2%*		*8.6%*	*11.1%*	
EBIT	**85.15**	**80.49**	**5.8%**	**10.11**	**7.12**	**41.9%**
% margin	*11.9%*	*10.9%*		*5.8%*	*4.1%*	
One-offs in operating revenues	**65.01**	**85.51**		**1.56**	**22.29**	
Trade Publishing	43.40	85.51		4.04	22.29	
Trade Publishing gain on disposal	21.61	0.00		-2.47	0.00	
One-offs in operating expenses	**52.32**	**66.13**		**8.13**	**17.10**	
Redundancies	14.65	2.45		2.33	0.75	
Trade Publishing	37.66	63.67		5.79	16.35	
One-offs in Amort. & Provisions	**14.56**	**15.58**		**0.06**	**4.03**	
Goodwil	6.79	0.00		0.00	0.00	
Trade Publishing	7.77	15.58		0.06	4.03	
Adjusted Revenue	**651.63**	**652.78**	**(0.2%)**	**173.05**	**153.15**	**13.0%**
Spain	116.44	113.96	2.2%	(17.7)	(15.5)	(13.8%)
International	535.19	538.83	(0.7%)	190.74	168.70	13.1%
Portugal	6.59	6.86	(3.9%)	0.17	0.65	(73.2%)
Latam	528.60	531.97	(0.6%)	190.56	168.04	13.4%
Adjusted EBITDA	**158.04**	**151.56**	**4.3%**	**21.55**	**14.20**	**51.8%**
Spain	20.41	20.21	1.0%	(31.7)	(30.7)	(3.3%)
International	137.63	131.36	4.8%	53.23	44.85	18.7%
Portugal	0.97	0.70	38.5%	(0.6)	(0.7)	17.1%
Latam	136.66	130.66	4.6%	53.81	45.56	18.1%
% adjusted margin	*24.3%*	*23.2%*		*12.5%*	*9.3%*	
Adjusted EBIT	**87.01**	**76.68**	**13.5%**	**16.74**	**5.97**	**180.5%**
% adjusted margin	*13.4%*	*11.7%*		*9.7%*	*3.9%*	
Adjusted Revenue at constant fx rate	**718.32**	**652.78**	**10.0%**	**177.95**	**153.15**	**16.2%**
Spain	116.44	113.96	2.2%	(17.7)	(15.5)	(13.8%)
International	601.88	538.83	11.7%	195.64	168.70	16.0%
Portugal	6.59	6.86	(3.9%)	0.17	0.65	(73.2%)
Latam	595.29	531.97	11.9%	195.46	168.04	16.3%
Adjusted EBITDA	**178.25**	**151.56**	**17.6%**	**21.47**	**14.20**	**51.2%**
Spain	20.41	20.21	1.0%	(31.7)	(30.7)	(3.3%)
International	157.84	131.36	20.2%	53.14	44.85	18.5%
Portugal	0.97	0.70	38.5%	(0.6)	(0.7)	17.1%
Latam	156.87	130.66	20.1%	53.73	45.56	17.9%
% adjusted margin	*24.8%*	*23.2%*		*12.1%*	*9.3%*	
Adjusted EBIT	**103.07**	**76.68**	**34.4%**	**16.28**	**5.97**	**172.8%**
% adjusted margin	*14.3%*	*11.7%*		*9.1%*	*3.9%*	

In 2014, Prisa **sold the Trade Publishing division** and therefore it has left its consolidation perimeter (previously lied within Santillana).
As of June this activity is **not part of the results** of the Education business of Prisa.
The impact of the transaction on the financial statements is registered in the table attached named extraordinary effects, and it involves adjusting the figures for 2014 and 2013, eliminating the impact of such activity.
Thus, the **adjusted results** of the Education business, comprises only education activities and does not reflect the performance of the activity of Trade Publishing in any of the years 2014 and 2013.
These items affect revenues and expenses and include the gain on sale and goodwill impairment the Trade Publishing Editions activity in Brazil.

a_ Market position

Santillana, PRISA's education business, maintains a leading position in practically all countries where it operates. In Spain, Santillana has a market share of 19.3%.

We detail below the market share and position of Santillana in its main markets, according to the latest data available:

Market share and position of PRISA's education business

Country	Market share	Market position
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: PRISA internal estimates as of December 2013, Mexico: 23.4 % including UNO

b_ Operating revenues

Operating Revenues have been affected by the following elements:

- **Trade Publishing division being sold** in June. The contribution of this business to the Education accounts can be seen in the attached table (without redundancies):

Trade Publising - Contribution	2014	2013
One-offs in operating revenues	**65.01**	**85.51**
Operating Revenue	43.40	85.51
Trade Publishing gain on disposal	21.61	0.00
One-offs in operating expenses	**37.66**	**63.67**
Operating expenses	37.66	63.67
One-offs in Amort. & Provisions	**14.56**	**15.58**
Objetiva Goodwil	6.79	0.00
Depreciatrion and Provisions	7.77	15.58

- Extraordinary non-recurring expense mainly associated to the sale of the Trade Publishing division.
- **The evolution of Exchange rates**, which negatively impact in 66.7 million Euro in revenues and in 20.2 million in EBITDA (excluding the impact in Trade Publishing).

Excluding the impact of exchange rates, revenues would have grown by +10% and EBITDA would have grown +17.6%.

In the revenues evolution of 2014 there is to highlight:
a) The evolution of the southern area campaigns, which together show a good performance in local currency.

b) In Spain, the campaign that started with a delay at the beginning compared to 2013, has finished with growth in relation to 2013. In 2014 revenues grow by +2.2% and EBITDA by +6.0%.

c) Mexico has grown by +1.4% (+6.5% in local currency) in line with expectations.

d) In Brazil, the growth of the regular campaign has counterpoised the lower institutional sales. This decrease is due to three factors: less than expected government purchases, minor assignment of book to Santillana (Physics and Chemistry and English) and the fact that prices have not collected total impact of inflation.

e) Learning Systems UNO maintain their growth (+9.3%) and show a remarkable improvement in margins. EBITDA goes from +2.9M euros in 2013 to +21.3 M euros in 2014.

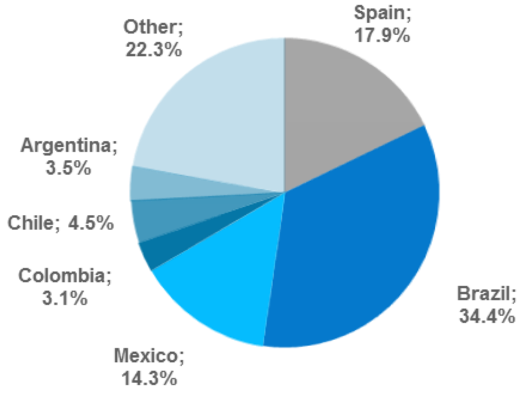
The contribution to the division's Revenues of the different countries where Santillana is present, separating the contribution of traditional Education (including education system Compartir) and education Sistema UNO is as follows:

EDUCATION	REVENUE			LOCAL CCY REVENUE		
	FY 2014	FY 2013	Var %	FY 2014	FY 2013	Var %
Santillana Total	**651.6**	**652.8**	**(0.2)**			**10.0**
Traditional Education & Compartir	**577.6**	**584.7**	**(1.2)**			
Spain	116.0	113.5	2.2	115.97	113.47	2.2
Portugal	6.6	6.9	(3.9)	6.59	6.86	(3.9)
Brazil	191.6	191.3	0.1	611.53	561.03	9.0
Mexico	62.6	61.9	1.2	1,102.22	1,025.90	7.4
Argentina	22.8	24.7	(7.9)	248.28	166.01	49.6
Chile	29.0	29.7	(2.1)	21,963.44	19,187.43	14.5
Colombia	10.1	12.9	(22.2)	27.37	32.89	(16.8)
Other countries	139.0	143.8	(3.4)			
UNO system	**73.8**	**67.6**	**9.3**			
Spain	0.1	0.0	n.a.	0.10	0.00	n.a.
Brazil	32.9	28.4	15.9	102.75	80.66	27.4
Mexico	30.4	29.9	1.8	538.74	514.46	4.7
Colombia	10.4	9.3	12.2	27.87	23.08	20.8
Other	**0.2**	**0.5**	**(62.0)**	**0.2**	**0.5**	**(62.0)**

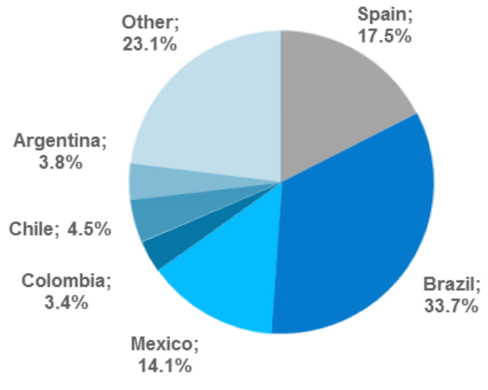
Adjusted for FX rates and the impact of the trade Publishing business, adjusted revenues grow by +10% and adjusted EBITDA grows by +17.6%.

Geographical split of education revenues (%)

January – December 2014



January – December 2013



c_ Operating expenses and capex

Adjusted **operating expenses are reduced in 2014 by -1.5%.** This reduction responds to:

- **Lower expenses by business line**: -1.5% Total Expenses -7.7 million Euro; Traditional Education and Compartir: 0.7%, 2.9 million Euro; UNO -18.7%, -12.1 million Euro; Others: +9.7%, 1.6 million euros.

- **Lower expenses by concept**: Staff costs, -2.0% -3.1 million; External services: -0.5%, -0.8 million; Copyright: -2.6%, -0.6 million; Loss on disposal of fixed assets: -0.3 million; Cost of Sales -177.4% -2.9 million euros.

As for Capex, Santillana undertakes investments for a total of 59.6 **million Euro in 2014.**

d_ EBITDA

Education EBITDA in 2014 reaches 158 million Euro (+4.3%) and have been negatively impacted by exchange rates.
At constant currency, **adjusted EBITDA** of Education business, would have grown by +17.6% and reached 178.3 million Euros

The adjusted EBITDA contribution of the different countries where Santillana is present, separating the contribution of the different business lines (traditional education and Compartir, UNO system and other) is as follows:

EDUCATION	ADJUSTED EBITDA			LOCAL CCY ADJUSTED EBITDA		
	FY 2014	FY 2014	Var %	FY 2014	FY 2013	Var %
Santillana Total	**158.0**	**151.5**	**4.3**			**17.6**
Traditional Education & Compartir	**154.5**	**164.5**	**(6.1)**			
Spain	37.3	35.0	6.6	37.3	35.0	6.6
Portugal	1.0	0.7	36.1	1.0	0.7	36.1
Brazil	53.0	59.6	(11.1)	175.0	177.5	(1.4)
Mexico	15.0	14.1	6.3	264.0	224.3	17.7
Argentina	4.6	5.4	(14.4)	52.0	28.8	80.5
Chile	9.5	8.7	9.9	7,193.9	5,370.6	33.9
Colombia	(0.4)	0.3	-	(0.5)	1.4	(139.9)
Other countries	34.5	40.6	(15.1)			
UNO system	**21.3**	**2.9**	**639.7**			
Spain	(0.1)	(.2)	51.2	(0.1)	(0.2)	51.2
Brasil	8.5	(2.2)	-	26.2	(5.3)	-
Mexico	10.1	5.1	97.6	179.9	90.9	98.1
Colombia	2.7	0.2	-	7.3	0.5	-
Other	**(17.8)**	**(15.9)**	**(12.0)**	**(17.8)**	**(15.9)**	**(12.0)**

e_ Digital development – Digital education systems (UNO & Compartir)

Sistema UNO: It is a complete pedagogic service, constructed through the collaboration with the school management, offering forming and evaluation, a bilingual education and the digitalization of the education system (including the class). It is a system that includes the school owners, directors, teachers, pupils and parents.

The proposal includes:

- **Content**: printed material (pupil, teacher, class) and digital material (pupil and teacher)
- **Digital platform**: hardware (ipads, servers, projectors etc.) and software (apps, support…)
- **Evaluation**: school and national exams (MAPCO, PISA, Cambridge)
- **Training**: for directors, teachers, pupils and parents, through conferences, seminars, events, tutorials and digital services etc.

Business model:

- The business is B2B, with direct agreements with the schools (4 year agreements) and direct payment by the parents.
- The Price is higher than the traditional package of books offered to schools.
- The digitalization of classes is offered, as well as the chance of having a Tablet (ipad) per pupil.
- It implies the transformation of printed material with digital elements to a system which is fully digital.

- The education process development is planned and managed completely through Sistema UNO.

The geographical presence: Sistema UNO has been launched in Brazil, Mexico and Colombia with considerable success in each of the three.

The results: In 2014, the results of Sistema UNO continue showing a good behaviour in local currency and improving profitability, once the initial investment and launch stages have been completed. EBITDA grows from 2.9 million euros in 2013 to 21.3 million euros in 2014.

KPIs:

- **Brazil:** Sistema UNO is present in 327 schools and reaches 111,505 pupils.
- **Colombia:** Sistema UNO is present in 81 schools and reaches 25,748 pupils.
- **Mexico**: Sistema UNO is present in 427 schools and reaches 121,509 pupils.
- **Total: Sistema UNO is present in 837 schools and reaches 261,400 pupils.**

Sistema COMPARTIR: An initiative directed towards facilitating the incorporation of technology to schools in a less radical way tan Sistema UNO. It implies the introduction to the digital world instead of an alternative education proposal for the schools. If provides the schools with a solution to face the need of introduce technological changes, when they are more reluctant of abandoning the traditional education system of printed books.

The proposal: offers text books which are enriched with digital content and access to hardware and software at preferential prices to slowly increase the digital exposure of the school.

- **Content:** same content as traditional education but with additional services.
- **Evaluation**.
- **Digitalization of classrooms:** including hardware to improve the education experience of pupils.
- **Online content**: Santillana plus (web page for pupils and teachers) and Twig (educational videos in biology, physics, chemistry and natural science).
- **Learning Management System (LMS):** integration of the learning community (pupil, teacher, parents) in a customizable platform which simplifies the education management.

Business model:

- The business is B2B, with agreements with the schools (for 3 years) with a payment per subscription
- The system is given directly to the schools
- There are several options so that the individual needs of the schools are met
- Santillana has an agreement with hardware providers for the schools that adopt Compartir

Geographical presence: Sistema Compartir is much more extended than UNO, with presence in Argentina, Brazil, Northern and Southern Central America, Chile, Colombia, Ecuador, Mexico and Dominican Republic. In February 2015 is launched in Peru.

The contribution to revenues and EBITDA of these campaigns are included together with those of traditional education shown in the tables above.

As for its KPIs, **Sistema Compartir reaches 1,102 schools and 370,564 pupils.**

4_ Radio business

RADIO	JANUARY - DECEMBER 2014	2013	% Chg.	OCTOBER - DECEMBER 2014	2013	% Chg.
Revenues	**305.14**	**323.85**	**(5.8%)**	**91.77**	**101.71**	**(9.8%)**
Advertising	272.92	285.93	(4.6%)	80.17	84.57	(5.2%)
Spain	*157.31*	*161.23*	*(2.4%)*	*47.80*	*49.49*	*(3.4%)*
International	*115.30*	*124.52*	*(7.4%)*	*32.26*	*34.99*	*(7.8%)*
*Other**	*0.31*	*0.17*	*78.0%*	*0.11*	*0.08*	*33.2%*
Others	32.22	37.92	(15.0%)	11.60	17.15	(32.3%)
Operating expenses	**259.40**	**277.08**	**(6.4%)**	**72.10**	**77.34**	**(6.8%)**
EBITDA	**45.74**	**46.77**	**(2.2%)**	**19.66**	**24.38**	**(19.3%)**
% margin	*15.0%*	*14.4%*		*21.4%*	*24.0%*	
EBIT	**24.82**	**23.27**	**6.7%**	**9.74**	**13.49**	**(27.8%)**
% margin	*8.1%*	*7.2%*		*10.6%*	*13.3%*	
** Includes Music & Consolidation adjustments*						
One-offs in operating revenues	**(24.85)**	**(14.31)**		**(10.12)**	**(3.06)**	
Advertising Sponsorship Adjustment	0.00	4.72		0.00	2.82	
Consolidation Perimeter Adjustment - Mx & CR	(24.85)	(19.03)		(10.12)	(5.88)	
One-offs in operating expenses	**(5.01)**	**2.36**		**(1.22)**	**3.40**	
Redundancies	6.55	5.87		2.394	2.785	
Contractors Redundancies	1.57	2.66		0.31	0.71	
Advertising Sponsorship Adjustment	0.00	4.72		0.00	2.82	
Consolidation Perimeter Adjustment - Mx & CR	(13.13)	(10.89)		(3.92)	(2.92)	
One-offs in Amort. & Provisions	**7.91**	**4.84**		**8.76**	**5.75**	
Consolidation Perimeter Adjustment - Mx & CR	(0.81)	(1.18)		0.04	(0.27)	
Impairment & Losses on Assets	8.73	6.02		8.73	6.02	
Adjusted Revenues	**329.98**	**338.16**	**(2.4%)**	**101.89**	**104.77**	**(2.8%)**
Spain	195.82	195.44	0.2%	60.54	64.62	(6.3%)
Latam	145.71	150.18	(3.0%)	44.70	42.87	4.3%
Adjustnents & others	(11.5)	(7.5)		(3.3)	(2.7)	
Adjusted EBITDA	**65.57**	**63.43**	**3.4%**	**28.57**	**30.83**	**(7.3%)**
Spain	18.07	12.46	45.0%	11.68	11.49	1.7%
Latam	47.48	52.32	(9.3%)	16.89	19.63	(13.9%)
Adjustnents & others	(0.0)	(1.4)		(0.0)	(0.3)	
% adjusted margin	*19.9%*	*18.8%*		*28.0%*	*29.4%*	
Adjusted EBIT	**52.57**	**44.77**	**17.4%**	**27.41**	**25.69**	**6.7%**
% adjusted margin	*15.9%*	*13.2%*		*26.9%*	*24.5%*	
Adjusted Revenues at constant fx rate	**342.56**	**338.16**	**1.3%**	**103.60**	**104.77**	**(1.1%)**
Spain	195.82	195.44	0.2%	60.54	64.62	(6.3%)
Latam	158.29	150.18	5.4%	46.40	42.87	8.2%
Adjustnents & others	(11.5)	(7.5)		(3.3)	(2.7)	
Adjusted EBITDA at constant fx rate	**68.07**	**63.43**	**7.3%**	**28.85**	**30.83**	**(6.4%)**
Spain	18.07	12.46	45.0%	11.68	11.49	1.7%
Latam	49.98	52.32	(4.5%)	17.18	19.63	(12.5%)
Adjustnents & others	(0.0)	(1.4)		(0.0)	(0.3)	
% adjusted margin	*19.9%*	*18.8%*		*27.9%*	*29.4%*	
Adjusted EBIT	**54.68**	**44.77**	**22.1%**	**28.11**	**25.69**	**9.4%**
% adjusted margin	*16.0%*	*13.2%*		*27.1%*	*24.5%*	

In 2014, Mexico and Costa Rica investments begin consolidation under the equity method (they are no longer proportionally consolidated). The change applies to both 2013 and 2014 accounts.
This situation is due to a change in international accounting rules (adopted by the EU), which was introduced from January 2013 onwards.
The results of Mexico and Costa Rica are included within adjusted results both in 2014 and 2013, with the aim of providing for a better understanding of the global business.

a_ Market position

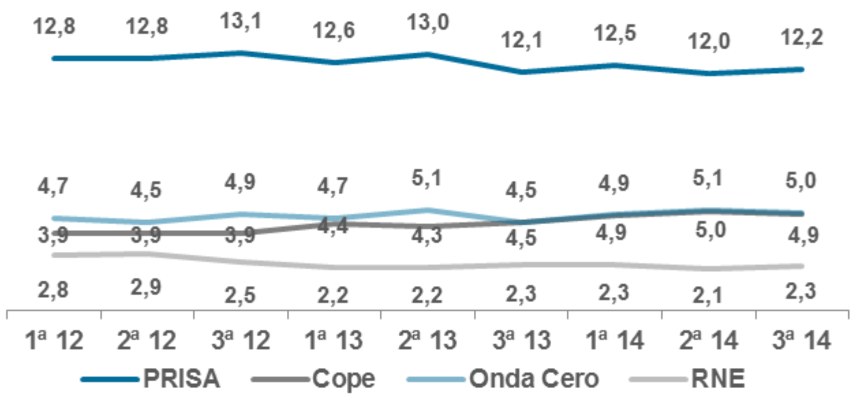
In Spain, we highlight the competitive strength of PRISA's radio business through its stations (Cadena Ser, 40 Principales, Cadena Dial, M-80, Radiolé and Máxima FM). According to the latest EGM survey, **Cadena Ser maintains absolute leadership in the market with 4,725,000 listeners** (market share of 39.7% of Spain's generalist radio)**. Cadena 40 and Cadena Dial hold first and second place in the music radio market in Spain with audience shares of 22% and 16% respectively.**
We detail below the number of listeners of PRISA in Spain:

Thsd. Listeners	Listeners		
	4Q 2014	Rank	Share
Talk Radio	**4,725**	**1**	**39.7%**
Cadena SER	4,725		39.7%
Music Radio	**7,518**	**1**	**51.0%**
40 Principales	3,245		22.0%
Dial	2,391		16.2%
Máxima FM	705		4.8%
M80	633		4.3%
Radiolé	544		3.7%
Total	**12,243**		

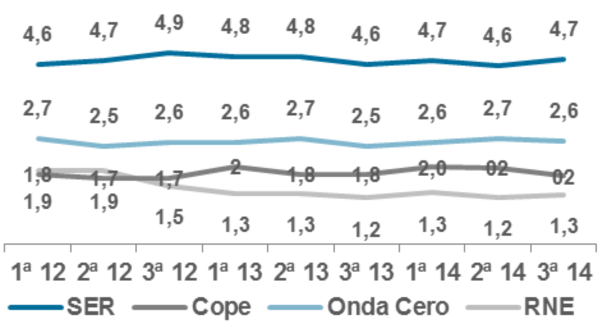
Source: EGM third report 2014

The strong leading position held by PRISA radio in Spain has been recurrent over time. We show below the evolution of the audience share of radio stations in Spain according to EGM.

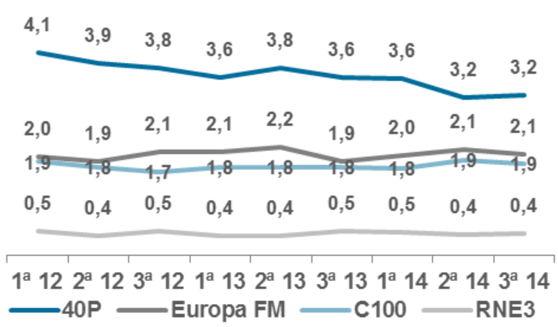
Audience share evolution in Spain (thousand listeners)



Cadena Ser



40 principales

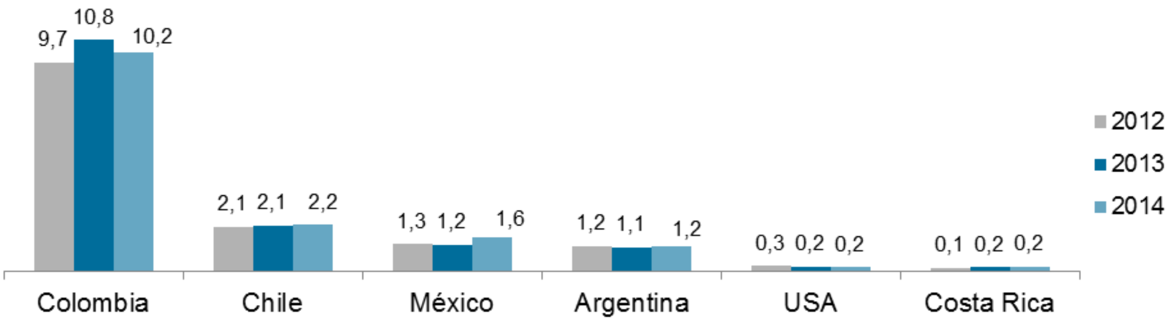


Source: EGM third report 2014

As for international radio, PRISA maintains a leading position in Chile and Colombia (with respective market shares of 47.4%, 36.1%) and third position in Mexico (14%). We detail below the market position of PRISA's international radio stations as of the latest information available (September- December 2014):

Thsd. Listeners	Listeners		
	2014	Rank	Share
Colombia	10,220	**1**	36.1%
Chile	2,195	**1**	47.4%
México	1,552	**3**	14.1%
Argentina	1,155	**4**	9.6%
Costa Rica	210	**n/a**	n/a
USA	154	**n/a**	n/a
Ecuador	36	**n/a**	n/a

International radio audience (thousand listeners)



Source: ECAR (Colombia), IPSOS (Chile), INRA (Mexico), IBOPE (Argentina), latest available information as of September-December 2014

b_ Operating revenues

In 2014, **Radio Revenues reached 305.1 million euros**, which implies a fall of -5.8% compared with 2013. This fall is mainly due to:

- Advertising **sponsorship revenues without EBITDA impact** in 2013 but not recorded in 2014 for 4.7 million euros.
- **Negative FX impact,** for 12.6 million euros**.**

Additionally, **Mexico and Costa Rica cease to be proportionally consolidated and start to be integrated through equity consolidation**, both in 2013 and in 2014.

At constant currency and adjusting for sponsorship revenue recorded in 2013 and including Mexico and Costa Rica, **Radio revenue** would have grown by +1.3% (compared with 2013), **reaching 342.6 million euros in 2014**.

Radio Revenues by geographical origin:

a) **Spain**: Radio Spain adjusted revenues (including Music) reach 195.8 million euros in 2014 (+0.2% versus 2013).

b) **International:** International radio Revenues reach **145.7 million euros in 2014** (-3.0% versus 2013). This fall is mainly due to exchange rate evolution.
At constant rates, and including Mexico and Costa Rica, Radio revenue would be **158.3 million euros** (+5.4%versus 2013).

Revenues by geography (%)

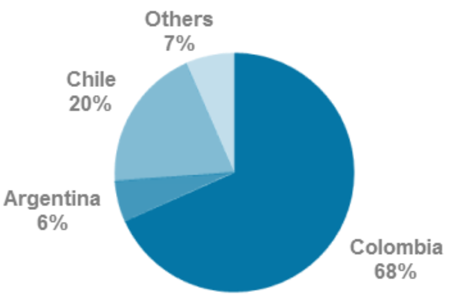
January – December 2014*

January – December 2013

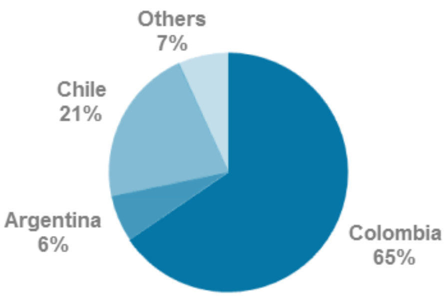
* Data impacted by deconsolidation of Mexico & Costa Rica. Without this impact LatAm Revenues would have reached 44.2% of the division's revenues.

International contribution of the different countries (%)

January – December 2014*



January – December 2014*

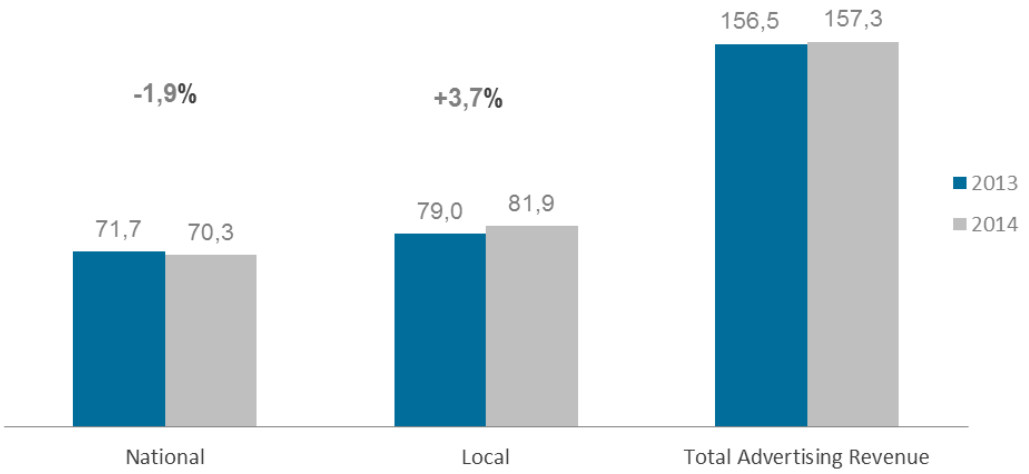


* Data impacted by deconsolidation of Mexico & Costa Rica. Without this impact Colombia would represent 56.6%, Mexico 16.4%, Argentina 4.6%, Chile 16.2% and the rest 6.3%.

Radio revenues by concept:

a) **Advertising revenues:** Radio advertising Revenues fall by -4.6% in 2014 reaching 272.9 million Euro and representing 89.4% of the division's revenues. There is to highlight the different performance in Spain and International radio.

   Spanish total advertising revenues (including Music ad revenue) reach 157.6 million Euro and represent 57.8% (fall by -2.4%).
   Nevertheless, adjusted advertising revenues (excluding Music ad revenue) grow by +0.5% (157.3 million Euro of advertising revenue in 2014 vs.156.5 million euros in 2013), adjusting for sponsorship revenue recorded in 2013 and not in 2014.
   Local advertising revenue consolidates its growth trend (+3.7% cumulative growth, with positive growth in each of the preceding 12 months). National advertising revenue does not show a clear trend yet, despite having improved in the last few months of 2014 (mainly in October, +25% and December +3.4%).



International advertising revenues fall by -7.4%, and are impacted by the negative FX impact, and by a worse than expected performance in Colombia and Chile (impacted by government changes).
Excluding FX and including Mexico and Costa Rica, international advertising revenues would have reached 148.6 million euros (+3.3% versus 2013).

b) Other Revenues: reach 32.2 million euros (-15% versus 2013). These revenues include services, product sales and other.

During 2013, a **reclassification of Advertising Revenues** was recorded for 3 million euros, which correspond to advertising in events, which was previously included in "Other revenues". This adjustment has no impact on the division's revenues or on those of the Group.

c_ Operating expenses and Capex

The Group maintains its strong effort in cost control. OPEX in 2014 has fallen by -6.4% versus 2013. Adjusted by extraordinary elements, (mainly redundancies) and perimeter, OPEX would have fallen by -3.8% and -0.1% considering the exchange rate impact.

The fall in expenses continues with a process which has been taking place for the past few years, and improves the division's position to enjoy its operating leverage when the expected market improvement takes place in 2015. As for **capex**, PRISA Radio's capex reaches 6.4 million euros in 2014.

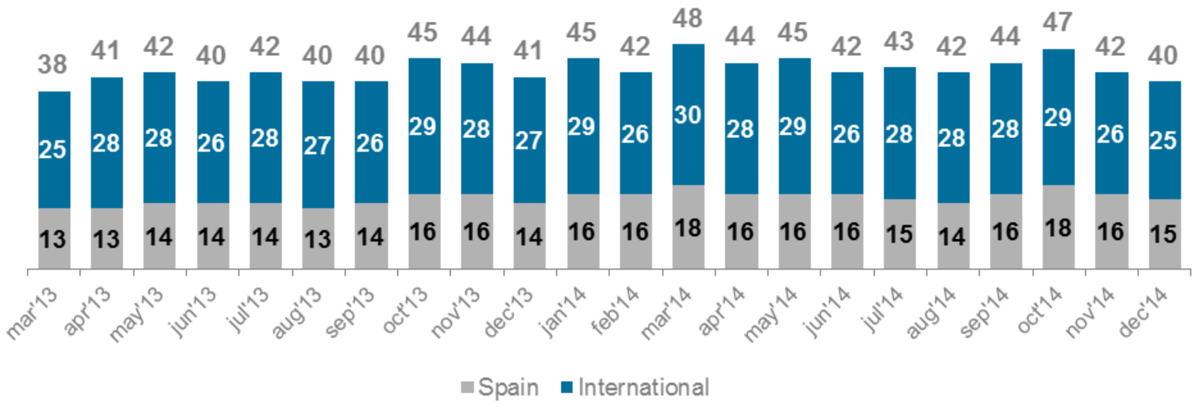
d_ EBITDA

Radio EBITDA was positive in **45.7 million** euros in 2014, which compares to 46.8 million euros in 2013. **Adjusted by extraordinary items and FX**, EBITDA would have reached **68.1 million euros**, compared to 63.4 million euros in 2013 **(+7.3%)**.
We highlight the **improvement in Spain** that grows from 12.5 million euros 2013 to 18.1 million euros in 2014 in adjusted terms **(+45%)**

e_ Digital development

We highlight the strength and growth of listening hours of radio through digital means. In the past year, monthly listening hours have grown from 38 million in March 2013 to 40 million in December 2014, with a positive evolution in both Spain and international Radio.

Listening hours of digital radio (million hours)



The support of the digital activity to radio results in:

- **Strong growth of unique browsers** to the radio web sites: unique browsers to Radio Spain web sites grew by +14.6% and reach 8.3 million on average. As for international radio, unique browsers according to Omniture grow by 16.3% and reach 10.0 million on average. Overall Radio Browsers reach 18.4 million users, growing by 15.5%.
- **During 2013, the launch of Yes.fm took place**: Yes.fm is a streaming music listening platform which wants to become the first online music circulation platform in Spain and LatAm, to make artists and listeners closer through all available supports, recorded and live and offer the most complete music listening experience, with access to related services. Launched initially in Spain (2013) the intention is to extend the platform to other countries throughout 2015.

The main advantages of **PRISA Radio** to offer this service are: Brand strength on its musical products, commercial capillarity, music experts present in 10 countries, musical industry knowledge and PRISA web sites to Access clients and promote the service (El País, As, Rolling Stone, Meristation, Yomvi).

The business model is based on:

- **Advertising:** The model is associated to channels and stations (lower rights costs), with lower guaranteed minimums, experience and regional presence of PRISA radio for advertising sale, local knowledge of music, and a majority of passive users in the market.
- **Subscription**: «à la carte» needed for heavy-users or users which don't want to receive advertising, which allows for revenue diversification.
- **E-commerce.**

5_ Press business

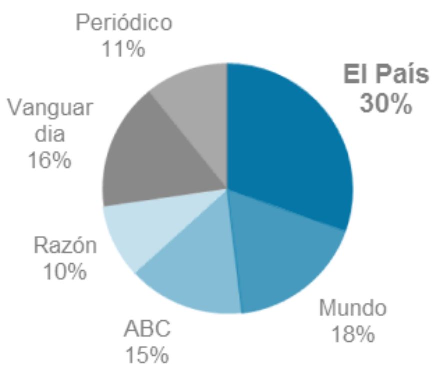
PRESS	JANUARY - DECEMBER 2014	2013	% Chg.	OCTOBER - DECEMBER 2014	2013	% Chg.
Revenues	**260.22**	**282.49**	**(7.9%)**	**72.30**	**82.34**	**(12.2%)**
Advertising	*109.37*	*112.69*	*(2.9%)*	*36.48*	*36.90*	*(1.1%)*
Circulation	*109.00*	*125.85*	*(13.4%)*	*26.26*	*29.28*	*(10.3%)*
Add-ons and others	*41.86*	*43.95*	*(4.8%)*	*9.57*	*16.16*	*(40.8%)*
Operating expenses	**258.77**	**265.44**	**(2.5%)**	**63.85**	**74.19**	**(13.9%)**
EBITDA	**1.45**	**17.04**	**(91.5%)**	**8.45**	**8.15**	**3.7%**
% margin	*0.6%*	*6.0%*		*11.7%*	*9.9%*	
EBIT	**(21.59)**	**(0.17)**	**---**	**(0.14)**	**1.27**	**(111.0%)**
% margin	*(8.3%)*	*(0.1%)*		*(0.2%)*	*1.5%*	
One-offs in operating revenues	**5.21**	**7.06**		**1.81**	**3.87**	
Advertising sponsorship adjustment	5.21	7.057		1.81	3.87	
One-offs in operating expenses	**18.36**	**15.09**		**2.71**	**8.21**	
Redundancies	13.16	8.04		0.90	4.34	
Advertising sponsorship adjustment	5.21	7.06		1.81	3.87	
One-offs in Amort. & Provisions	**4.56**	**0.00**		**4.56**	**0.00**	
Other Impairments	4.56	0.00		4.56	0.00	
Adjusted Revenues	**255.02**	**275.43**	**(7.4%)**	**70.49**	**78.47**	**(10.2%)**
Advertising	*104.17*	*105.63*	*(1.4%)*	34.66	33.02	5.0%
Circulation	*109.00*	*125.85*	*(13.4%)*	26.26	29.28	(10.3%)
Add-ons and others	*41.86*	*43.95*	*(4.8%)*	9.57	16.16	(40.8%)
Adjusted EBITDA	**14.61**	**25.08**	**(41.8%)**	**9.35**	**12.48**	**(25.1%)**
% adjusted margin	*5.7%*	*9.1%*		*13.3%*	*15.9%*	
Adjusted EBIT	**(3.9)**	**7.87**	**(149.3%)**	**5.32**	**5.61**	**(5.2%)**
% adjusted margin	*(1.5%)*	*2.9%*		*7.5%*	*7.2%*	

a_ Market position

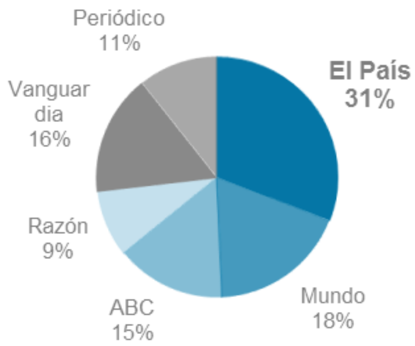
El País maintains its absolute leading position in Spain, with a market share of 30% according to the latest OJD available data (December 2014).

Market position of Press business in Spain

January – December 2014



January – December 2013



Source: OJD December 2014

b_ Operating revenues

Revenues fall by -7.9% in 2014 reaching 260.2 million euros. This is due to the weakness in the press advertising market and the fall in circulation, which were partially offset by growth in digital advertising and promotions and event management activities.

Advertising Revenues fell by -2.9%, (País -5.2%, AS +7.0%).

- Print advertising Revenues fall by -9.6% (including new businesses)
- Digital advertising Revenues, including event management, grow by +18.4% in the period and already represent 30% of total adjusted advertising revenues (23% in December 2013).

- We highlight AS, where 51% of advertising Revenues come from their digital area (55% of adjusted advertising)..
- The development of new business lines (Event Management) continues to grow (+22.2%).
- The good performance of on-line advertising and new businesses, almost offset the fall of off-line advertising.

Adjusted Advertising Revenue*	JANUARY - DECEMBER		
Eur Million	2014	2013	% Chg.
Advertising*	**104.17**	**105.63**	**(1.4%)**
Off-line	65.58	73.02	(10.2%)
On-line	31.29	26.65	17.4%
Event management	7.29	5.97	22.2%
**Sponsorship adjusted*			

Circulation revenues fell by **-**13.4%. As per print media circulation figures, the evolution per newspaper, according to OJD lates data available (OJD December 2014) is as follows:

	Jan - Dec 2014	Jan - Dec 2013	Var. %
El País	259,775	292,226	(11.1)
AS	149,004	158,164	(5.8)
Cinco Días	26,655	28,911	(7.8)

OJD, unaudited January - December data

Circulation at **El País** falls by -11.1%, **AS** by -5.8% and **Cinco Días** by -7.8%

- **The rest of Press revenues** reach **41.9 million euros in 2014**, showing a fall of -4.8%. The reason behind is that tax deductions generated have not been recognised as revenues versus 7.4 million posted as revenues in 2013. Without tax deductions, Other Revenues **line would have increased by +14.5%.**
  Additionally, this fall is partially offset by **add-on revenues**, whose growth versus 2013 **(+6.5 million euros, +31.2%**) is due to the **success of several promotions** such as the “Beatles collection”, the “Smartphone” or “Inglés Total”, carried over 2014.

c_ Operating expenses and Capex

OPEX decreases during 2014 **by -2.5%**, despite increasing personnel restructuring costs (13.2 million euros compared to 8.0 million in 2013).
Excluding non-recurrent impacts, **OPEX** would have fallen by **-4.0% (9.9 million euro).**
Press capex remains under control, reaching 3 million euros in 2014.

d_ EBITDA

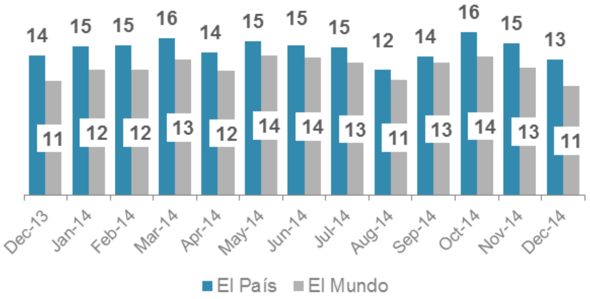
EBITDA in 2014 has reached **1.5 million euros**, falling by -91.5%, mainly explained by personnel restructuring costs. Excluding the impact of **extraordinaire**, **EBITDA** would have reached **14.6 million euros**, and considering tax deductions impact, the fall versus 2013 would have been -17.4%.

e_ Digital development

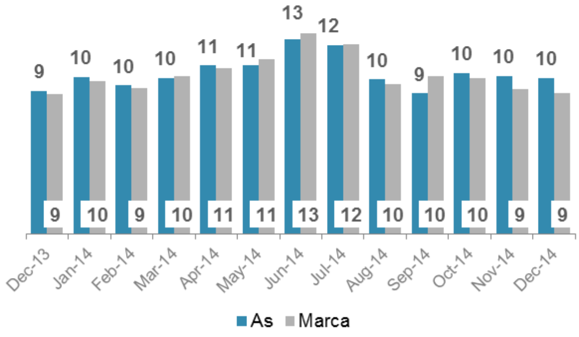
- **Adjusted Digital advertising Revenues grow by +17.4%** and represent 30% of the division’s ad Revenues.
- **Unique browsers to El País** sites in 2014 grow by +14.7% reaching 40.6 million on average (including Elpaís.com, Meristation, SModa and Classified). In AS web sites, unique browser growth reaches +18.5% to 33.9 million browsers on average.
- **In terms of unique users**, according to comScore in generalist press in 2014, El País maintains a leading position reaching 14.6 million monthly average users. In addition, in sport press, AS holds a close second position vs. Marca reaching 10.5 million monthly average users.

Digital audience (millions of unique users)

El País



As



- El País Brazil was launched during 2013.
- El País Mexico digital newsroom was substantially enhanced in 2014.

6_ MEDIA CAPITAL

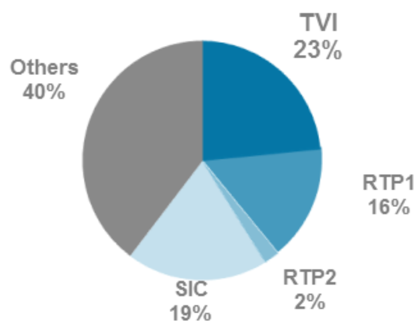
MEDIA CAPITAL	JANUARY - DECEMBER 2014	JANUARY - DECEMBER 2013	JANUARY - DECEMBER % Chg.	OCTOBER - DECEMBER 2014	OCTOBER - DECEMBER 2013	OCTOBER - DECEMBER % Chg.
Revenues	**179.77**	**181.72**	**(1.1%)**	**51.43**	**52.20**	**(1.5%)**
Advertising	114.13	102.69	11.1%	32.74	31.39	4.3%
Other	65.65	79.03	(16.9%)	18.69	20.81	(10.2%)
Operating expenses	**137.66**	**142.64**	**(3.5%)**	**33.33**	**35.84**	**(7.0%)**
EBITDA	**42.11**	**39.07**	**7.8%**	**18.10**	**16.36**	**10.7%**
% margin	*23.4%*	*21.5%*		*35.2%*	*31.3%*	
EBIT	**32.43**	**29.40**	**10.3%**	**15.09**	**14.01**	**7.7%**
% margin	*18.0%*	*16.2%*		*29.3%*	*26.8%*	
One- offs in operating expenses	**1.71**	**1.92**		**0.31**	**0.57**	
Redundancies	1.71	1.92		0.31	0.57	
Adjusted EBITDA	**43.82**	**41.00**	**6.9%**	**18.41**	**16.93**	**8.7%**
% adjusted margin	*24.4%*	*22.6%*		*35.8%*	*32.4%*	
Adjusted EBIT	**34.14**	**31.32**	**9.0%**	**15.39**	**14.58**	**5.6%**
% adjusted margin	*19.0%*	*17.2%*		*29.9%*	*27.9%*	

a_ Market position

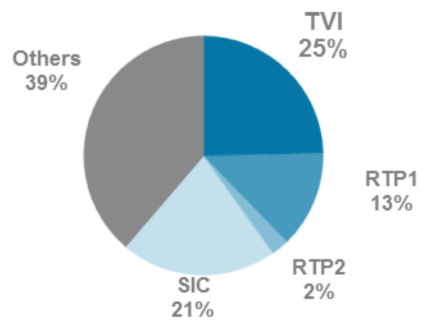
TVI maintains market leadership in 24 hours and prime time, reaching a daily audience share of 23% and 27% respectively.

Media Capital

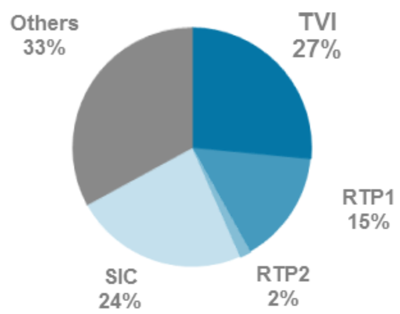
January – December 2014 (24hrs)



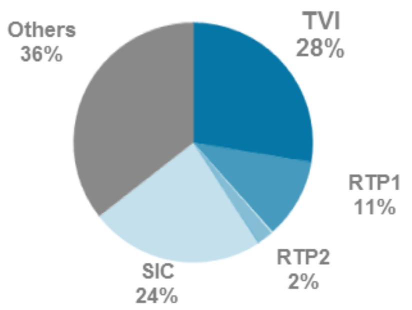
January – December 2013 (24hrs)



January – December 2014 (prime time)



January – December 2013 (prime time)



Source: Gfk December 2014

Media Capital's consolidated radio audience share (after the change of methodology in audience measurement that takes into account the new Census population) reaches 32.8%. Per station:

- **Radio Comercial** maintains its market leadership with an audience share of 22.7%
- **M80**, music radio, improves its audience share to 5.9%
- **Cidade FM** maintains its leadership amongst radio stations for youngsters, with a 3.3% audience share

b_ Operating revenues

Media Capital registered revenues in 2014 of 179.8 million euros (-1.1% versus 2013). This growth is mainly due to advertising Revenues (+11.1%) which compensates the fall in services and other revenues.

TVI, leading FTA TV in Portugal reached in 2014 revenues of 147.3 million euros, which implies a growth of +1.3% versus 2013. This growth comes on the back of:

- Improving advertising revenues: +11.4% vs. +7.2% of Portuguese FTA ad market (internal estimates).
- Improving audio-visual production sales, +25.7%
- Lower services revenues. Such reduction was due to the impact of the sector's self-regulation in what regards TV shows whose main revenue stream comes from flat rate call competitions, which was introduced in July 2014. International sales partially offset this reduction.

Media Capital's Radio business shows its strength, with revenues that grow by +11.4%. Advertising revenues grow by +9.2%.

c_ Operating expenses and Capex

OPEX: adjusted expenses fall by -3.5% in 2014. Media Capital maintains a capex of 5.2 million euros in 2014.

d_ EBITDA

All of the above leads to strong EBITDA growth: from 43.8 million euros in 2013 to 41.0 million euros in 2014 (+6.9%).

e_ Digital development

- Digital advertising revenues grow by +8.2% in 2014, although the relative weight for Media Capital is still limited.

- Unique browsers to its web sites fall by -11.4%, reaching 5.2 million on monthly average in 2014 (according to Netscope).

- During 2014, the following projects have been launched;
    - Desafío final: online emission of reality show "Casa dos Segredos", available by subscription
    - Development of the blog cabaredogoucha.pt
    - New website of Lux
    - New web site for MasterChef Portugal, with exclusive online content

7_ From EBIT to Net Profit

Eur Million	JANUARY - DECEMBER 2014	JANUARY - DECEMBER 2013	JANUARY - DECEMBER % Chg.	OCTOBER - DECEMBER 2014	OCTOBER - DECEMBER 2013	OCTOBER - DECEMBER % Chg.
EBIT	**28.72**	**99.58**	**(71.2)**	**(24.71)**	**20.81**	**-**
EBIT Margin	*2.0%*	*6.4%*		*0.0%*	*5.0%*	
Net financial result	**(39.07)**	**(176.96)**	**77.9**	**(70.55)**	**(62.25)**	**(13.3)**
Interest on debt	(114.68)	(106.42)	(7.8)	(29.69)	(14.17)	(109.6)
Other financial results	75.62	(70.54)	-	(40.85)	(48.08)	15.0
Result from associates	**36.04**	**5.59**	**-**	**(1.10)**	**(1.59)**	**30.6**
Profit before tax	**25.70**	**(71.80)**	**135.8**	**(96.36)**	**(43.02)**	**(124.0)**
Income tax expense	(132.61)	(41.53)	-	(31.09)	(40.74)	23.7
Results from discontinued activities	**(2,203.00)**	**(916.02)**	**(140.5)**	**(86.87)**	**(654.99)**	**86.7**
Minority interest	**73.08**	**380.65**	**(80.8)**	**61.85**	**284.87**	**(78.3)**
Net profit	**(2,236.83)**	**(648.70)**	**-**	**(152.47)**	**(453.88)**	**66.4**

a_ Net financial result:

Improves in 137.9 million euros, including an increase in **“Interest expenses”** (+7.8%, 8.3 million euros), and an improvement in “**Other financial results**” of 146.2 million euros mainly due to the profit from debt buyback, that net out the higher debt formalisation costs with creditor Banks and Exchange rate differences.

b_ Equity consolidated results

Mainly includes the estimate of the 3.66% net result of Mediaset España, the capital gain generated in the selling of the 13.68% stake and the fair value of the resulting investment. Equity consolidated results also include the results of Mexico and Costa Rica in both 2014 2013.

c_Corporate tax

This line is impacted by the impairment of some tax credits and the change of tax rate as per changes in Spanish tax law in 2014.

c_ Result from discontinued operations

This line includes the result from the execution of the contract to sell the 56% stake of DTS. The transaction implies an accounting loss in the consolidated accounts of 2,088.7 million euros (see asset sale operations note).

d_ Minority results

Minority interests are explained by DLJ’s 25% share in Santillana, and the minority interests in the Radio business and DTS.

8_ Financial Position

a_ Cash flow statement

€ Million	2014	2013	Chg.
Financial investments & cash equivalents at beginning of the period	**277.13**	**133.32**	**143.81**
EBITDA (excluding redundancies) - provisions	180.33	244.40	(64.07)
Change in working capital	(11.43)	(89.58)	78.14
Operating cash flow	**168.90**	**154.82**	**14.07**
Operating investments/disinvestments (Capex)	(72.52)	(91.72)	19.20
Financial assets investments/disinvestments	536.06	(21.44)	557.50
Cash flow from investing activities	**463.55**	**(113.15)**	**576.70**
Capital increase and Warrants exercised	99.55	0.29	99.26
Interests paid	(50.23)	(59.39)	9.16
Dividends paid	(25.75)	(30.21)	4.46
Other finacial expenses	(10.11)	(18.06)	7.96
Cash Flow from financing activities excluding increase/amortization of debt	**13.46**	**(107.37)**	**120.83**
Increase/amortization of bank debt	(544.38)	378.66	(923.03)
Cash flow from financing activities	**(530.92)**	**271.28**	**(802.20)**
Taxes paid	(33.64)	(51.29)	17.65
Fx impact	(15.82)	(12.56)	(3.27)
Redundancies	(34.29)	(28.67)	(5.62)
Perimeter effect	(2.87)	(5.22)	2.35
Others	(3.81)	(49.04)	45.23
Other cash flow impacts	**(90.43)**	**(146.76)**	**56.34**
Variation of cash flows in the period (I)+(II)+(III)+(IV)	**11.10**	**166.19**	**(155.08)**
Variation of cash flows in the period from discontinued operations	**(7.91)**	**(22.38)**	**14.47**
Financial investments & cash equivalents at the end of the period	**280.32**	**277.13**	**3.19**

Cash flow from investing activities

- We show below the detail of Capex per business unit:

CAPEX

	December 2014	December 2013	Var.
Audiovisual (Media Capital)	(5,17)	(2,67)	(2,50)
Education	(59,58)	(76,14)	16,55
Radio	(6,44)	(5,73)	(0,71)
Press	(2,99)	(3,17)	0,18
Others	0,07	(5,93)	6,00
Capex (investment)	**(74,11)**	**(93,64)**	**19,53**
Capex (disinvestment)	1,59	1,92	(0,33)
Total	**(72,52)**	**(91,72)**	**19,20**

Financial assets investments

- As of December 2014 includes in the investment cash flow the selling of the 13.68% of Mediaset (481.9m Euro).
- It also includes the collection of the Trade Publishing business sale and the cash out from the Objetiva 24% stake purchase.
- In 2013 includes the payment from the Media Capital put exercise, fully financed with debt.

Cash flow from financing activities

- The cash flow reflects **the lower payment of interest in cash** as agreed in the recent refinancing agreement.

- The detail per business unit of the debt withdrawals with creditor entities is as follows:

	December 2014	December 2013	Var.
Audiovisual (Media Capital)	7,91	(6,56)	14,47
Education	27,21	16,85	10,36
Radio	(1,96)	(0,23)	(1,73)
Press	(0,18)	0,21	(0,39)
Others	(577,35)	368,39	(945,74)
Total	**(544,38)**	**378,66**	**(923,03)**

- "Other": in 2014 includes subordinated debt amortisation performed with funds originated in the sale of the 13.68% stake in Mediaset (478.13 million Euro payment to cancel 643.54 million Euro of debt) and with the funds coming from the capital increase (133.13 million debt cancelation; cash outflow of 99.8 million Euro. In 2013 it includes the increase in debt used to fund the Media Capital put option exercise. In 2013 it also includes the new financing facility as per the refinancing agreement.
- Education: in 2014 25 million euro are included in Education area, from the loan guaranteed by World Bank for the financing of education systems.
- Media Capital: the higher debt is due to a 9 million euros withdrawal to cancel non-recourse factoring line included in working capital.

Other Cash Flow movements

Taxes, the lesser tax payment is due to:

- **Education**: (12.7 million euros), mainly in Moderna (Brazil), being a time effect which will move into 2015.
- **Media Capital** (4 million euros), mainly due to the tax rate reduction to 23% (25% in 2013) and also due to tax optimization measures taken in the treatment of financial expenses.

Perimeter effect, due to the sale of the Trade Publishing business (-2.9 million euros). In 2013 this impact is due to the re-expression of the comparative information because of the integration of Mexico and Costa Rica by the equity method.

Net financial position

	12/31/2014	12/31/2013
Financial debt	2,754.26	3,401.08
Cash & cash equivalents+Short term financial investments	(280.32)	(277.13)
Net financial debt	**2,473.94**	**3,123.95**
Debt arrangement expenses	108.30	182.02
Total financial debt	**2,582.25**	**3,305.97**
Other financial debt	118.40	108.67
DLJ Preferred dividend	118.21	104.06
Convertible bond coupon	0.00	4.36
Other	0.19	0.24
Total net debt	**2,592.34**	**3,232.62**
Total net debt Adjusted	**2,700.65**	**3,414.64**

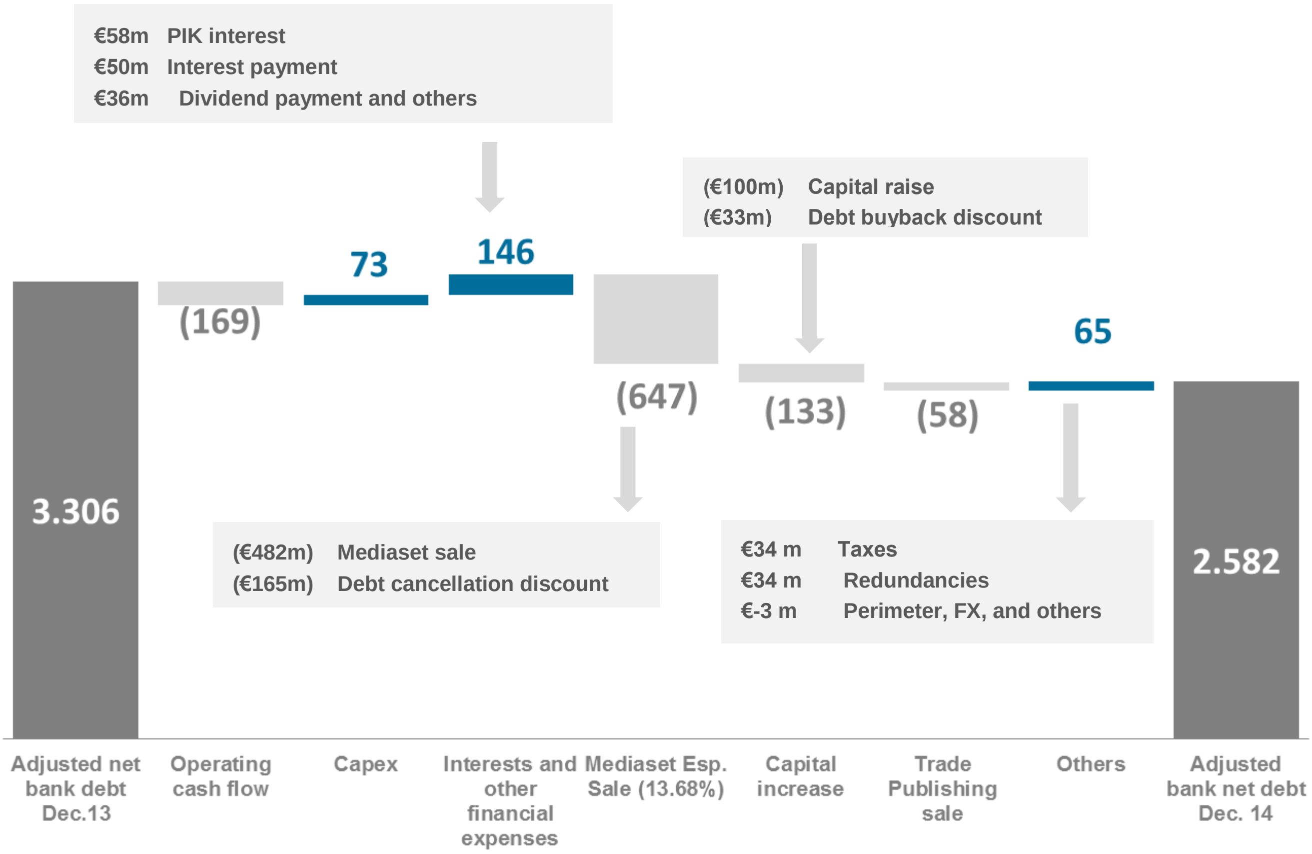
Other financial debt includes:

- Payment obligations for the preferred dividend to DLJ for its 25% stake in Santillana
- Guaranteed coupon to Telefónica for the issuance of convertible bonds in 2012.

"**Debt arrangement expenses**" (which includes the issuance of 2013 warrants as a commission payment to the creditors which provided the new liquidity line to the Group) are presented in the Balance Sheet reducing the debt with creditor entities. These expenses will impact our P&L according to the maturity of their associated loans.

The evolution of total adjusted net debt for **the Group** (excluding the impact of “debt formalization liabilities” is as follows:

The evolution of Grupo Prisa total adjusted net debt (excluding debt arrangement costs) is as follows:



- The line de “interest and other financial expenses” includes, besides interest payment:
    - Interest payment (50.23 million Euro), dividend payment (25.75 million Euro), and other financial payments (10,11 million Euro)
    - Fixed capitalized cost (PIK) associated with part of refinanced debt for an amount of 57.63 million euro.

- **13.68% Mediaset Spain sale:** Debt amortization with fund coming from sale of 13.68% Mediaset (-643.54 million Euro, cash outflow -478.13 million Euro, which generates financial revenue for the difference)
- **Capital increase (-136 million Euro):** Debt amortization with funds from capital raise (-133.13 million Euro, cash outflow -99.8 million Euro, which generates financial revenue for the difference). Additionally funds from warrant exercise from 2013 refinancing are also included.
- **Trade Publishing sale:** funds from the division sale of -63 million Euro, net of the payment of purchase of the stake 24% in Objetiva (5 million euros).

9_Asset sale operations

a_ Mediaset Spain

In April 2014, Prisa proceeded to place a pack of 15 million shares of Mediaset España, representing 3.69% of the share capital of said company, through a financing entity, at a rate of 8.08 Euro per share, which generated a cash inflow of EUR 121,215 thousands, resulting in a negative difference with the “book value” of EUR 4,755 thousand, which is registered under the heading *"Result of companies accounted for using the equity method"* in the condensed consolidated income statements.

The net proceeds from that sale have been used to buy back a portion of its financial debt at a discount. This has been done by way of a Dutch auction process, having agreed to buy back a total of EUR 164,959 thousand of debt, at an average discount of 0.2762 Euro per Euro (i.e., at a price of 72.38%).

Additionally, on july 24th 2014, Prisa sold 34,583,221 Mediaset España shares, representing 8.5% of its share capital, for a price of 8.892 euros per share (i.e. 307, 514 thousand euros). The shares were sold to Mediaset España itself. This operation meant a profit of 14,593 thousand euros, posted to the “Result of companies accounted for using the equity method" line in the consolidated profit and loss account.

The proceeds from this operation were used for debt buyback for an amount of 406,640 thousand euros, with an average discount of 0.2505 euros (i.e. an average price of 74.95%).

Additionally, during August and September, 6,060,000 shares of Mediaset España were sold, which meant the reduction of the shareholding in this company to 3.66%.These operations meant a profit of 3,538 thousand euros posted to the “Result of companies accounted for using the equity method" line in the consolidated profit and loss account.The net proceeds from these sales (55,192 million euros), was used for a debt buyback of 71,943 thousand euros, with an average discount of 25% i.e an average price of 75%.

After the mentioned operations, the shareholdings in this company are considered an equity instrument, given that significant influence is no longer held, as it is lower than 5%.

b_ DTS

In June 2014, the Board of Directors of Prisa has formalized with Telefónica de Contenidos, S.A.U. the agreement to sell of all the shares DTS held by Prisa, representing 56% of the share capital of DTS, for an amount of EUR 750 million, which is subject to the usual adjustments in this type of transaction until the transaction closes.

Mediaset España, shareholder of DTS, had an initial period of 15 calendar days since this moment, and then extended until July 4th, 2014, in order to exercise the pre-emptive right or the tag-along right in accordance with the provisions included in the bylaws and the shareholder´s agreement. After expiration of this period, Mediaset España had not exercised any of the rights above mentioned.
The closing of the transaction is subject to the non-opposition of a representative panel of Prisa’s financing banks and the authorization of the competition authorities. The deal execution is subject to the mandatory competition authority clearance, which could impose conditions or require commitments for the approval of this operation. On June 20th, 2014, this representative panel of Prisa´s financing banks communicated they did not oppose to the operation.

This transaction, deducted the costs in order to conduct the sale, will mean an accounting loss in the consolidated Prisa Group accounts of EUR 2,064,921 million and in the individual accounts of Prisa of EUR 750,383 thousand that will place the company in an equity imbalance situation. Prisa´s restructuring agreement foresees 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 imbalance.

On September 15th, 2014, this mechanism provided for, in the refinancing agreement, was approved by the lenders, after an opinion of an independent expert. The amount of debt from Tranche 3 that was converted into equity loans (PPL's according to the contractual term), was 507 million Euro.

As of December 2014, Prisa Group has reviewed DTS sale price and an additional impairment of 23,789 thousand euros has been recorded, for the estimated impact that the future evolution of the business will have on the price of the operation, until the sale materializes.

At 31 December 2014, as a result of, among other items, a review of the sale price of DTS, an equity imbalance arises in the company. In a bid to restore the equity balance, the automatic mechanism was again deployed to

convert Tranche 3 of company debt into participating loans in a sufficient amount to offset the equity imbalance at the conversion date.
As occurred with the automatic conversion that took place in the second half of 2014, in accordance with the Corporate Enterprises Act, the date on which the debt will be converted into participating loans will be five business days prior to expiry of the two-month period allowed for taking the necessary measures to restore the company's equity, calculated from the date on which the Directors became aware of the negative equity, i.e. the date on which they authorized the financial statements showing the situation of negative equity.

The result of this transaction is presented in the consolidated income statements 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-current assets held for sale” in the accompanying condensed consolidated balance sheet.

The administrative inquiry of the operation has been transferred by the EU authorities to Spanish supervisor body, the CNMC (National Commission for Market and Competition). This case is currently being processed by the commission.

c_Trade Publishing (Ediciones Generales)

On July 1st, Prisa through its affiliate Santillana Ediciones Generales, S.L, executed the sale of its trade business for a price of 55,429 thousand euros to penguin Random House Grupo Editorial, S.A. Tis transaction was recorded as of June 30th 2014, given that all risks and rewards associated to it had been transferred. The operation, after appropriate adjustments, has meant a gain before tax of 22,110 thousand euros, and was registered on the “Other revenue” line of the consolidated profit and loss account.

The operation involves the sale of Alfaguara and other editorial labels belonging to Santillana in the 22 countries in which it operates. The segment for school literary works was excluded from de sale. Additionally, the trade publishing business sale in Brazil was postponed until the specific conditions stablished in the contact were met, having the company been valued at its fair value corrected for the estimated sale costs and recording a goodwill impairment in this company for an amount of 6,791 thousand euros in the “Goodwill value losses” in the consolidate profit and loss account.
Finally, the sale took place on October 1st 2014 for a price of 7,921 thousand euros, having recorded an additional loss of 504 thousand euros.

d_Capital Increase

- On July 2nd 2014, a share capital increase operation took place, fully subscribed by Consorcio Transportista Occher S.A. de C.V.
  The capital increase resulted in the issuing of 188,679,245 Class A shares with a face value of 0.10 Euro and a premium of 0.43 Euro per share and excluding any other subscription privilege. The premium amounts to a 40% over the volume weighted average price over the previous 3 months.
  Occher is a company owned by Mr. Roberto Alcántara Rojas, currently a member of the Board of Directors and a member of the Executive Commission since February 24th 2014. Mr. Roberto Alcántara is also a signatory of the Shareholders Agreement of April 28th 2014.
- The Board of Directors of PRISA held 27th February 2015 has approved a capital increase for a total value of Euro 74,999,999.49, with an issue price (nominal value and share premium) of of Euro 0.53 per share. The share capital increase will be subscribed by International Media Group (“International Media Group”) and fully disbursed by means of a capital contribution at the time of the subscription.
  The capital increase will be formalized through the issuance of a total of 141,509,433 Class A shares, of Euro 0.10 nominal value each with a share premium of Euro 0.43 per share and excluding the pre-emption right for subscription of shares. This price represents a premium of 104 percent, approximately, on the average weighted price of the shares of PRISA during the last three months.
  International Media Group Ltd. is a company fully owned by Mr. Sultan Ghanim Alhodaifi Al-Kuwari.
  The capital increase is subject to (i) the obtaining of the obligatory report from the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value (“valor teórico”) of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors’ report drafted for these purposes, and (ii) the completion of a legal and finance due diligence. The Company expects that both conditions are met during the next weeks.

  Once the capital increase is subscribed and disbursed and the corresponding capital increase public deed is filed with the Commercial Registry, a prospectus (“Folleto Informativo”) will be submitted before the CNMV for its register in order the new shares to be admitted to trading.

10_Balance Sheet

In June 2014, Prisa reached an agreement with Telefónica de Contenidos, S.A.U to sell its 56% stake in DTS, Distribuidora de Televisión Digital, S.A. for an initial price of 750 million euros, subject to the usual adjustments in this sort of operations. The deal execution is subject to the mandatory competition authority clearance, which could impose conditions or require commitments for the approval of this operation. Prisa recorded a loss of 750,383 thousand euros in its parent company.

Prisa net worth as of June 30th 2014 was negative as a consequence of the DTS operation for 593,513 thousand euros and it was in a case of dissolution situation as per the "Ley de Sociedades de Capital" (Spanish corporate law).

With the purpose of restoring capital balance, the automatic mechanism for Tranche 3 debt conversion into participating loans in sufficient amount to offset said unbalance at conversion date, was initiated.

During this period, the company materialized the above mentioned discount debt buyback operations, with proceeds coming from the capital increase subscribed by Occher and the Mediaset España sale, which reduced the PPL amount needed to restore the capital balance.

The formalization of the debt into participating loan conversion took place on September 15th 2014, for an amount of 506,834 thousand euros, which comprised both the impact of these operations, and the operating results up to conversion date, which allowed matching the company net worth with two thirds of the share capital.

As of December 31st 2014, Prisa Group has reviewed DTS sale price and an additional impairment of 23,789 thousand euros has been recorded, for the estimated impact that the future evolution of the business will have on the price of the operation until the sale materializes, which according to internal company estimates could happen in the second quarter of 2015.

At 31 December 2014, as a result of, among other items, a review of the sale price of DTS, the equity of the parent company with regard to the cause of dissolution and/or reduction of capital stipulated in Spain's Corporate Enterprises Act (including participating loans outstanding at year-end) stood at EUR 31,554 thousand. In a bid to restore the equity balance, the automatic mechanism was again deployed to convert Tranche 3 of company debt into participating loans in a sufficient amount to offset the equity imbalance at the conversion date.

As occurred with the automatic conversion that took place in the second half of 2014, in accordance with the Corporate Enterprises Act, the date on which the debt will be converted into participating loans will be five business days prior to expiry of the two-month period allowed for taking the necessary measures to restore the company's equity, calculated from the date on which the Directors became aware of the negative equity, i.e. the date on which they authorized the financial statements showing the situation of negative equity.

APPENDIX

1_ Balance Sheet

€ Million	12/31/2014	12/31/2013
	ASSETS	
FIXED ASSETS	**1,536.75**	**4,929.07**
Property, plan and equipment	142.68	262.09
Goodwill	599.96	2,482.22
Intangible assets	137.20	285.48
Long term financial investments	185.65	52.79
Investment in associates	46.09	597.26
Deferred tax assets	421.35	1,244.01
Other non current assets	3.83	5.22
CURRENT ASSETS	**936.01**	**1,774.79**
Inventories	159.24	240.25
Accounts receivable	496.45	1,252.20
Short term financial investments	127.89	142.91
Cash & cash equivalents	152.43	139.43
ASSETS HELD FOR SALE	**1,118.81**	**0.06**
TOTAL ASSETS	**3,591.57**	**6,703.93**

€ Million	12/31/2014	12/31/2013
	LIABILITIES	
SHAREHOLDERS EQUITY	**-617.77**	**1,569.33**
Issued capital	215.81	105.27
Reserves	1,544.59	2,149.98
Income attributable to the parent company	-2,236.83	-648.70
Minority interest	-141.34	-37.22
NON CURRENT LIABILITIES	**2,984.52**	**3,524.74**
Long term financial debt	2,645.50	3,238.86
Other long term financial liabilities	118.36	106.81
Deferred tax liabilities	60.01	29.65
Provisions	115.96	95.22
Other non current liabilities	44.68	54.20
CURRENT LIABILITIES	**606.34**	**1,609.86**
Short term financial debt	108.76	162.23
Other current financial liabilities	0.91	46.18
Trade accounts payable	317.52	1,092.92
Other short term liabilities	133.47	233.28
Accrual accounts	45.68	75.26
LIABILITIES HELD FOR SALE	**618.48**	**0.00**
TOTAL LIABILITIES	**3,591.57**	**6,703.93**

Assets and Liabilities held for sale includes the reclassification of the assets and liabilities of Trade Publishing (Ediciones Generales) and Canal +.
Shareholders equity shows a negative sign. This fact is originated by the signing of Canal + sale agreement with Telefonica. This situation has been corrected by the automatic conversion of Tranche 3 debt into profit participating loans (PPL's), which will restore the shareholders equity balance.

2_ Accumulated Financial Data by Business Line

a_ Operating revenues

OPERATING REVENUES	JANUARY - DECEMBER			% OF TOTAL		OCTOBER - DECEMBER			% OF TOTAL	
Millones de euros	2014	2013	% Chg.	2014	2013	2014	2013	% Chg.	2014	2013
Media Capital	179.77	181.72	(1.1)	12.4%	11.7%	51.43	52.20	(1.5)	13.3%	12.6%
Education - Publishing	716.64	738.30	(2.9)	49.3%	47.6%	174.61	175.44	(0.5)	45.2%	42.5%
Spain & Portugal	155.89	144.01	8.3			(19.39)	(8.05)	(140.9)		
Latam & USA	560.75	594.29	(5.6)			194.01	183.49	5.7		
Radio	305.14	323.85	(5.8)	21.0%	20.9%	91.77	101.71	(9.8)	23.8%	24.6%
Radio in Spain	175.48	177.94	(1.4)			53.52	56.52	(5.3)		
International Radio	120.86	131.15	(7.8)			34.58	36.99	(6.5)		
Music	20.34	22.22	(8.5)			7.01	10.92	(35.8)		
Consolidation Adjustments	(11.54)	(7.46)	(54.8)			(3.35)	(2.72)	(23.1)		
Press	260.22	282.49	(7.9)	17.9%	18.2%	72.30	82.34	(12.2)	18.7%	19.9%
El Pais	179.92	192.83	(6.7)			50.58	56.37	(10.3)		
AS	56.80	60.33	(5.8)			14.21	17.05	(16.7)		
Cinco Días	12.31	12.94	(4.8)			3.74	3.78	(1.0)		
Magazines	12.32	17.42	(29.3)			4.07	5.00	(18.5)		
Printing*	10.33	10.73	(3.7)			2.56	2.68	(4.6)		
Distribution**	n.a.	n.a.	n.a.					-		
Other & Consolidation Adjustments	(11.46)	(11.76)	2.5			(2.86)	(2.56)	(12.0)		
Other and Consolidation Adjustments	(7.05)	23.81	(129.6)	(0.5%)	1.5%	(4.14)	1.41	-	(1.1%)	0.3%
Prisa Brand Solutions	18.99	20.39	(6.9)			4.70	4.08	15.0		
Others***	(26.03)	3.41	-			(8.83)	(2.68)	-		
TOTAL	1,454.73	1,550.16	(6.2)	100%	100%	385.98	413.09	(6.6)	100%	100%

* The printing business is being fully integrated since April, 2012. Since January 2013, it is consolidated in the Press division

** Distribution is categorized as Discontinued Operations in the Press division since January 2013. In September 2013 the division w as sold

*** Others include mainly the activities from Head Quarters.

b_ Advertising revenues

Advertising by Company

ADVERTISING	JANUARY - DECEMBER			% OF TOTAL		OCTOBER - DECEMBER			% OF TOTAL	
Eur Million	2014	2013	% Chg.	2014	2013	2014	2013	% Chg.	2014	2013
Media Capital	114.13	102.69	11.1	23.3%	20.7%	32.74	31.39	4.3	22%	20.8%
Radio*	272.92	285.93	(4.6)	55.7%	57.6%	80.17	84.57	(5.2)	54.4%	56.1%
Radio in Spain	157.31	161.23	(2.4)			47.80	49.49	(3.4)		
International Radio	115.30	124.52	(7.4)			32.26	34.99	(7.8)		
Music	0.33	0.23	44.9			0.11	0.08	44.0		
Consolidation Adjustments	(0.03)	(0.06)	55.4			0.00	0.01	(100.0)		
Press	109.37	112.69	(2.9)	22.3%	22.7%	36.48	36.90	(1.1)	24.8%	24.5%
El Pais	74.68	78.80	(5.2)			25.52	25.29	0.9		
AS	20.24	18.92	7.0			5.79	6.34	(8.6)		
Cinco Días	7.21	7.24	(0.4)			2.48	2.20	12.9		
Magazines	6.22	6.98	(10.8)			2.33	2.65	(12.2)		
Other & Consolidation Adjustments	1.01	0.75	35.8			0.35	0.41	(15.6)		
Other & Consolidation Adjustments	(6.02)	(4.50)	(33.7)	(1.2%)	(0.9%)	(2.05)	(1.99)	(3.2)	(1.4%)	(1.3%)
TOTAL	490.40	496.80	(1.3)	100%	100%	147.33	150.86	(2.3)	100%	100%

* In Radio Advertising Revenues, has taken place a reclasificaction of Event Advertising Revenues, previously included as Other Revenues.

Equitty Method includes Radio businesss in Mexico and Costa Rica.

Advertising by Business line

ADVERTISING	JANUARY - DECEMBER			% OF TOTAL		OCTOBER - DECEMBER			% OF TOTAL	
Eur Million	2014	2013	% Chg.	2014	2013	2014	2013	% Chg.	2014	2013
TOTAL	**490.40**	**496.80**	**(1.3)**	**100.0%**	**100.0%**	**147.33**	**150.86**	**(2.3)**	**100%**	**100.0%**
Spain	260.57	268.16	(2.8)			82.51	84.04	(1.8)		
International	229.83	228.64	0.5			64.82	66.82	(3.0)		
Portugal	114.11	103.52	10.2			32.74	31.39	4.3		
Latam	115.72	125.12	(7.5)			32.08	35.43	(9.5)		
Spain	**260.57**	**268.16**	**(2.8)**	**53.1%**	**54.0%**	**82.51**	**84.04**	**(1.8)**	**56.0%**	**55.7%**
Press	108.53	112.32	(3.4)			36.20	36.61	(1.1)		
Radio	157.64	161.46	(2.4)			47.91	49.57	(3.4)		
Consolidation Adjustments	(5.60)	(5.62)				(1.60)	(2.14)			
International	**229.83**	**228.64**	**0.5**	**46.9%**	**46.0%**	**64.82**	**66.82**	**(3.0)**	**44.0%**	**44.3%**
Portugal	114.11	103.52	10.2			32.74	31.39	4.3		
Media Capital	114.13	102.69	11.1			32.74	31.39	4.3		
Press	0.00	0.85	-			0.00	(0.02)	-		
Other & Consolidation Adjustments	(0.02)	(0.01)				0.00	0.02			
Latam	115.72	125.12	(7.5)			32.08	35.43	(9.5)		
Press	0.85	0.37	127.4			0.28	0.29	(2.5)		
Radio	115.30	124.52	(7.4)			32.26	34.99	(7.8)		
Other & Consolidation Adjustments	(0.43)	0.22				0.00	0.00			

Adjusted advertising by Geographic Area

ADVERTISING - adjusted	JANUARY - DECEMBER			% OF TOTAL		OCTOBER - DECEMBER			% OF TOTAL	
Eur Million	2014	2013	% Chg.	2014	2013	2014	2013	% Chg.	2014	2013
TOTAL	**506.39**	**504.37**	**0.4**	**100.0%**	**100.0%**	**151.97**	**150.13**	**1.2**	**100%**	**100.0%**
Spain	255.36	256.39	(0.4)			80.69	77.34	4.3		
International	251.03	247.99	1.2			71.27	72.79	(2.1)		
Portugal	114.11	103.52	10.2			32.74	31.39	4.3		
Latam	136.92	144.46	(5.2)			38.53	41.40	(6.9)		
Spain	**255.36**	**256.39**	**(0.4)**	**0.0%**	**50.8%**	**80.69**	**77.34**	**4.3**	**53.1%**	**51.5%**
Press	103.32	105.26	(1.8)			34.38	32.73	5.0		
Radio	157.64	156.75	0.6			47.91	46.75	2.5		
Consolidation Adjustments	(5.60)	(5.62)				(1.60)	(2.14)			
International	**251.03**	**247.99**	**1.2**	**49.6%**	**49.2%**	**71.27**	**72.79**	**(2.1)**	**46.9%**	**48.5%**
Portugal	114.11	103.52	10.2			32.74	31.39	4.3		
Media Capital	114.13	102.69	11.1			32.74	31.39	4.3		
Press	0.00	0.85	-			0.00	0.00	-		
Other & Consolidation Adjustments	(0.02)	(0.01)				0.00	(0.01)			
Latam	136.92	144.46	(5.2)			38.53	41.40	(6.9)		
Press	0.85	0.37	127.4			0.28	0.29	(2.5)		
Radio	136.53	143.87	(5.1)			38.71	40.96	(5.5)		
Other & Consolidation Adjustments	(0.45)	0.22				(0.46)	0.16			

c_ Operating expenses

Operating expenses includes only OPEX, excluding amortizations and provisions.

OPERATING EXPENSES	JANUARY - DECEMBER			% OF TOTAL		OCTOBER - DECEMBER			% OF TOTAL	
Eur Million	2014	2013	% Chg.	2014	2013	2014	2013	% Chg.	2014	2013
Media Capital	**137.66**	**142.64**	**(3.5)**	**10.8%**	**11.0%**	**33.33**	**35.84**	**(7.0)**	**8.7%**	**10.1%**
Education - Publishing	**545.90**	**567.35**	**(3.8)**	**42.9%**	**43.9%**	**159.63**	**156.05**	**2.3**	**41.8%**	**44.1%**
Spain & Portugal	124.73	120.88	3.2			23.47	27.33	(14.1)		
Latam & USA	421.17	446.47	(5.7)			136.15	128.72	5.8		
Radio	**259.40**	**277.08**	**(6.4)**	**20.4%**	**21.4%**	**72.10**	**77.34**	**(6.8)**	**18.9%**	**21.9%**
Radio in Spain	164.19	175.23	(6.3)			44.49	49.25	(9.7)		
International Radio	87.11	88.68	(1.8)			24.84	20.68	20.1		
Music	19.64	20.63	(4.8)			6.11	10.13	(39.7)		
Consolidation Adjustments	(11.54)	(7.46)	(54.8)			(3.35)	(2.72)	(23.1)		
Press	**258.77**	**265.44**	**(2.5)**	**20.4%**	**20.5%**	**63.85**	**74.19**	**(13.9)**	**16.7%**	**21.0%**
El Pais	187.92	187.09	0.4			45.43	53.45	(15.0)		
AS	50.11	50.94	(1.6)			12.39	13.62	(9.0)		
Cinco Días	12.51	12.63	(1.0)			3.32	3.32	(0.3)		
Magazines	11.87	18.52	(35.9)			3.32	4.42	(24.9)		
Printing*	6.76	7.45	(9.3)			1.79	1.78	0.6		
Distribution**	n.a.	n.a.	n.a.			0.0%	0.0%	-		
Other & Consolidation Adjustments	(10.39)	(11.18)	7.1			(2.39)	(2.40)	0.4		
Other and Consolidation Adjustments	**69.61**	**40.08**	**73.7**	**5.5%**	**3.1%**	**53.07**	**10.13**	**-**	**13.9%**	**2.9%**
Prisa Brand Solutions	18.53	19.58	(5.4)			5.00	5.20	(3.8)		
Others***	51.08	20.50	149.2			48.06	4.93	-		
TOTAL	**1,271.34**	**1,292.60**	**(1.6)**	**100%**	**100%**	**381.98**	**353.55**	**8.0**	**100%**	**100%**

* The printing business is being fully integrated since April, 2012. Since January 2013, it is consolidated in the Press division

** Distribution is categorized as Discontinued Operations in the Press division since January 2013. In September 2013 the division was sold

*** Others include mainly the activities from Head Quarters.

d_ EBITDA

EBITDA	JANUARY - DECEMBER			MARGIN		% OF TOTAL		OCTOBER - DECEMBER			% OF TOTAL	
Millones de euros	2014	2013	% Chg.	2014	2013	2014	2013	2014	2013	% Chg.	2014	2013
Media Capital	**42.11**	**39.07**	**7.8**	**23.4%**	**21.5%**	**23.0%**	**15.2%**	**18.10**	**16.36**	**10.7**	**452.2%**	**27.5%**
Education - Publishing	**170.74**	**170.95**	**(0.1)**	**23.8%**	**23.2%**	**93.1%**	**66.4%**	**14.99**	**19.39**	**(22.7)**	**374.4%**	**32.6%**
Spain & Portugal	31.16	23.13	**34.7**					(36.45)	(29.17)	**(25.0)**		
Latam & USA	139.57	147.82	**(5.6)**					51.44	48.56	**5.9**		
Radio	**45.74**	**46.77**	**(2.2)**	**15.0%**	**14.4%**	**24.9%**	**18.2%**	**19.66**	**24.38**	**(19.3)**	**491.3%**	**40.9%**
Radio in Spain	11.29	2.71	-					9.03	7.28	**24.1**		
International Radio	33.75	42.47	**(20.5)**					9.73	16.31	**(40.3)**		
Music	0.70	1.59	**(56.0)**					0.91	0.79	**15.1**		
Press	**1.45**	**17.04**	**(91.5)**	**0.6%**	**6.0%**	**0.8%**	**6.6%**	**8.45**	**8.15**	**3.7**	**211.1%**	**13.7%**
El Pais	(7.99)	5.74	-					5.15	2.92	**76.1**		
AS	6.70	9.39	**(28.7)**					1.82	3.44	**(47.0)**		
Cinco Días	(0.20)	0.31	**(164.5)**					0.43	0.46	**(6.7)**		
Magazines	0.44	(1.10)	**140.4**					0.75	0.58	**30.0**		
Printing*	3.57	3.28	**8.9**					0.77	0.90	**(14.7)**		
Distribution**	n.a.	n.a.	**n.a.**							-		
Other & Consolidation Adjustments	(1.07)	(0.57)	**(86.8)**					(0.47)	(0.15)	-		
Other and Consolidation Adjustments	**(76.66)**	**(16.27)**	-	**1088.0%**	**(68.3%)**	**(41.8%)**	**(6.3%)**	**(57.20)**	**(8.72)**	-	**(1429.1%)**	**(14.6%)**
Prisa Brand Solutions	0.46	0.82	**(43.7)**					(0.31)	(1.12)	**72.7**		
Others***	(77.12)	(17.09)	-					(56.90)	(7.60)	-		
TOTAL	**183.38**	**257.56**	**(28.80)**	**12.6%**	**16.6%**	**100.0%**	**100.0%**	**4.00**	**59.54**	**(93.28)**	**100.0%**	**100.0%**

* The printing business is being fully integrated since April, 2012. Since January 2013, it is consolidated in the Press division

** Distribution is categorized as Discontinued Operations in the Press division since January 2013. In September 2013 the division was sold

*** Others include mainly the activities from Head Quarters.

e_ EBIT

EBIT	JANUARY - DECEMBER			MARGIN		% OF TOTAL		OCTOBER - DECEMBER			% OF TOTAL	
Millones de euros	2014	2013	% Chg.	2014	2013	2014	2013	2014	2013	% Chg.	2014	2013
Media Capital	**32.43**	**29.40**	**10.3**	**18.0%**	**16.2%**	**112.9%**	**29.5%**	**15.09**	**14.01**	**7.7**	**(61.1%)**	**67.3%**
Education - Publishing	**85.15**	**80.49**	**5.8**	**11.9%**	**10.9%**	**296.5%**	**80.8%**	**10.11**	**7.12**	**41.9**	**(40.9%)**	**34.2%**
Spain & Portugal	7.40	1.04	-					(23.36)	(17.85)	**(30.9)**		
Latam & USA	77.74	79.45	**(2.1)**					33.46	24.97	**34.0**		
Radio	**24.82**	**23.27**	**6.7**	**8.1%**	**7.2%**	**86.4%**	**23.4%**	**9.74**	**13.49**	**(27.8)**	**(39.4%)**	**64.8%**
Radio in Spain	2.09	(8.32)	**125.2**					6.62	4.46	**48.6**		
International Radio	22.62	31.43	**(28.0)**					2.38	9.46	**(74.8)**		
Music	0.11	0.16	**(33.4)**					0.73	(0.43)	-		
Press	**(21.59)**	**(0.17)**	-	**(8.3%)**	**(0.1%)**	**(75.2%)**	**(0.2%)**	**(0.14)**	**1.27**	**(111.0)**	**0.6%**	**6.1%**
El Pais	(26.49)	(2.02)	-					(2.88)	1.48	-		
AS	5.75	8.02	**(28.3)**					1.69	2.92	**(42.3)**		
Cinco Días	(0.31)	0.04	-					0.40	0.54	**(25.7)**		
Magazines	(0.26)	(2.29)	**88.8**					0.76	(0.47)	-		
Printing*	0.86	(3.34)	**125.7**					0.29	(3.15)	**109.4**		
Distribution**	n.a.	n.a.	**n.a.**							-		
Other & Consolidation Adjustments	(1.15)	(0.59)	**(96.1)**					(0.40)	(0.05)	-		
Other and Consolidation Adjustments	**(92.09)**	**(33.41)**	**(175.6)**	**1307.0%**	**(140.4%)**	**(320.6%)**	**(33.6%)**	**(59.50)**	**(15.08)**	-	**240.8%**	**(72.5%)**
Prisa Brand Solutions	0.23	0.13	**75.8**					(0.39)	(1.23)	**68.7**		
Others***	(92.32)	(33.55)	**(175.2)**					(59.12)	(13.85)	-		
TOTAL	**28.72**	**99.58**	**(71.16)**	**2.0%**	**6.4%**	**100%**	**100%**	**(24.71)**	**20.81**	-	**100%**	**100%**

* The printing business is being fully integrated since April, 2012. Since January 2013, it is consolidated in the Press division

** Distribution is categorized as Discontinued Operations in the Press division since January 2013. In September 2013 the division was sold

*** Others include mainly the activities from Head Quarters.

3_ Accumulated Financial Data by Concept

a_ Operating revenues

	JANUARY - DECEMBER			OCTOBER - DECEMBER			% OF TOTAL	
Eur Million	2014	2013	% Chg.	2014	2013	% Chg.	2014	2013
Total operating revenues	**1,454.73**	**1,550.16**	**(6.2)**	**385.98**	**413.09**	**(6.6)**	**100.0%**	**100.0%**
Advertising	490.40	496.80	(1.3)	147.33	150.86	(2.3)	38.2%	36.5%
Books and training	673.20	719.11	(6.4)	170.82	168.05	1.6	44.3%	40.7%
Newspapers and magazine sales	106.81	122.17	(12.6)	25.81	28.34	(8.9)	6.7%	6.9%
Subscriber revenues	0.00	0.00	-	(0.00)	0.00	n.a.	0.0%	0.0%
Subscriber revenues from other platforms	0.49	0.35	39.8	0.18	0.09	108.7	0.0%	0.0%
Audiovisual production revenues	23.76	22.66	4.8	6.37	5.03	26.7	1.7%	1.2%
Other revenues	160.07	189.07	(15.3)	35.47	60.73	(41.6)	9.2%	14.7%
One-offs in operating revenues	**41.86**	**77.71**		**(24.98)**	**9.40**			
Advertising sponsorship adjustment	5.21	11.78		1.81	6.70			
Radio Mexico & Costa Rica adjustment	(25.11)	(19.58)		(25.11)	(19.58)			
Digital R&D deductions	(3.25)	0.00						
Trade Publishing	65.01	85.51		1.56	22.29			
Total adjusted operating revenues	**1,412.87**	**1,472.45**	**(4.0)**	**410.96**	**403.69**	**1.8**		

b_ Operating expenses

	JANUARY - DECEMBER			OCTOBER - DECEMBER			% OF TOTAL	
Eur Million	2014	2013	% Chg.	2014	2013	% Chg.	2014	2013
Total operating expenses	**1,271.34**	**1,292.60**	**(1.64)**	**381.98**	**353.55**	**8.04**	**100.0%**	**100.0%**
Purchases	260.58	279.77	(6.9)	79.55	75.94	4.8	20.8%	21.5%
Outside services	576.65	558.18	3.3	189.37	153.18	23.6	49.6%	43.3%
Staff costs	433.24	452.30	(4.2)	112.62	122.88	(8.4)	29.5%	34.8%
Other operating expenses	0.87	2.34	(62.8)	0.44	1.55	(71.4)	0.1%	0.4%
One-offs in operating expenses	**120.24**	**86.45**		**45.98**	**21.23**			
Indemnizaciones	38.34	19.78		6.74	8.91			
Redundancies contractors	1.57	2.66		0.17	0.71			
Advertising sponsorship adjustment	5.21	11.78		1.81	6.70			
Radio Mexico & Costa Rica adjustment	(13.20)	(11.44)		(13.20)	(11.44)			
Non recurrent retirement complement	6.00	0.00		0.00	0.00			
Ediciones Generales	37.34	63.67		5.48	16.35			
Total adjusted operating expenses	**1,151.10**	**1,206.15**	**(4.6)**	**336.00**	**332.32**	**1.1**	**100.0%**	**100.0%**
Purchases	246.23	257.10	(4.2)	75.20	69.18	8.7	22.4%	20.8%
Outside services	511.28	520.48	(1.8)	150.53	146.48	2.8	44.8%	44.1%
Staff costs	392.72	426.24	(7.9)	109.82	115.11	(4.6)	32.7%	34.6%
Other operating expenses	0.87	2.34	(62.8)	0.44	1.55	(71.4)	0.1%	0.5%

c_Opex by geographical origin (adjusted by extraordinaire):

	JANUARY - DECEMBER			OCTOBER - DECEMBER		
Eur Million	**2014**	**2013**	**% Chg.**	**2014**	**2013**	**% Chg.**
Purchases	**246.23**	**257.10**	**(4.23)**	**75.20**	**69.18**	**8.71**
Spain	73.79	84.77	(13.0)	8.03	16.14	(50.2)
International	172.44	172.32	0.1	67.17	53.03	26.7
Outside services	**511.28**	**520.48**	**(1.77)**	**150.53**	**146.48**	**2.76**
Spain	223.75	232.42	(3.7)	63.54	63.12	0.7
International	287.53	288.05	(0.2)	86.99	83.36	4.4
Staff costs	**392.72**	**426.24**	**(7.86)**	**109.82**	**115.11**	**(4.60)**
Spain	203.45	232.29	(12.4)	53.10	58.56	(9.3)
International	189.27	193.95	(2.4)	56.72	56.55	0.3
Other operating expenses	**0.87**	**2.34**	**(62.79)**	**0.44**	**1.55**	**(71.44)**
Total adjusted operating expenses	**1,151.10**	**1,206.15**	**(4.56)**	**336.00**	**332.32**	**1.11**
Spain	501.85	551.82	(9.06)	125.11	139.37	(10.23)
International	649.25	654.33	(0.78)	210.89	192.95	9.30

Excluding non recurring items

4_ Other Relevant Events

1. During the first quarter of 2014, as a result of the partial implementation of the monetary capital increase, PRISA increased its capital with 99 shares of class A common stock, corresponding to the Windows 37 to 39 PRISA warrant exercise periods (exercise of 99 warrants at a price of 2 Euro per share).

   Additionally during first quarter of 2014 conversion rights were exercised to convert a total of 0 class B shares into an equal number of Class A shares.

2. On February 21st 2014, PRISA granted a public deed formalizing that capital increase corresponding to the 2013 Warrants exercised by certain Institutional Investors during January.

3. On February 25th 2014, and following the issue of new shares announced on February 21st 2014, the stake of the controlling shareholder group of PRISA in the share capital of the Company has been reduced below 30%.
   As a result of this, the right awarded by the shareholders agreement of Distribuidora de Televisión Digital, S.A. ("DTS", the company holding PRISA´s pay TV business) to Telefónica and Mediaset España to acquire the stake held by PRISA in DTS will be exercisable for a period of fifteen calendar days following the 25th of February (when the Company has notified this fact to the Board of Directors of DTS and to the aforementioned entities)

4. On May 30th, the company announced the commencement of the mandatory conversion and payment of dividend on shares B's. B's shares have been delisted and extinguished and the new shares and A's from the conversion and pay dividend (491,691,220 new shares A's) are already listed on electronic trading systems

5. On 4th July the company announced the termination of the warrants issued in December 2010 following the finalization of the forty-second window.

6. On July 2nd 2014, a share capital increase operation took place, fully subscribed by Consorcio Transportista Occher S.A. de C.V. ("Occher"), fully subscribed and cashed out at the moment of its subscription.
   The capital increase resulted in the issuing of 188,679,245 class A shares with a face value of 0.10 Euro and a premium of 0.43 Euro per share and excluding any other subscription privilege. The premium amounts to a 40% over the volume weighted average price over the previous 3 months.
   Occher is a company owned by Mr. Roberto Alcántara Rojas, currently a member of the Board of Directors and a member of the Executive Commission since February 24th 2014. Mr. Roberto Alcántara is also a signatory of the Shareholders Agreement of April 28th 2014.

7. As of December 31st 2014, Prisa share capital components are the following:
   a. Class A ordinary shares: 2,158,078,753 trading in Spanish stock exchanges (Madrid, Barcelona, Bilbao y Valencia).
   b. Prisa 2013 warrants: in PRISA's refinancing context, the General Extraordinary Shareholders Meeting held on December 10th 2013 agreed a warrant issue entitling to subscribe newly issued Class A ordinary shares. There are 17,562,798 warrants outstanding, entitling holders to receive 23,346,097 newly issued shares.

*Class A ordinary shares (as of December 31st 2014)	2.158.078.753
*Shares from PRISA Warrants (pending exercise)	23.346.097

8. The Board of Directors of PRISA held 27th February 2015 has approved a capital increase for a total value of Euro 74,999,999.49, with an issue price (nominal value and share premium) of of Euro 0.53 per share. The share capital increase will be subscribed by International Media Group ("International Media Group") and fully disbursed by means of a capital contribution at the time of the subscription.

   The capital increase will be formalized through the issuance of a total of 141,509,433 Class A shares, of Euro 0.10 nominal value each with a share premium of Euro 0.43 per share and excluding the pre-emption right for subscription of shares. This price represents a premium of 104 percent, approximately, on the average weighted price of the shares of PRISA during the last three months.

   International Media Group Ltd. is a company fully owned by Mr. Sultan Ghanim Alhodaifi Al-Kuwari.

The capital increase is subject to (i) the obtaining of the obligatory report from the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value ("valor teórico") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors' report drafted for these purposes, and (ii) the completion of a legal and finance due diligence. The Company expects that both conditions are met during the next weeks.

Once the capital increase is subscribed and disbursed and the corresponding capital increase public deed is filed with the Commercial Registry, a prospectus ("Folleto Informativo") will be submitted before the CNMV for its register in order the new shares to be admitted to trading.

5_ Group Structure

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

Audiovisual	Education	Radio	Press
• Prisa TV	• Education	• Radio Spain	• El País
• Media Capital [23)]	• Trade publishing	• Radio International	• As
		• Gran Vía Musical	• Cinco Días
			• Magazines [(4)]
			• Dédalo [12)]

Since 2013, the Distribution business is classified as Discontinued Operations in the Press divisions, whilst in 2012 it was included in the Press Division through Global Consolidation. In September 2013, the Distribution division was sold.

(1) Additionally, the Printing division, **Dédalo**, since April 1st 2012 was integrated through Global consolidation at Group Level (compared to equity consolidation before April 2012). Since the beginning of 2013 it is integrated in the Press Division

(2) **Media Capital** is included in the Audiovisual division because, although it includes other activities, most of its revenue comes from TVI (free-to-air television) and Plural (audiovisual production).

(3) **Magazines**: since June 1st 2013, Magazines in Portugal are no longer consolidated in the Group.

(4) **Meristation**: Since May 1st 2013, Meristation consolidates at Press unit (Magazines). To this date, consolidates in Digital.

6_ Canal+

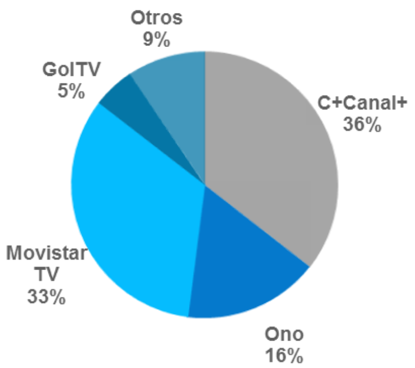
CANAL+	JANUARY - DECEMBER 2014	2013	% Chg.	OCTOBER - DECEMBER 2014	2013	% Chg.
Revenues	**1,167.5**	**1,166.2**	**0.1%**	**311.0**	**297.2**	**4.7%**
Satelite subscribers	845.6	871.0	(2.9%)	210.6	219.4	(4.0%)
Subs from other platforms	260.4	232.6	12.0%	82.1	58.6	40.2%
Other	61.5	62.7	(1.8%)	18.3	19.2	(4.5%)
Operating expenses	**1,143.9**	**1,138.1**	**0.5%**	**295.7**	**291.9**	**1.3%**
EBITDA	**23.6**	**28.0**	**(15.6%)**	**15.4**	**5.3**	**189.1%**
% margin	*2.0%*	*2.4%*		*4.9%*	*1.8%*	
EBIT	**(62.20)**	**(65.48)**	**5.0%**	**(8.44)**	**(16.29)**	**48.2%**
% margin	*(5.3%)*	*(5.6%)*		*(2.7%)*	*(5.5%)*	

a_ Market position

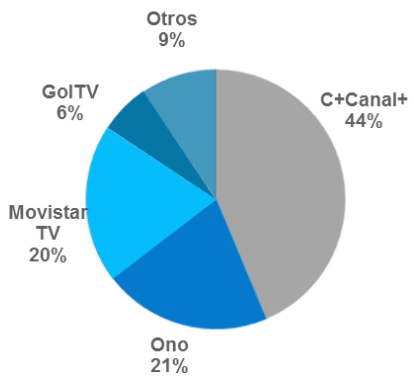
Canal+ holds leadership in the market according to CMT latest data (as of December 16th 2014). Canal+ market share reached 36% in 3Q, maintaining its leadership among peers in the pay-tv market.

Canal+ market position

January – September 2014



January – September 2014



Source: CMT (3Q 2014, latest data available)

b_ Operating Performance

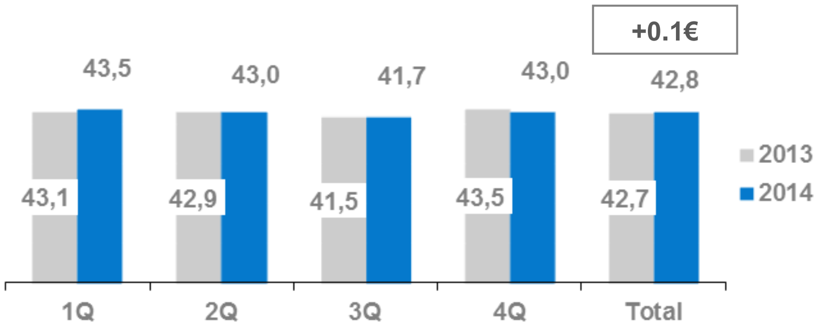
Satellite subscribers (EoP) declined -67.622 as of December 2014 compared to December 2013.

Canal+ satellite subscribers

	Dec 2014	Dec 2013	Abs. Chg.
Satellite (DTH)	1,553,010	1,620,632	(67,622)

Satellite ARPU in reached an average of **42.8** euros for 2014, **over** the 42.7 euros 2013 average.

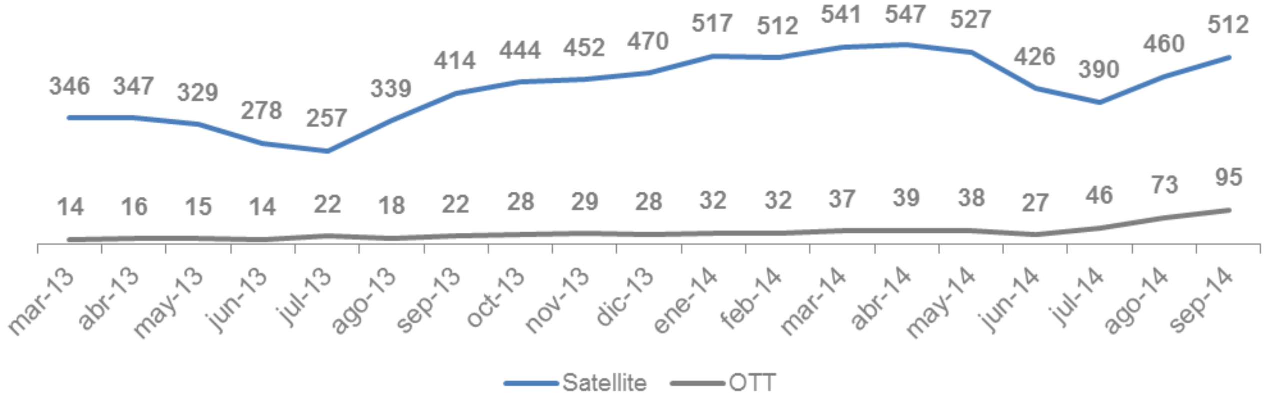
Evolution of Canal+ ARPU (€)



The number of ***iPlus* subscribers continued to grow**. As of December **2014**, the number of subscribers to **iPlus** stood at 660,444, implying a **growth of 30,439** versus December **2013** and a penetration of 42.5%.
Churn stood at **15.0%** as of December **2014**, an **important improvement** over 18.0% as of December **2013**.

Digital development: Evolution of subscribers of Yomvi (thousands of users)

In the platform's digital development, we highlight **YOMVI** which in December **2014** reached **673 thousand unique users**, of which 547 thousand are also satellite subscribers, (35.2% penetration). This compares to the **498** thousand as of December **2013** (29% penetration).



In addition, **subscriber use** of the platform has also greatly increased. **Catch-up** content **downloads** have **increased** from **4.6 million** in December **2013 to 5.6** million in December **2014**.

Digital development: Evolution of downloads from Yomvi (thousands)