



Annual General Meeting 2016

Juan Luis Cebrián, Executive Chairman

Madrid, April 1 2016

Ladies and gentlemen shareholders, dear friends

"Thus follows my fortune." So said the motto on the coat of arms of the knight Espartafilardo in Don Quixote, and the phrase has sparked no small amount of debate and no end of interpretations among scholars as to its real meaning. But it seems to me to be a fine motto for our own company, even if we cannot and nor should we emblazon it on any banner. We've been following the trail of our own fortune for a number of years now and I fully intend to announce that we are now nearing the end of our quest. I trust you'll forgive me for my license in using a quote from Cervantes, on this the fourth centenary of his death, to commence my speech at an event such as this. But I believe that a company entirely dedicated to media and culture such as PRISA should not miss the chance to mark such an event, given the disregard and lack of interest of the authorities in our country for everything connected with the centenary and for cultural events in general.

We hold this year's meeting amid difficult political times for Spain and for other countries that are our primary markets. In 2016, with the exception of Greece, the eurozone members have emerged from recession and most analysts predict a return to stability in the European economies. However, this good news is obscured by the necessarily objective limits of these predictions and by other events, such as refugee crisis. Nobody dares to imagine that European countries can regain their pre-crisis average growth rates before the year 2020 or 2021. Over the past two years, economic recovery has been driven by increasing demand – but not investment. The fall in energy prices, the weakness of the euro and interest rates, in some cases negative, have indeed all favored this trend and have boosted the competitiveness of companies. It was to be expected that the implementation of the Juncker plan would boost investment in less developed regions, but the fruits of this plan are not yet visible. Nevertheless, and despite poor market performance so far this year, one would be justified in adopting an optimistic view for the immediate future. The outlook for the medium to long term will be worse, however, if profound institutional reforms are not undertaken and if we do not face up to the real problems that we are today facing.

Meanwhile, in Latin America the expansionary economic cycle of the past decade has slowed down, and in Spain the incipient recovery we have seen over the past year – after enduring more than five years of a crisis that severely punished the middle classes – could well grind to a halt. The separatist attempts in Catalonia and the difficulties in forming a government after the elections of December 20 have cast a shadow over a scenario that is increasingly disappointing thanks to government failures and duplicity with regard to public deficit and runaway foreign debt. The greatest danger remains, as is the case in most countries, the rise of populism, fueled by the protest of those who rightly feel victims of inequality and held hostage to the policies that promote it. Parliamentary turmoil, a lack of response to the social crisis, and institutional weakness are just some of the other obstacles to growth that we ignore at our peril.

Even as the political parties continue to horse-trade over the creation of the new government, we are beginning to perceive symptoms of wavering demand and some retraction of foreign investment. The manifest irresponsibility of many of our leaders, starting with Prime Minister of the caretaker Government who seems intent on prolonging this temporary office for as long as possible, directly harms the expectations of economic improvement and employment rates. At the same time, the enduring weakness of Latin American currencies, with almost gigantic devaluations against the dollar, has wreaked havoc, and continues to do so, on the revenues of many companies with significant presence in the area, ours included.

Despite the aforementioned difficulties, we stand here before you today with a message of optimism for the future, based, among other things, on improvements over the past year to PRISA's accounts, which we today bring before you for approval. For the first time since 2010, Prisa shows a net profit, which while a discreet 5.3 million euros, clearly marks a turnaround in the evolution of our economy and allows us to embark on a new era. This time last year, we announced that we were on the threshold of this new era, and today we can safely say that it has already begun. The CEO will give details on the results for the year 2015, during which we reported an adjusted EBITDA of 289 million euros, 10 percent higher than in 2014. We now face the challenge of improving on this figure, in accordance with the budget approved by the Board of Directors, which today ends its term after more than five years. I'd like to highlight the enormous task that was undertaken by the Board with regard to debt reduction, capital increase and the sustainability of operations in a very hostile environment, where the structural weakness of our company was exacerbated by the financial crisis and the uncertainty generated by technological changes. A cursory review of what happened in recent years is sufficient to appreciate the amount of work undertaken, even if not yet totally finalized, and the results clearly justify the high expectations we now have.

Between 2008 and December 2015, we have reduced the consolidated debt of the Group by 3,500 million, in an ongoing effort to clean the balance sheet and to ensure the future of the company, while we have paid banks and creditor entities over 1,000 million in interest and expenses. We carried out capital increases totaling 1,300 million and sold assets of about 3,000 million. Apart from the first capital increase of 650 million in December 2010 as a result of the merger with Liberty, all others have been made at a substantial premium over the market value, which far from economically diluting the other shareholders has improved the value of their investment, even if erratic and volatile market behavior means that this is not reflected in the share price. We have reduced the workforce by nearly 2,500 employees, due to the reduced perimeter of our operations and a range of labor restructurings; we have enhanced our goodwill and cut expenditures by over three hundred million per year, of which almost half are staff costs. All this, as I said, in a very aggressive environment which led to, among other things, a 70 percent fall in advertising revenues and of more than 50 percent for Spanish newspaper circulation, as the sector, worldwide, underwent an unprecedented technological change that forced us to implement new strategies for the future. All these circumstances together led to a loss of about four hundred million in annual revenues for our Group.

Many of the problems we had faced in recent years, and which have already been resolved, were directly related to the cost of sports rights for our pay-TV operations, as a result of which this unit reported a loss in 2013. Policy regarding football, subject to all sorts of speculation and manipulation that was frequently encouraged or endorsed by successive governments, eventually became a threat to the very stability of media groups and free competition. This is by no means an exclusively Spanish phenomenon, but one is struck by the meekness of our leaders in this area compared to the harshness with which they have implemented social cuts in basic services like health and education. The sale of pay-TV, which has formidable synergies with telecommunications operations, a sector in which we have historically been absent, had been an initial goal of our strategy, but was frustrated by the global financial crisis after the collapse of Lehman Brothers. With Canal Plus sold to Telefonica, a transaction completed in the past year, we can now redefine the Group's strategy and draw up a development plan, whose broad lines have already been discussed by the Board of Directors and which must be defined in detail soon. The history of adjusted EBITDAs, at constant exchange rates and with the current perimeter (ie, without pay-TV), reveals that in the years up to 2012, our group lost

more than twenty percent profitability, but from that point on, it has been recovering to return, practically, to the original levels.

It may, therefore, be concluded that the worst is over and that this is a good time to undertake new ventures. The company is alive and well, and we met our commitments with our creditors a full year in advance, meaning that we have no further such obligations until December 2018. But we are not yet out of the woods. The level of Group debt remains high and hampers opportunities for growth and value creation, so we are committed unequivocally to reducing our debt as much as possible, ensuring that under no circumstances it exceed two or three times attributable EBITDA. To this end, and as soon as it is possible, we will take the appropriate measures with regard to both the composition of our asset portfolio and cost cutting in central services and in the operating units. So I would like to reiterate that, although much has been done, we cannot yet lower our guard.

Our creditors must also do their part. For over five years we have been working primarily for them, and now it's time to work for the shareholders, who have greatly suffered the consequences of this crisis.

In short, the Board that today comes before you can be rightly satisfied with the work it has done and it bequeaths a satisfactory legacy to those who will now take the reins: the company has not only secured its future, but it has successfully created a platform on which to build sustainable and continued growth. Here, I would like to thank the invaluable contributions of the directors who are leaving us, Arianna Huffington, Agnès Noguera, Borja Pérez Arauna and Claudio Boada. The first three will continue to have responsibilities in our press and radio affiliates. The surnames of Agnès and Borja have been linked to the history of our Group during the forty years since it was founded. With Arianna, an authentic and much-admired icon who is practically revered by the international press, we will continue on with our common adventure of publishing the Huffington Post in Spanish, one of the biggest success stories among online media in our country, even if that deplorable Spanish trait – lambasted by Menéndez Pidal – envy, means that many do not give the publication its due recognition. Finally, along with the resignation of Claudio Boada for professional reasons, we also had to say farewell to Juan Arena, shortly before his term ended. Both provided services that improved the transparency of our company and Arena, in particular, as chairman of the Audit Committee, established control and monitoring mechanisms which the incoming Board will continue to benefit from. We will sorely miss all of them.

For the new term, the Board proposes the renewal of five of its members, including the chair and deputy chair, and the addition of four new ones, all of them independents. Glen Moreno, chairman of the British company Pearson for a decade, is a clear case of how you can add value to a company through the selection of directors with a broad and varied curriculum. He brings his unquestioned ability as a business executive and an in-depth knowledge of the two sectors in which our businesses operate, education and the media. Although from a different background, Alfonso Ruiz de Assín brings similar skills, especially with regard to radio, after a long term serving as Secretary of the Association of Spanish Radio Broadcasters, where he had a range of international responsibilities. He also sits as an independent director on the board at Canal Plus, further evidence of his strong links to the world of media. Also linked to radio but in a different capacity, in this cases as a commentator, is Elena Pisonero, currently president of Hispasat and former Secretary of State of Economy, among many other posts and commissions she has held over her career. Her intelligence and effective management skills are attested by the financial results of companies where she has worked. The same applies in the

case of Blanca Hernández who, despite her youth, brings her noteworthy experience in asset management and corporate social responsibility.

All will be bringing with them their undoubted talent and expertise in the market, as will the two new directors representing significant shareholders, who were appointed some months ago and whose ratification we are proposing today. Joseph Oughourlian and Khalid bin Thani bin Abdullah Al Thani, besides representing two of our largest shareholders, are businessmen who run and maintain operations in many countries and in many different sectors. Their commitment to Prisa, the confidence they show in the future of the company and their personal commitment to management tasks are coupled with the institutional and economic boost that their investments have given to our company.

To those who are leaving and those who are joining us, my deepest gratitude and that of the rest of the Board.

As you know, either through the relevant published information or some media reports, the outgoing Board decided to extend my term as chairperson until December 2020, but without executive responsibilities for the last two years of that period. The agreement was made at the initiative of a significant number of shareholders and directors, who felt I should continue overseeing the future of Prisa, at least until the size and structure of the debt is fully resolved, and the capital structure is fixed. I accepted the offer because of my commitment to this company, which I contributed to founding four decades ago, a commitment that is total and absolute.

That is why I have informed the outgoing Board that I will be proposing immediately to the new Board the establishment of a succession commission, entrusted with drawing up a succession plan for both the Chairperson and the CEO. The aim is to provide for the orderly succession of these posts, whatever the circumstances and the time when such successions might occur. This succession plan will set out procedures that are in accordance with best practice in the field of corporate governance and, of course, sensitive to the specific shareholder structure of the Group. Rest assured that if at any moment my presence were to come into conflict with the interests of the company, I shall take into consideration these interests, and only these, when making decisions, however painful it might be for me personally. Anyone who knows the history of our Group knows all too well that these words are no mere literary device: they respond to verifiable facts that I need not go into here.

This succession plan will be part of our ongoing efforts to improve corporate governance within the company. During 2015 we completed the revision of various rules in order to adapt to new laws and the recommendations of the Comisión Nacional del Mercado de Valores [National Securities Market Commission]. We have adopted a "Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors" and a "Policy for the Selection of Directors". And we set as an objective that, by 2020, the number of women board members must be at least 30% of the total.

The transfer of shares to executive directors, received as part of their remuneration package, has been limited, and we have introduced clawback provisions in their contracts that allow the company to reclaim variable bonuses in certain cases. The Board Regulations have also been amended to include various recommendations of the CNMV.

Following the entry into force of the reform of the Criminal Code, we established a Compliance Unit that is entrusted with the supervision of our crime prevention model, and which reports

directly to the Audit Committee. There are also compliance units in the main subsidiary business units. Finally, it is worth noting the approval last December of a new Code of Ethics, which includes the general principles of the Group and the rules of conduct for its professionals.

All these measures underscore our company's firm commitment to the rules and principles of good corporate governance, detailed in the Annual Report.

In short, we are now equipped with a renewed and effective governance structure that will enable us, in the short term, to implement a strategic plan suitable to our needs. This plan will pivot, as we have insisted it must and it has done in recent years, on two axes: a focus on the Spanish and Portuguese-speaking markets with a potential of more than seven hundred million consumers, and the acceleration of the process technological transformation. We will focus primarily on the Latin American market, given that 63 percent of our EBITDA comes from there, and we must also continue working on taking full advantage of the slight recovery in our country, which hopefully will not go awry. Our plans fully recognize that the Group operates in two sectors that are only slightly related – education and media – and they do not permit the leveraging of many synergies. Both will be revolutionized down to their very core by digital technologies. Over a year ago, we established at the heart of the Board a working committee to guide and promote technological transformation, and this has been undeniably fruitful. We decided to concentrate all our initial efforts on digitizing El País – our most recognized and acclaimed global brand – given that newspapers are currently being swept away more than other kind of media by the digital tsunami. We rightly assumed that if we were able to find a suitable model for the transformation of the newspaper, this would be largely replicable for the rest of the businesses. I have said on many occasions that this technological earthquake may well pose a threat, but also, and above all, an opportunity. The result of our policy of expanding our media throughout the online world is that we now have an audience of more than one hundred twenty million unique visitors and 30 million unique users, of whom precisely seventeen million are users of El País. Our digitization plans have met our goals. At the General Meeting of 2010, I announced that by last year we should have derived at least fifteen percent of revenue from digital transformation, and we have more than made good on that promise. If we are able to permanently stabilize the company's balance sheet and invest in the development of our businesses, within four or five years the figure for digital revenues should be approaching or surpassing forty percent of the Group total.

The future of all our operations, indeed the present, is inevitably linked to development on the Internet. We are witnessing not only, or even primarily, a technological shift but rather a revolution in behavior. The Internet is built largely thanks to, or because of, user experience, and that philosophy and that conviction informs all our strategic developments. This requires an investment not only in physical capital but, more crucially, in human capital. We need to hire new profiles and people with skills and knowledge that only a decade ago did not even exist in the market. The effort of our management teams in this regard is enormous – and the results are very promising.

As the Group undergoes this revolution and very real refoundation, El País will be celebrating its fortieth anniversary next month. One of the events that is set to mark the commemoration is a total structural change affecting the organization of editorial work, and the professional profiles, skills and responsibilities of journalists. There are many of us who for years have been announcing the death, or at least a fundamental decline, of print newspapers. But this does not mean that we do not have faith and confidence in the future role of journalism on the Internet.

The path of transformation is an arduous one: there are no established models to guide us and we must proceed by trial and error. But we have embarked on a safe path for the future of our Internet operations, and we have the support of major technology companies, especially Google with whom we have strategic ties that we hope to increase and strengthen. El País is the only global newspaper in Spanish, and is recognized, acclaimed and influential, as such virtually worldwide. We are proud that this newspaper, on which we have built the growth and evolution of the Group, now stands – forty years later – as a new symbol of the future, as an example of our contribution to the formation of public opinion in democracy and as a bulwark of the time-honored values of professional journalism.

We will also be celebrating the fiftieth anniversary of Los 40 Principales, another Spanish-speaking brand with global recognition, and the leading music radio broadcaster in Spain and present in 11 countries. It will turn 50 with the same youthful enthusiasm with which it was born.

I'd like to offer my congratulations to all those in both these cases who have been responsible for such success and permanence. And especially to those who are really behind the success: readers and listeners of these media, many millions of them over the decades.

Ladies and gentlemen:

I think we have together followed the trail of fortune that the adventurous knight-errant Espartafilardo pointed to on his coat of arms. There are many others of his kind among us: shareholders, investors, workers, employees, journalists, readers, listeners and viewers, advertisers and users of our media and our books, many of whom were accused of madness similar to that of Alonso Quijano for believing in the Prisa project, for betting on a company such as this in such difficult times and circumstances. Time has shown that they were not mistaken. Along with the vision they had when they took the risk of joining or following us, we were also able to recruit a few other humble, hardworking and sensible Sancho Panzas along the way, good at adding a dose of realism and at paying attention to immediate needs, so that our dreams were not crushed in the arms of giants. To all of them, to all who have shown their confidence in us and supported us, I want to, once again, offer my warmest thanks and assure them that we will not fail them in fulfilling our commitments.



Annual General Meeting 2016

José Luis Sainz, Chief Executive Officer

Madrid, April 1 2016

Ladies and gentlemen shareholders, dear friends:

As the Executive Chairperson mentioned in his speech, the agreement reached to refinance debt in the years 2014 and 2015, the trust placed in the Group by new investors and the turnaround of the Spanish economy, all allow us to face the future with optimism.

After a long period of crisis and adjustments, we have been able, during the past year, to focus our action on the growth and transformation of our businesses, on consolidating new initiatives and on making a profound change to the organization.

Digital transformation and Latin America will remain the axes of our strategic development. PRISA has become one of the leading and most widely recognized companies in the process of digital transformation, both in terms of changing business models and innovation. It has participated in some of the most advanced technological and content-related projects in collaboration with key digital players. The recent letter by the editor-in-chief of El País to the editorial and news teams, explaining the changes ahead, the future of media and the profession, has had a wide global impact.

2015 has been crucial in this process, with El País being the locomotive for change, thanks to its reorganization and motivated teams, who are all convinced that the future demands that we accelerate the pace of transformation.

Most of PRISA's businesses are global and they have a truly international vocation. We are present in some thirty countries, chiefly Spanish and Portuguese-speaking, and in almost all of them we have successfully replicated our way of doing things. Geographic diversification has helped over the years to balance the positive and negative cycles of the different countries where we operate and, almost always, has helped us to grow.

Several years of uninterrupted growth in Latin America have largely offset the decline in business in the Iberian Peninsula. Now, it seems we are witnessing the opposite process: a recovery of the Iberian economies and widespread decline in the Americas due to a combination of several factors – falling demand for commodities and a consequent drop in prices, sharp devaluations (especially in Brazil and Colombia), economic adjustments and the impact of institutionalized corruption. We now have to tighten the belts of our American companies after years of boom.

The development and international consolidation of our businesses is one of the major challenges in a Group where nearly 80% of our results and more than 60% of our workforce are outside Spain. We will gradually adapt our organization to that reality.

During this decade of growth, we have also seen the rise of important media groups in Latin America that pose a threat due to their economic strength and their growing nationalist credentials. At the same time, they also signal that there is an opportunity to grow and consolidate our current businesses.

With regard to the recovery of the Spanish economy, there are a number of threats prompted by the stagnation of the European economy and the slowdown in ours. We'll have to keep adjusting costs, improving profitability, the efficiency of processes and cash generation.

In the case of PRISA, the recovery is robust. Although the size of the debt is still significant, the Group has now left behind the risk of insolvency. The value of its assets is higher than the debt, the assets are solid and, although in need of investment and development, they have

weathered the crisis better than expected and better than most of their European counterparts – who are now announcing restructurings that have already been undertaken in Spain. In the short and medium term, we will witness important partnerships among European media groups, which will also embrace us.

Strategic plan

During 2015 we have laid the foundations for a PRISA Strategic Plan for the next five years.

At a time of uncertainty and continuous change, the Strategic Plan attempts to resolve key issues to build the company of the future: a focus on and prioritization of businesses, on perimeter and geographical scope of action, on asset portfolio and leadership, on debt reduction and financing of growth.

We believe we will be able to build a new success story for PRISA over the coming years. But we must also know how to properly tell this story.

Financial statement

2015 was a positive year for PRISA, characterized by two significant events: EBITDA has grown for the first time since 2008, and the net result is positive again, even if it is a small amount. It remains highly conditioned by the costs of financing and repayment of debt, although their weight is declining.

Group operating income, after adjusting for extraordinary operations, primarily personnel compensation, yields an EBITDA of 289 million euros and EBIT of 173 million, 10.3% and 29.4% more than in 2014, respectively.

The most significant points include the following:

- Growth in book sales despite this being the lowest year of the three-year cycle of sales to the education system in Brazil.
- Strong expansion of Compartir and consolidation of UNO.
- Sustained growth of advertising in Spain, both in radio and in press, but especially digital advertising, which grew about 30% in 2015, well above the market.
- Revenue growth from the digital transformation of the group in all business areas, reaching almost 200 million euros and 15% of total revenues.
- 64% of traffic comes from outside Spain. We have 123 million browsers in January 2016, and 30 million unique users (PC only).
- And finally, ongoing effort to reduce costs and to maintain CAPEX management, despite the allocation of additional resources to growth areas.

The comparison between the adjusted results and results excluding the impact of exchange rates better reflects the performance of the businesses.

Exchange rates in 2015 had a negative impact of 39 million euros on revenues and 9 million on EBITDA. Excluding this factor, Group revenues grew 1.6% and EBITDA by 13.6%, reaching the figure of 297 million euros.

Performance varied in different geographical areas.

International revenues in local currency decreased by 1% (in Latam they grew by 0.1%) and EBITDA grew by 1%, thanks largely to the good performance of Education; Radio was slightly up compared to 2014.

In Spain, revenue was up for all units by 5.2% and EBITDA grew by 110%. Radio and Education were significantly up, and there was a turnaround in the fortunes of press, which though it saw revenues fall, did increase its EBITDA.

Although most revenues have grown naturally in local currency, the negative evolution of the exchange rate has ultimately pushed the consolidated figure down by 1.1%.

Education, representing 46.7% of the total, was also the largest contributor to growth – 20 million euros in local currency, virtually the same amount as advertising in Spain and Portugal.

The improvement of advertising in Spain has continued during the first quarter of 2016, although it is showing signs of faltering, due to a slowdown in private consumer spending, political uncertainty and the brake on public investment.

Circulation continued to decline in absolute terms (10%) and as a percentage of total Group revenues, accounting for just 6.7% of total sales.

The category "Other" has seen a 5.8% fall, due to the reduction in revenue from premium-rate calls in Portugal.

As I mentioned above, the Group has continued to make considerable efforts to control costs, reducing these to 42 million euros (12 if the exchange rate is discounted), despite the launch of new business initiatives (Compartir in more countries, sales of more books in Spain, etc).

Operating expenses were down by 3.6% (1% in local currency), with falls of 10.3% for procurement, and minimal increases in personnel expenses of 0.8% and 1.9% on outsourced services.

Since the beginning of the crisis, PRISA has reduced its staff costs by 117 million euros (23% less); in Spain, the adjustment has been 38% (€ 125 million).

If we analyze individually each of the core businesses, we can make the following assessments.

In the case of PRISA Educación:

Revenue in local currency increased by 3% to 671 million euros and EBITDA in local currency by 11%, reaching 175 million. This is the best result ever achieved, and contrasts with the poor results reported by some of our major international competitors.

Book sales (regular and institutional) showed positive growth in local currency of 7 million euros, a 1% rise, although institutional sales in Brazil were the lowest of the three-year cycle of public procurement.

In Spain, during 2015, the delayed educational reform, approved in 2013, was widely implemented. It was rolled out for all primary grades, second and third year of ESO, and Year 1 of Bachillerato. We were able to offer a very competitive product that was aggressively marketed, which has allowed us to gain market share, especially in high schools. It is to be implemented in 2016 for 2nd and 4th years of ESO and Year 2 of Bachillerato. It is remarkable, however, the delay in the adoption in Spain of comprehensive and integrated digital initiatives,

in both private and public education, unbecoming of a developed country. Also noteworthy is the chaos reigning throughout the Autonomous Regions, with widespread questioning of the new Education Act, which does not augur well for its future.

Other countries have grown as a whole, with noteworthy positive performance in Argentina and Colombia, and negative in Venezuela, which despite performing well, suffers from financial constraints and the official exchange rate.

Digital learning systems continued to grow (17%), and now account for 19% of total revenues and contribute increasingly to the profitability of this area. These systems serve 800,000 students, with over a million forecast throughout 2016.

Sistema UNO in Mexico has positioned itself as a leader in the segment. The forecast is for moderate future growth, but with a clearly profitable model.

Sistema UNO in Brazil continues to grow despite the difficulties of a country in crisis and the high level of competition in the sector. To promote this initiative, an agreement has been signed with another operator, the prestigious Farias Brito. With this deal, we expect 40,000 additional students in 2016 alone.

Santillana Compartir which ended 2015 with more than 500,000 students, already reaches 15 countries. It represents the natural transition from the world of paper towards online education. Its flexible model, lower cost and the support of Santillana's sales force ensure that this is an initiative that promises strong growth and profitability, and one that is able to continually add new products and services. In 2016 the marketing of Compartir Plus will get underway.

In addition, as announced last year, this division has launched, in 2015, an important process of diversification, with projects aimed at meeting the learning and training needs of K-12, where important curricular changes are expected, including new subjects (robotics, finance, STAM) and customization tools (continuous assessment and reinforcement), and we have grouped all these together under the generic name of "21st Century Education".

Finally, a few days ago we announced the purchase of NORMA, pending approval by the competition authorities in some of the countries where it operates, for a total of 17 million euros. This acquisition will strengthen our position in some of the most important markets in the Americas. NORMA has been, since its foundation, one of Santillana's main competitors in Latin America and is a widely recognized and prestigious brand. After the sale of Ediciones Generales, this acquisition represents a deeper commitment to the business of education, announced at the time.

Radio revenues in local currency increased by 5% and EBITDA by 21% to 80 million euros. However, performance has been mixed.

In Spain, advertising revenues grew 8.1% in 2015, with excellent performance for both national advertising (9.3%) and local (6.4%). The latter benefited chiefly from the election campaigns last year.

If the measures taken in previous years with regard to expenses are added in, EBITDA growth was 72.6% and the profit margin reached 20%, 4 percent higher than in 2014.

In Latin America, advertising has barely grown in local currency (up 2.4%), there was stagnation in Colombia and Chile, affected by the macroeconomic and political environment, and there was good performance in Mexico, with sales growth of 10%, thanks largely to the association of new stations to the network. The margins in these three countries remained around 40%.

In 2015, Prisa Radio reached an agreement with the audiovisual group Albavisión in Argentina to jointly manage a radio group with six different radio formats, and thus solve a range of difficulties seen in recent years. Similarly, both groups' media sales teams have been integrated in Argentina and Chile.

The radio division will continue to make such agreements or divestments in countries where our presence and market size are not deemed sufficient for profitable performance.

Although PRISA Radio has maintained its audience lead for its products in the countries where it operates, in late 2015 it embarked on a major transformation process which affects its main music formats, namely 40 Principales and Tropicana, to adapt them to new consumer and user habits.

In Press, circulation revenues, which account for 40% of the total, fell 12%. While sales continue to decline, the fall was significantly less steep in the second half, especially during the weekends, aided, in part, by the reorganization of the product offering with the acquisition of Condé Nast's 50% stake in SModa and its transformation into a monthly product, and the development of Icon, Buena Vida, Tentaciones and Jot Down.

As I mentioned earlier, and even though growth has been minimal, EBITDA has recovered in this area, which represents a turning point in the trend prevailing since 2008.

El País ended 2015 with a circulation of 221,000 copies, leading the market. Only four general-interest newspapers had sales of over 100,000 copies. AS reached a circulation of 134,000 copies, only 16,000 copies behind Marca.

The structural decline in circulation should finally bring about the the process of consolidation of distribution companies and printing plants in Spain.

Advertising revenues rose for the first time since 2008; they remained stable for print (-1%) and increased significantly for digital, 27%, 31% for El País. Digital advertising now accounts for 36% of the total; at As this figure reaches 60%.

El País, the world's number one digital news media in Spanish, ranks in twelfth position globally, according to Comscore data on unique users, which only collects data from PCs.

El Huffington Post ranks in second place in Spain among digital-only general news media, and is tenth in the overall ranking.

The number of browsers has grown by 32% to 82 million. Notable is the growth of El País, up 44% (51 million). As you can see, this is truly extraordinary growth.

The effort to ensure that our teams, organization and technology are fit for the task is enormous, and we are committed to growing the number of users, to ensuring their loyalty, to personalizing content and monetization.

El País and AS have decisively reinforced their international digital positions. In 2015, AS rolled out editions in the USA and Mexico, joining those already in Chile and Colombia, and all grew beyond expectations. El País has strengthened its editions in Mexico and Brazil, reorganized its international edition and has added local news in Argentina and Colombia.

Although one might expect it to be otherwise after the sale of Canal +, we have, in fact, strengthened our audiovisual position during 2015.

We have created PRISA Video as the umbrella division for all our audiovisual operations: free-to-air TV, program production and the development of digital channels. From this new company we are driving the development of video in all our business areas, particularly the TV areas of El País and AS. We have started live programming (debates, such as that between the presidential hopefuls), documentaries, TV series, etc.

In Spain we have challenged the adjudication process for licenses carried out two months before the general elections, as we consider, among other reasons, that the process is in contravention of Spanish and EU competition laws that prevent the awarding of new licenses to operators who already hold a dominant position in the market.

Media Capital is one of the companies that has best weathered the crisis, maintaining a stable result despite sharp declines in advertising. This has been made possible by the skill of the management team to develop new revenue streams, new advertising formats (BTL), premium-rate calls and thematic pay channels that are sold to pay-TV platforms. The company has also been able to achieve and maintain market leadership with its radio stations, and post a profit.

In 2015, Media Capital's advertising revenue grew by 1% for television and by 9% for radio. Over the first few months of 2016, advertising has been growing faster than last year.

Despite the fall in revenues from premium-rate telephone calls (38%), total revenues have fallen only 3% and EBITDA by 4%, for a total of 42 million euros.

Media Capital's main goal is to maintain its lead in radio and television audiences, a lead it solidly holds both in prime time and 24 hours a day.

There are six pay-TV channels, two of them brand new: one for reality shows, distributed through NOS in Portugal, and another for telenovelas (soaps), distributed in Angola, Mozambique and Cape Verde by MultiChoice, a South African company. Of note is the significant growth for the news channel TVI 24, which has, in 2015, knocked its main competitor out of first place to take the lead.

Let me add here some more information on the refinancing of debt and the capital increase over the past year.

In April 2015, after approval of the transaction by the competition authorities, the sale of Canal + was finalized. As stipulated in the contract, we immediately received 80% of the initial established price, set at that time at 707 million euros, leaving the remaining outstanding amount subject to the final adjustment provided for in the contract.

On November 3, 2015 a second tranche of the price, 123 million, was collected, with a disagreement then arising over two concepts for an amount of 7 and 29 million euros respectively that, by mutual agreement, have been submitted to two arbitration processes. The first, worth 7 million euros, has been resolved in favor of PRISA, and has already been paid; the

second is pending award. If favorable, the final price of the sale of Canal + would amount to 724 million euros.

The first half of 2015 saw the sale of the remaining capital of Mediaset, 3.63%, at an average price of 11 euros per share.

With the money from both sales, debt amounting to 822 million euros – 525 million euros at par, and 297 million euros at an average discount of 16.5% – was purchased.

In late 2015, as the executive chairperson has explained, IMG entered the Group's capital, with the contribution of 64 million euros at a share price of 10 euros (8.2% of the capital of the company).

All of the above have reduced PRISA's net debt in the year by 951 million euros, with remaining debt at the end of 2015 standing at 1,660 million euros.

In February 2016, debt of 66 million euros was repurchased with the remaining funds from the sale of DTS, at a discount of 16.02%.

Finally, as you know, this Meeting is being asked to approve the issuance of a mandatorily convertible bonds for a minimum value of 100 million euros. If approved, the debt will be reduced by the amount subscribed and the capital will rise in the same proportion.

Ladies and gentlemen shareholders,

as the Executive Chairman explained, today we constitute a new Board that responds to a new capital structure. I would like to join in congratulating the incoming directors, of whom I expect full cooperation, and I would like to express my thanks to the outgoing directors, without whose support and commitment it would have been impossible to carry out our work.

PRISA has overcome one of the most difficult periods of its history. It has not solved all its problems, but it is at the dawn of a new era where finances are concerned, and it boasts the best possible assets.

To meet this challenge, we rely all those who are part of the company. I have already referred to shareholders and directors. Let me talk now of our excellent teams, from the top executives to each and every one of our employees and partners. Working in a sector such as this, one which forms part of the lives of those who read us, listen to us, watch us, and those who use our books to learn, is a privilege available to very few. And all of this is only possible with the effort, commitment and passion each and every one of them puts into their work.

We will continue to improve and grow, without pause, we will continue to reduce costs, especially structural ones, those derived from central, corporate and shared services, and we will adapt our size to the performance and evolution of our businesses.

At the same time we will lead the digital transformation and usher in new business models in Spain and Latin America, in the areas of conventional and digital advertising, programmatic media buying and data management.

This year, we celebrate two big anniversaries, the first forty years of El País and the 50th birthday of 40 Principales, present in twelve countries.

We decided to celebrate accordingly, with all kinds of events – while making some money, of course. We believe that the millions who follow us every day and those who are part of this organization deserve to celebrate. We've already seen a number of events, and among them I would like to single out as an example the documentary on the role of El País during the coup of February 23, 1981. In addition to marking a historic moment in the identity of this Group, this event has served to reaffirm the pride of belonging to a company and an institution with a strong culture and values.

I would not want to finish without thanking all of you, all our shareholders, customers, advertisers and employees, for your support and dedication.

Thank you very much