Q3 operational trends similar to 1H

- **Spain Advertising**: Revenues grow due to online and events.
- **LatAm activities**: Show growth in constant currency in Education (+9.2%).
- **Radio**: Continues facing difficulties due to advertising weakness mainly in Colombia, Chile, and Spain.
- **In Portugal, Media Capital**: Shows operational improvement helped by growth in advertising revenue and sales of channels to third parties.
- **The evolution of the exchange rate**: In first 9 months impacts negatively on revenues (-748M€) and EBITDA (-253M€).
- **Net bank debt**: Stand at 1.587M€ as of September 2016. Decline of 19 M€ in financial expenses in the period due to debt reduction.

**Executive summary**

**Consolidated performance**

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>EBITDA</th>
<th>EBITDA (%Chg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,036</td>
<td>215</td>
<td>-8.6% (+2.2% cst ccy)</td>
</tr>
</tbody>
</table>

**Digital Adv.**

+18%

**Net Debt evolution**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>5,044</td>
<td>3,245</td>
<td>3,118</td>
<td>2,582</td>
<td>1,660</td>
<td>1,587</td>
</tr>
</tbody>
</table>

**Operating costs**

<table>
<thead>
<tr>
<th>9M 2015</th>
<th>9M 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>843</td>
<td>821</td>
</tr>
</tbody>
</table>

**Digital Transformation**

**Revenues Breakdown**

- **Press**: Revenues +2.1%. EBITDA increases by +16.6%. Online advertising increases by +20.2% (representing already 41% of total advertising revenues). Circulation revenues moderate their drop (-3.4%) helped by price increases.
- **Media Capital**: Advertising revenues increase in 9M 2016 by +5.2% (+5.2 TIV). Value added calls continue to decline. EBITDA grows by +2.5% (+0.6 million euros).

*Adjusted numbers excluding extraordinary disclosed on page 18 of 9M 2016 results release*
Education

**REVENUES**
514 mn€ (-6%)
(+5% in cst ccy)

**EBITDA**
167 mn€ (-5%)
(+8% in cst ccy)

- In 9M 2016 South Area campaigns are totally finished. All campaigns have increased in constant currency, except for Brazil which has faced transfer of students from private to public market. These fall is offset by the growth of institutional programs in Peru.
- **North Area campaigns** (Spain and Mexico mainly), took place during 3Q, with returns pending to be registered in 4Q. Spain performed in line with expectations showing a slight decline explained by less novelties in 2016. Mexico showed growth in local currency.
- Part of Institutional sales in Brazil pending to be registered in 4Q.
- Digital Education Systems (UNO and COMPARIR) continue their expansion in Latin America, growing in number of students by 8% till reach 870,482. UNO and COMPARIR revenues grow by +10% in constant currency.
- **Adjusted revenues** in constant currency grow by +5% and adjusted EBITDA grows by +8.3% in local currency (+5% in euros).
- **Negative FX impact of 58 million euros** on revenues and 23 million euro on EBITDA. This impact should be reduced in 4Q if currencies remain at current levels.

**Revenues split (local currency) (Pending)**

*Traditional includes Private and Institutional.

**Radio**

**REVENUES**
222 mn€ (-7%)
(-1% in cst ccy)

**EBITDA**
30 mn€ (-32%)
(-26% in cst ccy)

- Advertising in Spain falls by -2.9% in 9M 2016 reducing its drop in the second and third quarters, with local market being the most affected market with declines of -3%.
- **According to the latest EGM**, Prisa Radio in Spain remains the clear leader in both in generalist and musical.
- In LatAm, adjusted revenues continue to fall in local currency, with drops of -11.2% in Colombia and of -23% in Chile, reflection of the macroeconomic and specific difficulties of the advertising sector faced by both countries.
- **Adjusted EBITDA** in constant currency falls in 11.2 Mn€ to reach 32 million mainly due to LatAm performance.
- **Negative FX impact is -14.5 million euros on revenues and -2.6 million on EBITDA.**

**Press**

**REVENUES**
174 mn€ (+2%)

**EBITDA**
7.5 mn€ (+17%)

- Press revenues grew 2.1% in the period. The increase in digital advertising, events and promotions offset the decline of traditional advertising and circulation.
- **Advertising revenues** in 9M 2016 increase by +6.5%.
  - Digital advertising increases by +20.5% (representing already 41% of total advertising revenues of the press) offsetting the fall in traditional advertising (-6.4%). Advertising from events continues to grow.
- **Circulation revenues** moderate their drop (-3.4%) helped by price increases.
- **Operating improvement of As**, which consolidates its global branding strategy, with significantly growth of unique users in the different countries in which it operates.
- **As of September 2016** an average of 98 million of unique browsers and 192 millions of unique users (as of August) have been registered.
- **Press adjusted EBITDA** increased by +16.6% over the same period last year to reach 7.5 million euros.

**Media Capital**

**REVENUES**
124 mn€ (+3%)

**EBITDA**
24 mn€ (+3%)

- **Total advertising revenues** of Media capital increase by +5.2%.
- **TVI shows a revenue increase** of 1%. The growth of advertising revenue and channels sale to third parties continue offsetting the fall in added value calls;
  - Advertising grows by +4.8% in TVI.
  - Added value calls continue with significant falls -4.2 million euros.
  - The distribution of TVI channels in different pay platforms has a growth of 2.2 million euros.
- **Radio improves its EBITDA by +3% (0.1M€)**
- Adjusted EBITDA grows by +3% (+0.6 million euros), versus same period last year.

**TVI continues to hold the leading position in the Portuguese FTA TV market**

**Advertising revenues growth evolution (%)**

**Elpais.com Unique Users split**

13 M U. Users
56 M U. Browsers
15 M Videos

Spain 46%