



Quarterly Results, 4Q2017

PROMOTORA DE INFORMACIONES, S.A.

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Index	2
General Overview and Business Units	3
Corporative Overview	4
Consolidated P&L	5
Education	6
Radio	8
Press	10
Digital Transformation Revenues	12
From EBIT to Net Result	13
Financial position	15
Guidance	17
Appendix	18



GENERAL OVERVIEW

Prisa achieves a sustainable long term capital structure

New governance and new management team

Focus on growth and value creation

2017 operating results main headlines:

- **Adjusted EBITDA** reaches **230 million** euros (+0.3%).
- **Education** shows a solid behavior driven by Latin America operations that grow in revenues **8%** (+6% in local currency).
- **Regarding Media**, radio shows operational improvement (both in Spain and Latam) and the press continues to grow in its digital development.

EDUCATION

€656m /
55%

€187m /
78%

28.5%

- **Total Revenues** grow by **3.7%** and **adjusted EBITDA** reaches **187 million** euros compared to **180 million** registered same period last year (+3.8%).
- **In Latin America**, revenues grow by **8%** with a good behavior in the campaigns of main countries. **There is to highlight the behavior of Brazil**, both in the private and in the institutional sale
- **Spain** shows falls in line with expectations as **2017** has been a year without novelties in educational materials and minor replacements compared to previous year.
- **Digital Education Systems (UNO and COMPARTIR)** continue their expansion in Latin America, growing in number of students till reach **932,606** (+7.5%).
- **Positive FX impact** of **8.3 million** euros on revenues and **5.8 million** euros on EBITDA as a result of better currencies evolution mainly in Brazil.

MEDIA

RADIO

€281m /
24%

€47m /
20%

16.6%

- **According to the latest EGM**, Radio in Spain **remains the clear leader** in both generalist and musical.
- **In Spain**, Prisa Radio gross advertising grows by **1.4%** (+4.2% growth in local and -1.5% in national). EBITDA improves by 7%.
- **In LatAm**, total revenues reaches **95 million** vs **99 million** same period last year. 2016 included figures of GLR Networks, which has been sold and which contributed in the period EUR 3.7 million. Excluding this effect, revenues in Latin America would remained flat.
- **Negative FX impact** of **-1.5 million** euros on revenues and **-1 million** on EBITDA.
- **Adjusted EBITDA** in constant currency improves by **0.6M€** (+1.2%) to reach **47 million euros**.

PRESS

€221m /
19%

€13m /
5%

5.7%

- **El País** consolidates its position as the first Spanish newspaper worldwide and **As** accentuates its leadership in digital in America.
- **Press total revenues declined by -8% in the period**. The increase in digital advertising and other digital revenues do not compensate the decline of traditional advertising, circulation, and the impact of the 40th anniversary and Eurocup in 2016. Excluding this extra ordinaries impacts, revenues would have decreased by -6%.
- On-line advertising represents already **46%** of total advertising.
- **During 2017**, an average of **108 million** of unique browsers have been registered growing by **23%**.
- Cost control and implementation of efficiency measures which include the closure of the printing plants.
- **Press adjusted EBITDA** reaches **13 million** euros versus **17 million** euros in the same period of 2016.



CORPORATIVE OVERVIEW

Prisa achieves a sustainable long term capital structure Net Debt/ebitda 17: 2,7x (proforma MCP sale)

- Prisa **agrees refinancing its debt with all lenders consent:**
 - Effective date expected in 1H2018;
 - Extension of maturities until 2022;
 - €450 million initial debt repayment;
 - Pricing: E+400 bps (zero floor) until Dec 2020. Margin uplift of 150 bps (from Jan 2021).
- **The company successfully completes capital increase for a cash amount of 563 million euros.**
 - The demand surpassed in 7.6 times the shares offered to the market.
 - Strong support from existing shareholders to recently completed capital increase.

New corporate governance and management team in place

- New Board of Directors composition with majority of independent members.
- New management team in Corporate, and in Press and Radio divisions.

Focus on growth and value creation

- **Santillana**
 - Focus in growth opportunities both organic and inorganic.
 - Improvement in macro trends and sector dynamics for K-12.
 - Strengthening leadership in the markets in which it operates.
 - Boosting Learning Systems with the aim of continue leading the digital transformation.
- **Efficiency plan defined with the objective of reaching savings of €40 million in costs**
 - Mainly in the perimeter Media (radio and press) and corporate.
 - €40 million costs savings identified to be achieved in the next 3 years.
- **Corporate rationalization**
 - Focus on most profitable businesses and strategic geographies.
 - Non strategic assets, non profitable businesses and real state under review.



CONSOLIDATED P&L

€ Millions	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Adjusted Revenues	1.166,1	1.175,9	(0,8)	277,1	278,5	(0,5)
Adjusted EBITDA	230,3	229,6	0,3	41,0	44,5	(7,9)
<i>Adjusted EBITDA Margin</i>	19,7%	19,5%		14,8%	16,0%	
Adjusted EBIT	140,9	132,8	6,1	26,0	33,8	(23,2)
<i>Adjusted EBIT Margin</i>	12,1%	11,3%		9,4%	12,1%	
Operating Adjusted Results at constant currency						
Operating Adjusted Revenues on constant currency	1.159,6	1.175,9	(1,4)	289,5	278,5	4,0
Adjusted EBITDA on constant currency	225,2	229,6	(1,9)	44,7	44,5	0,5
<i>Adjusted EBITDA Margin</i>	19,4%	19,5%		15,5%	16,0%	
Adjusted EBIT on constant currency	135,5	132,8	2,0	28,0	33,8	(17,2)
<i>Adjusted EBIT Margin</i>	11,7%	11,3%		9,7%	12,1%	
Reported Results						
Operating Revenues	1.170,7	1.184,5	(1,2)	277,1	287,1	(3,5)
EBITDA	207,0	205,9	0,5	28,9	30,4	(4,9)
<i>EBITDA Margin</i>	17,7%	17,4%		10,4%	10,6%	
EBIT	105,7	99,5	6,3	3,2	9,6	(66,4)
<i>EBIT Margin</i>	9,0%	8,4%		1,2%	3,4%	
Financial Result	(64,7)	(82,4)	21,5	(27,7)	(40,7)	32,0
Interests on debt	(49,2)	(54,3)	9,3	(12,0)	(11,8)	(1,3)
Other financial results	(15,4)	(28,2)	45,2	(15,7)	(28,9)	45,7
Result from associates	3,7	3,3	10,4	2,0	0,4	—
Profit before tax	44,7	20,3	119,8	(22,4)	(30,6)	26,8
Income tax expense	52,0	78,1	(33,4)	15,3	51,9	(70,4)
Results from discontinued activities	68,5	(20,1)	—	3,1	(10,4)	—
Minority interest	(27,2)	(30,2)	10,0	(7,1)	(9,7)	27,0
Net Profit	(102,9)	(67,9)	(51,7)	(47,9)	(81,8)	41,4
Net Result excluding discontinued activities	(34,4)	(87,9)	60,9	(44,8)	(92,3)	51,4
Net Profit excluding one-offs	29,0	17,1	69,3			

During 2017, excluding extraordinary effects there is to highlight:

- EBITDA and EBIT margin improvement.
- Reduction on interest expenses.
- Net result excluding extra ordinaries positive EUR 29 million.



EDUCATION

€ Millions	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Revenues	656,2	632,6	3,7	133,6	119,1	12,2
Spain	121,0	135,4	(10,6)	(18,0)	(16,5)	(9,4)
International	535,2	497,2	7,6	151,6	135,6	11,8
Portugal	3,8	4,8	(21,3)	0,0	0,1	(58,7)
Latam	531,4	492,4	7,9	151,6	135,4	11,9
Adjusted EBITDA	187,1	180,2	3,8	19,5	13,0	50,2
Spain	25,4	33,6	(24,3)	(35,6)	(34,9)	(2,1)
International	161,7	146,7	10,3	55,1	47,9	15,1
Portugal	0,1	0,2	(67,9)	(0,5)	(0,5)	7,7
Latam	161,7	146,5	10,4	55,6	48,4	14,9
<i>Adjusted EBITDA Margin</i>	<i>28,5%</i>	<i>28,5%</i>		<i>14,6%</i>	<i>10,9%</i>	
Adjusted EBIT	118,0	108,8	8,5	10,0	9,8	2,0
Spain	7,8	11,7	(33,3)	(24,3)	(21,2)	(14,7)
International	110,2	97,1	13,5	34,3	31,0	10,7
Portugal	(0,7)	(0,2)	(198,2)	(0,9)	(0,6)	(47,4)
Latam	110,9	97,4	14,0	35,1	31,6	11,4
<i>Adjusted EBIT Margin</i>	<i>18,0%</i>	<i>17,2%</i>		<i>7,5%</i>	<i>8,2%</i>	
Operating Adjusted Results at constant currency						
Operating Revenues on constant currency	647,9	632,6	2,4	143,4	119,1	20,4
Spain	121,0	135,4	(10,6)	(18,0)	(16,5)	(9,4)
International	526,9	497,2	6,0	161,5	135,6	19,1
Portugal	3,8	4,8	(21,3)	0,0	0,1	(58,7)
Latam	523,1	492,4	6,2	161,4	135,4	19,2
Adjusted EBITDA on constant currency	181,3	180,2	0,6	22,7	13,0	74,8
Spain	25,4	33,6	(24,3)	(35,6)	(34,9)	(2,1)
International	155,9	146,7	6,3	58,3	47,9	21,8
Portugal	0,1	0,2	(67,9)	(0,5)	(0,5)	7,7
Latam	155,9	146,5	6,4	58,8	48,4	21,5
<i>Adjusted EBITDA Margin</i>	<i>28,0%</i>	<i>28,5%</i>		<i>15,9%</i>	<i>10,9%</i>	
Adjusted EBIT on constant currency	112,0	108,8	2,9	11,7	9,8	19,4
<i>Adjusted EBIT Margin</i>	<i>17,3%</i>	<i>17,2%</i>		<i>8,2%</i>	<i>8,2%</i>	
Reported Results						
Operating Revenues	656,2	637,5	2,9	133,6	124,0	7,7
Spain	121,0	135,4	(10,6)	(18,0)	(16,5)	(9,4)
International	535,2	502,2	6,6	151,6	140,5	7,9
Operating Expenses	476,9	466,6	2,2	118,2	116,9	1,1
EBITDA	179,3	170,9	4,9	15,4	7,1	117,6
<i>EBITDA Margin</i>	<i>37,6%</i>	<i>36,6%</i>		<i>11,6%</i>	<i>5,7%</i>	
EBIT	110,2	98,6	11,8	5,9	2,6	124,6
<i>EBIT Margin</i>	<i>16,8%</i>	<i>15,5%</i>		<i>4,4%</i>	<i>2,1%</i>	
Extraordinary Effects						
One-offs in Operating Revenues	0,0	(4,9)	100,0	0,0	(4,9)	100,0
Norma		(4,9)	100,0	0,0	(4,9)	100,0
One-offs in Operating Expenses	(7,8)	(14,3)	45,3	(4,1)	(10,8)	62,2
Redundancies	(5,8)	(6,1)	5,0	(2,1)	(2,7)	21,9
Norma		(7,4)	100,0	0,0	(7,4)	100,0
Norma operation expenses		(0,8)	100,0	0,0	(0,8)	100,0
Other	(2,0)		---	(2,0)	0,0	---
One-offs in Amortization&Provisions	0,0	(0,9)	100,0	0,0	(0,9)	100,0
Norma		(0,9)	100,0	0,0	(0,9)	100,0



EDUCATION

A_MARKET POSITION

Santillana, PRISA's education business, maintains a leading position in practically all countries where it operates. 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 private textbooks excluding languages

COUNTRY	Share	Market Share
Spain	20,1%	1
Brazil	22,3%	2
Mexico	16,6%	1
Argentina	40,7%	1
Chile	30,7%	1
Colombia	31,7%	1

Source: PRISA internal estimates, last available.
(Colombia, Argentina, Mexico and Chile includes Norma).

B_OPERATING REVENUES

In 2017 Revenues evolution there is to highlight:

a) **The evolution of the South Area campaigns:** Brazil, Colombia, Costa Rica, Central America, Uruguay, Chile, Bolivia, Argentina, Paraguay and Peru. These campaigns have shown together a good behavior with a growth of 14.5% (+11.7% in constant currency). Highlights:

- o **Brazil**, showing a growth of 23% supported by the growth of government sales being high purchase cycle (ensino medio) and where in addition, Moderna has increased its share. Regular sales (private) have also shown good performance with growth of 8.7%.

Government purchase cycle in Brazil is as follows:

Year	Purchases	Repositions	Cycle
2018	Primary (1st to 5th)	Secondary, Bachelor	Low
2019	Secondary (6th to 9th)	Primary, Bachelor	Medium
2020	Bachelor (ensino medio)	Primary, Secondary	High

From the year 2018 changes are introduced in the model of purchases of the Government that will be repeated every 4 years (3 previously) and the repositions for primary will be 100% in the following 3 years (this reposition was currently around 40%).

- o **Argentina** registers a very solid performance with important growths both in regular and in the institutional sales. (+55.7%).
- o **Peru declines significantly its revenues** explained by worst comparison with 2016 where a non recurrent institutional bidding for primary and secondary took place for an amount of 33 million euros.

b) **North area campaigns: Spain, Mexico, Puerto Rico, Dominican Republic, Ecuador, USA and Venezuela.** These campaigns have together shown a fall of 7.7% mainly affected by the fall in Spain which it is explained by lack of novelties compared to previous year and lower replacements (in line with expectations).

c) **Norma** started consolidating in Santillana accounts since the October first of 2016. Its contribution to 2017 figures amounts 32.6 million euros in revenues. It should be noted that standard results are very satisfying after full implementation of synergies ahead of schedule. Its contribution to ebitda is positive and it presents good prospects to the year 2018.

d) **Digital Education Systems (UNO and COMPARTIR)** continue their expansion in Latin America, growing by 7.5% the number of students to 932,606.

UNO results have been slightly affected especially in Brazil as a result of the crisis as price plays a crucial role on educative projects. In addition, during 2H2017 a launching campaign for Mexico took place.

e) **Positive FX impact in the period** of 8.3 million euros on revenues and 5.8 million euros on EBITDA mainly explained by exchange rates evolution in Brazil.

Split of revenue and EBITDA

	JANUARY - DECEMBER		
	2017	2016	% Chg.
€ Millions			
Operating Revenues			
Total Santillana	656,2	632,6	3,7
Traditional Education and Compartir	592,5	569,0	4,1
South Campaign	347,7	303,7	14,5
North Campaign	244,8	265,3	(7,7)
UNO System	63,7	63,7	0,1
	JANUARY - DECEMBER		
	2017	2016	% Chg.
Operating Revenues at constant currency			
Total Santillana	647,9	632,6	2,4
Traditional Education and Compartir	585,2	569,0	2,9
South Campaign	339,1	303,7	11,7
North Campaign	246,0	265,3	(7,3)
UNO System	62,8	63,7	(1,4)
	JANUARY - DECEMBER		
	2017	2016	% Chg.
Adjusted EBITDA			
Total Santillana	187,1	180,2	3,8
Traditional Education and Compartir	167,0	158,2	5,6
South Campaign	113,1	92,4	22,4
North Campaign	53,9	65,8	(18,0)
UNO System	20,1	22,1	(8,9)
	JANUARY - DECEMBER		
	2017	2016	% Chg.
Adjusted EBITDA at constant currency			
Total Santillana	181,3	180,2	0,6
Traditional Education and Compartir	161,5	158,2	2,1
South Campaign	108,0	92,4	16,9
North Campaign	53,5	65,8	(18,7)
UNO System	19,8	22,1	(10,2)



RADIO

€ Millions	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Revenues	280,7	301,1	(6,8)	77,8	93,3	(16,6)
Spain	179,9	183,0	(1,7)	50,8	53,5	(5,0)
Latam	94,6	98,9	(4,4)	26,1	29,5	(11,6)
Music	15,8	28,7	(45,1)	3,8	13,2	(71,1)
Adjustments & others	(9,6)	(9,6)	0,5	(2,9)	(2,9)	1,0
Operating Revenues w/MX&CR	301,7	321,9	(6,3)	84,0	99,6	(15,6)
Adjusted EBITDA	46,6	46,7	(0,3)	18,1	22,5	(19,7)
Spain	24,3	22,8	7,0	9,6	10,7	(10,3)
Latam	24,0	23,5	1,8	8,8	10,3	(14,5)
Music	(1,8)	0,4	---	(0,3)	1,5	---
Adjustments & others	(0,0)	(0,0)	(37,8)	0,0	0,0	(100,0)
<i>Adjusted EBITDA Margin</i>	16,6%	15,5%		23,2%	24,2%	
Adjusted EBITDA w/MX&CR	55,2	54,8	0,7	21,1	25,3	(16,9)
Adjusted EBIT	36,2	34,0	6,2	14,8	18,2	(18,5)
Spain	18,1	16,2	11,9	7,6	9,3	(18,1)
Latam	20,3	20,0	1,3	7,6	9,0	(15,3)
Music	(2,5)	(2,2)	(13,3)	(0,6)	(0,1)	---
Adjustments & others	0,2	(0,0)	---	0,2	0,0	---
<i>Adjusted EBIT Margin</i>	12,9%	11,3%		19,0%	19,5%	
Adjusted EBIT w/MX&CR	44,0	41,4	6,1	17,7	20,9	(15,4)
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results at constant currency						
Operating Revenues on constant currency	282,2	301,1	(6,3)	80,2	93,3	(14,0)
Spain	179,9	183,0	(1,7)	50,8	53,5	(5,0)
Latam	96,1	98,9	(2,8)	28,4	29,5	(3,8)
Music	15,8	28,7	(44,9)	3,9	13,2	(70,4)
Adjustments & others	(9,6)	(9,6)	0,2	(2,9)	(2,9)	(0,1)
Operating Revenues on ctt ccy w/MX&CR	303,9	321,9	(5,6)	86,7	99,6	(12,9)
Adjusted EBITDA on constant currency	47,3	46,7	1,2	18,7	22,5	(16,8)
Spain	24,3	22,8	7,0	9,6	10,7	(10,3)
Latam	24,7	23,5	5,1	9,5	10,3	(7,8)
Music	(1,8)	0,4	---	(0,4)	1,5	---
Adjustments & others	(0,0)	(0,0)	25,2	0,0	0,0	(100,0)
<i>Adjusted EBITDA Margin</i>	16,7%	15,5%		23,4%	24,2%	
Adjusted EBITDA on ctt ccy w/MX&CR	56,1	54,8	2,4	21,8	25,3	(13,8)
Adjusted EBIT on constant currency	36,7	34,0	7,8	15,2	18,2	(16,4)
Spain	18,1	16,2	11,9	7,6	9,3	(18,1)
Latam	20,9	20,0	4,4	8,0	9,0	(10,3)
Music	(2,5)	(2,2)	(16,6)	(0,7)	(0,1)	---
Adjustments & others	0,2	(0,0)	---	0,2	0,0	---
<i>Adjusted EBIT Margin</i>	13,0%	11,3%		18,9%	19,5%	
Adjusted EBITDA on ctt ccy w/MX&CR	44,7	41,4	8,0	18,2	20,9	(13,0)
	2017	2016	% Chg.	2017	2016	% Chg.
Reported Results						
Operating Revenues	280,7	301,1	(6,8)	77,8	93,3	(16,6)
Advertising	250,2	255,7	(2,2)	70,4	74,9	(6,0)
Spain	163,1	164,1	(0,6)	46,4	47,6	(2,5)
Latam	87,2	91,9	(5,1)	24,1	27,5	(12,4)
Others	(0,1)	(0,2)	32,1	(0,0)	(0,2)	76,7
Others	30,5	45,3	(32,7)	7,4	18,4	(59,7)
Operating Expenses	239,3	259,8	(7,9)	60,6	72,1	(15,9)
EBITDA	41,4	41,3	0,2	17,2	21,2	(18,8)
<i>EBITDA Margin</i>	14,7%	13,7%		22,1%	22,8%	
EBIT	26,4	28,2	(6,2)	10,7	16,5	(35,1)
<i>EBIT Margin</i>	9,4%	9,4%		13,7%	17,6%	
	2017	2016	% Chg.	2017	2016	% Chg.
Extraordinary Effects						
One-offs in Operating Revenues	21,0	20,8	0,9	6,2	6,3	(1,5)
Consolidation perimeter adjustment MX&CR	21,0	20,8	0,9	6,2	6,3	(1,5)
One-offs in Operating Expenses	7,2	7,3	(1,2)	2,4	2,2	8,9
Redundancies	(5,2)	(5,4)	3,8	(0,9)	(1,3)	34,4
Consolidation perimeter adjustment MX&CR	12,4	12,7	(2,3)	3,2	3,5	(7,3)
One-offs in Amortization&Provisions	(1,7)	0,7	---	(1,2)	0,1	---
Consolidation perimeter adjustment MX&CR	0,8	0,7	7,8	0,1	0,1	25,4
Impairment & Losses from fixed assets	(2,5)		---	(1,3)	0,0	---

The Group's adjusted results do not include Mexico and Costa Rica. For the purpose of giving a complete view of the business, it has been included an adjusted line both in Revenues and ebitda including Mexico and Costa Rica



RADIO

A_MARKET POSITION

In Spain, we highlight the competitive strength of radio business through its stations (Cadena Ser, 40Principales, Cadena Dial, M-80, Radiolé and Máxima FM). According to the latest EGM survey, **Cadena Ser maintains absolute leadership in the market with 4,336 thousand listeners** (market share of 37% of Spain's generalist radio). **Los40 holds first place in the music radio market in Spain with audience shares of 20%.**

We detail below the number of listeners of PRISA in Spain:

Thousands of Listeners	LISTENERS		
	3rd Report 2017	Market Share	Share
TOTAL SPAIN*	9.891		
TALK RADIO	4.336	1	37%
Cadena Ser	4.336		37%
MUSICRADIO*	5.923	1	43%
Los 40	2.806		20%
Dial	2.178		16%
M80	362		3%
Máxima FM	370		3%
Radiolé	499		4%

Source: EGM Third report 2017

Regarding international radio,

Thousands of Listeners	LISTENERS		
	3rd Report 2017*	Market Share	Share
Colombia	7.436	1	27%
Chile	2.376	1	41%
Mexico	1.701	2	15%
LTMaverage			

Source: ECAR (Colombia), IPSOS (Chile), INRA (Mexico), latest available information

B_OPERATING REVENUES

In 2017, **Radio adjusted revenues reached 281 million euros**, compared to 301 million euros same period last year (-6.8%). 2016 figures included GLR Networks and RLM which have been sold and contributed in the period with 7.2 million euros of revenues. Also extraordinary events were recorded in 2016 for an amount of EUR 7 million. **Excluding both extra ordinaries effects, total revenues would have declined by 2%.**

FX impact has been negative by -1.5 million euros in revenues and by -1 million euros in EBITDA.

Adjusted EBITDA at constant currency in **Prisa Radio improves by +0.6 million euros (+1.2%).**

Radio Revenues by geography:

Spain: Radio Spain adjusted revenues reach 180 million euros in the period vs. 183 million euros same period last year. Decline is mainly explained by the performance of other revenues which decline as a result of less services to third parties and lower revenues for brand management.

Gross **Advertising revenues** grow by +1.4% with growth in local of +4.2% and a fall in national of -1.5%.

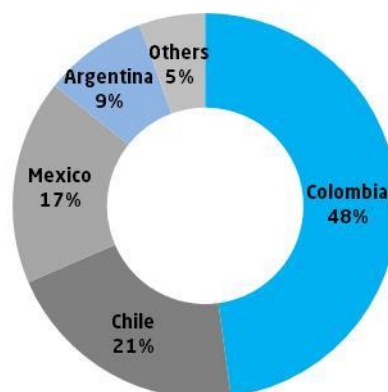
LatAm: LatAm radio adjusted revenues reach **94.6 million euros in 2017 versus 98.9 million euros same period 2016.** Excluding the effect of the sale of GLR Networks, they would have remained stable.

By country there is to highlight:

- **Colombia**, which shows a fall in constant currency of -3.4% improving its behavior in 4Q which improved by +1.2%. Local advertising grew 2.8% in constant currency, while the national experienced a fall of -8%.
- **Chile**, which grows its revenues in local currency of +4.6%.
- **Mexico**, which has grown its revenues in local currency by 4.5%.
- **USA** which declines revenues as a result of the disinvestment in GLR Networks in 2016.

Music: Revenues shows falls mainly explained by the divestment of RLM and extraordinary events taking place in 2016.

January-December 2017: LatAm Revenues split (%)





PRESS

€ Millions	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
Operating Adjusted Results						
Operating Revenues	220,6	239,9	(8,1)	63,2	65,8	(4,1)
<i>Advertising</i>	105,5	114,5	(7,9)	33,8	35,5	(4,8)
<i>Circulation</i>	79,4	91,6	(13,3)	18,9	21,7	(12,7)
<i>Add-ons and Others</i>	35,7	33,8	5,5	10,4	8,6	21,1
Adjusted EBITDA	12,5	16,8	(25,8)	8,0	9,3	(14,6)
<i>Adjusted EBITDA Margin</i>	5,7%	7,0%		12,6%	14,2%	
Adjusted EBIT	3,9	8,6	(54,8)	6,0	6,9	(13,3)
<i>Adjusted EBIT Margin</i>	1,8%	3,6%		9,5%	10,5%	

€ Millions	2017			2016		
	2017	2016	% Chg.	2017	2016	% Chg.
Reported Results						
Operating Revenues	220,6	239,9	(8,1)	63,2	65,8	(4,1)
<i>Advertising</i>	105,5	114,5	(7,9)	33,8	35,5	(4,8)
<i>Circulation</i>	79,4	91,6	(13,3)	18,9	21,7	(12,7)
<i>Add-ons and Others</i>	35,7	33,8	5,5	10,4	8,6	21,1
Operating Expenses	216,6	224,7	(3,6)	61,1	57,7	6,0
EBITDA	4,0	15,2	(74,0)	2,0	8,1	(75,2)
<i>EBITDA Margin</i>	1,8%	6,4%		3,2%	12,4%	
EBIT	(14,1)	7,1	---	(9,5)	5,7	---
<i>EBIT Margin</i>	-6,4%	2,9%		-15,0%	8,7%	

€ Millions	2017			2016		
	2017	2016	% Chg.	2017	2016	% Chg.
Extraordinary Effects						
One-offs in Operating Revenues	0,0	0,0	---	0,0	0,0	---
One-offs in Operating Expenses	(8,5)	(1,6)	---	(5,9)	(1,2)	---
Redundancies and other non-recurrent	(8,5)	(1,6)	---	(5,9)	(1,2)	---
One-offs in Amortization&Provisions	(8,7)	0,0	---	(8,7)	0,0	---



PRESS

A_MARKET POSITION

El País maintains its absolute leading position in Spain, with an average market share in the year of 41% according to the latest OJD available data (December 2017).

January-December 2017: Market position of PRISAs Press business



Source: OJD December 2017

Digital Market position of Press business

In terms of unique browsers, press has reached 108 million users average (as of December). El País maintains a leading position reaching 79 million monthly average.

El País ranks 1st position in news in Spanish webs and in the media worldwide ranking it is in number 10 being the first positions occupied by Chinese, British and American newspapers.

According to Comscore, El País is in the position ranking number 6 in Spain in terms of unique users, after Google, YouTube and Facebook, Amazon and Twitter.

B_OPERATING REVENUES

Revenues in Press business declined by 8.1% reaching 221 million euros. The increase in on-line advertising and other digital revenues has not compensated the declines in traditional advertising, circulation and the impacts of the 40th anniversary and Eurocup in 2016. Excluding this impacts, revenues fall would have been of -6%.

Total advertising Revenues reach 106 million euros (-8%); (-4% excluding extraordinary impacts)

- On-line advertising revenue grow by +3% in the period already representing 46% of total advertising revenues.
- Off-line advertising revenues decline by -15%.
- Events revenues reaches 7 million euros. The fall in Events is mainly explained by the result of the extraordinary revenues in accounted in 2016, commemorating the 40th anniversary. (15% growth excluding this impact).

Table of on-line, off-line advertising revenues and events is shown below:

€ Millions	JANUARY - DECEMBER		
	2017	2016	% Chg.
Advertising	105,5	114,5	(7,9)
Off-line	50,7	59,4	(14,7)
On-line	47,8	46,5	2,7
Events	7,0	8,6	(17,9)

Regarding the circulation of printed copies, evolution by newspaper according to the latest available data (OJD December 2017) it is as follows:

Number of copies	JANUARY - DECEMBER		
	2017	2016	% Chg.
El País	175.041	194.005	(9,8)
Diario As	112.003	125.955	(11,1)

Highlights the strong cost control with a fall of 7%.

Implementation of efficiency measures following the agreement with third parties for the printing of newspaper copies and the announcement of the closure of the printing plants.

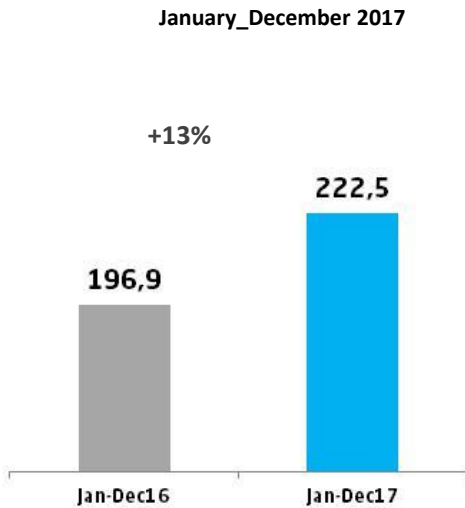
Adjusted **EBITDA**, reached 12M€ compared to 17M€ in the same period last year.



DIGITAL TRANSFORMATION

A_TRANSFORMATION REVENUES

Digital transformation revenues increased by +13% in 2017 to reach 223 million euros. They represent already 19% of total Group revenues.



B_UNIQUE BROWSERS

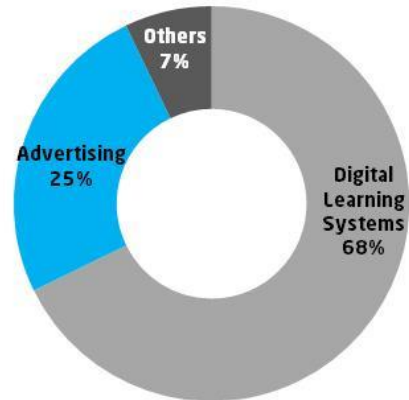
Average unique browsers of the Group's web sites grow by 16.4% reaching 134 million.



Unique browsers in Press in 2017 grow by +23% reaching 108.4 million on average.

In 2017, the growth of unique browsers of both national and international radio websites of the Group has continued: the unique browsers to the website of Radio in Spain reached 15 million average (+33.5%). As for the International Radio, the unique browsers reach 24.6 million average (+19%). In total, the unique browsers Prisa Radio reach 39.8 million and grew by 24%.

C_TRANSFORMATION REVENUES SPLIT



Digital advertising revenues mainly in press grow by +2.7% and represent 46% of the division's ad Revenues.

Digital education systems (UNO and Compartir) continue their development in Latin America showing a growth of 10% in constant currency.



FROM EBIT TO NET RESULT

Miliones de euros	2017	2016	% Chg.	2017	2016	% Chg.
EBIT	105,7	99,5	6,3	3,2	9,6	(66,4)
<i>EBIT Margin</i>	<i>9,0%</i>	<i>8,4%</i>		<i>1,2%</i>	<i>3,4%</i>	
Financial Result	(64,7)	(82,4)	21,5	(27,7)	(40,7)	32,0
Interests on debt	(49,2)	(54,3)	9,3	(12,0)	(11,8)	(1,3)
Other financial results	(15,4)	(28,2)	45,2	(15,7)	(28,9)	45,7
Result from associates	3,7	3,3	10,4	2,0	0,4	---
Profit before tax	44,7	20,3	119,8	(22,4)	(30,6)	26,8
Income tax expense	52,0	78,1	(33,4)	15,3	51,9	(70,4)
Results from discontinued activities	68,5	(20,1)	---	3,1	(10,4)	---
Minority interest	(27,2)	(30,2)	10,0	(7,1)	(9,7)	27,0
Net Profit	(102,9)	(67,9)	(51,7)	(47,9)	(81,8)	41,4
Net Result excluding discontinued activities	(34,4)	(87,9)	60,9	(44,8)	(92,3)	51,4
Net Profit excluding one-offs	29,0	17,1	69,3			

A_ASSETS IMPAIRMENT

At the end of the year 2017, it has been conducted a review of the recoverability of the assets of the group that has led to record accounting losses (impairment) mainly on printing, plants, accounts receivable and fiscal credits. The total amount of such impairments has had a negative impact on the net result of 45.7 million impacting different lines in the profit and loss account including ebit, financial result, equity account and tax corporation.

The summary of such impairments and its impact on the P&L accounts is shown below:

Impairments impacts by P&L line	
ebit	11,9
Financial result	9,6
Equity account	1,2
Corporation TAX	27,3
Total	50,0
Minority and Fiscal impact	-4,3
Net Result impact	45,7

B_NET FINANCIAL RESULT

During 2017, “interests on debt expenses” have been reduced by 5.1 million as a result of the debt reduction.

Other financial results improve by 12.8 million euros. The lower debt formalization expenses (-5.5) and the positive result for the update of the DLJ dividend due to FX evolution Euro/Dollar (+18.8 million) compensates the debt haircuts in 2016 (€20.7 Million).

In 2017 it has been recorded under this heading a financial expenditure by impairment of assets amounting to 9.6 million euros while in 2016 it was recorded and expense related to fiscal 2004-2006 VAT (17 million).

C_EQUITY METHOD RESULT

Equity method results mainly includes Radio Mexico and Costa Rica Results.

D_INCOME TAX EXPENSE

Income tax expense amounts 52 million euros in 2017 versus 78 million registered in same period last year. 2017 tax expense includes as extraordinary fiscal impairments amounting 27.3 million euros and 9,4 million as a result of the new decree law on corporation tax coming into force in December 2016. The tax expense in 2016 included 57 million euros for the impact of the new Decree law which led to tax credits deterioration and reversal of provisions from losses in the past.



FROM EBIT TO NET RESULT

E_ RESULTS FROM DISCONTINUED ACTIVITIES

Results from discontinued activities shows the resulting accounting loss of the acceptance of the binding offer for the sale of Media Capital.

E_MINORITY RESULTS

Corresponds to minority interest in Prisa Radio and Santillana.

F_NET RESULT

Net Result for the year has been affected negatively by the sale of Media Capital, by the registration of extraordinary in 2017 asset impairments and the extraordinary fiscal impact resulting from the implementation of the new decree law. Excluding these effects, net income would have been positive in 29.0 million vs. 17.1 million in the same period in 2016 (+69.3%).

Accounted Net Result	-102,9
Assets impairments	45,7
Mediacapital sale impact	76,9
2016 Decree law fiscal impact	9,4
Net Result excluding extraordinaries	29,0



FINANCIAL POSITION

A_Cash flow statement

€ Million	Dic.	Dic.	Chg. 17/16	
	2017	2016	Abs.	%
EBITDA (excluding redundancies) - provisions	214,7	201,0	13,7	6,8%
EBITDA (excluding redundancies)	232,7	221,1	11,5	5,2%
Provisions	-17,9	-20,1	2,2	11,0%
Change in working capital	-51,4	-3,7	-47,7	---
Taxes paid	-27,5	-23,9	-3,6	-14,9%
Other cash flows and adjustments from operations	-5,6	-5,2	-0,3	-6,6%
OPERATING CASH FLOW BEFORE REDUNDANCIES	130,3	168,1	-37,8	-22,5%
Redundancies paid	-25,0	-16,0	-9,0	-56,4%
OPERATING CASH FLOW AFTER REDUNDANCIES	105,3	152,2	-46,8	-30,8%
Capex (investments/divestments)	-60,1	-57,7	-2,5	-4,3%
Capex	-63,4	-65,8	2,4	3,6%
Disinvestments	3,3	8,1	-4,9	-59,9%
CASH FLOW BEFORE FINANCING ACTIVITIES	45,2	94,5	-49,3	-52,2%

As of December 2017, working capital investment of 51.4 million euros is mainly due to Santillana. As of December 2017, relevant collections from Institutional sales which took place in 4Q are pending (28 million euros). They are expected to be collected at the beginning of 2018.

A1_CAPEX

CAPEX			
€ Million	Dic. 2017	Dic. 2016	Chg. 17/16
Santillana	-53,0	-53,3	0,3
Radio	-5,3	-6,4	1,1
Press	-3,4	-5,3	2,0
Audiovisual	0,0	-0,1	0,0
Others	-1,7	-0,7	-1,0
Capex (investment)	-63,4	-65,8	2,4
Capex (disinvestment)	3,3	8,1	-4,9
Total PRISA Group	-60,1	-57,7	-2,5



FINANCIAL POSITION

B_Net financial position

The "costs of formalization" of financial debt are presented in the balance sheet as a reduction of debt to credit institutions. These expenses are charged to the income statement on a similar maturity term of the underlying debt.

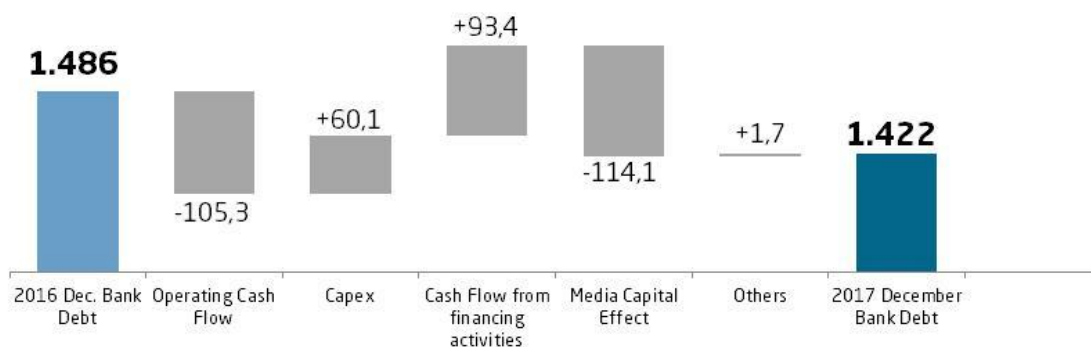
TOTAL BANK DEBT

€Million	Dic. 2017	Dic. 2016	Chg. 17/16	
			Abs.	Rel.
- Financial debt	1.644,9	1.622,7	22,2	1,4%
- Non- current financial debt	642,2	1.575,9	-933,7	-59,2%
- Current financial debt	1.002,6	46,7	955,9	---
Short term financial investments	-23,3	-19,5	-3,8	-19,7%
Cash & cash equivalents	-217,2	-245,2	28,0	11,4%
Loan arrangement costs	17,3	29,6	-12,4	-41,7%
TOTAL BANK DEBT EXCLUDING MEDIA CAPITAL	1.421,6	1.387,6	34,0	2,4%
Media Capital	0,0	98,5	-98,5	-100,0%
TOTAL BANK DEBT	1.421,6	1.486,1	-64,5	-4,3%

TOTAL BANK DEBT BY BUSINESS UNIT

€ Million	Dic. 2017	Dic. 2016	Chg. 17/16	
			Abs.	%
Prisa Holding+ Prisa Participadas+Otros	1.413,5	1.375,0	38,4	2,8%
- Financial debt	1.596,4	1.586,3	10,1	0,6%
Tranche 2	956,5	956,5	0,0	0,0%
Tranche 3	181,5	177,0	4,5	2,5%
PPL	450,9	439,8	11,1	2,5%
Others	7,5	13,0	-5,5	-42,5%
- Cash, Short term financial investments and interco del	-182,9	-211,2	28,3	13,4%
Caja e IFT	-176,8	-203,2	26,4	13,0%
Deuda interco	-6,1	-8,0	1,9	23,7%
Santillana	-9,3	8,0	-17,3	---
Radio	6,5	10,7	-4,2	-39,0%
Press	6,9	-7,8	14,7	---
Audiovisual	6,5	5,4	1,1	19,7%
Otros	6,5	5,4	1,1	19,7%
TOTAL BANK DEBT EXCLUDING MEDIA CAPITAL	1.424,1	1.391,3	32,8	2,4%
Media Capital (*)	-2,5	94,8	-97,3	---
TOTAL BANK DEBT	1.421,6	1.486,1	-64,5	-4,3%

Evolution of Bank debt is as follows:





GUIDANCE 2018

2018 GUIDANCE

Education

- 2018 low institutional cycle in Brazil and lack of novelties in Spain should imply a 2018 adjusted ebtida in line with 2017A in local currency.
- Norma and digital learning systems will continue delivering solid growth.

Radio

- Advertising growth expected in line with market; positive impacts from special events (WorldCup and Latam elections).
- Operating improvement in Spain and LatAm.

Press

- Margin enhancement despite expected top line decline.

Efficiency plan

- Majority to be implemented in 2018.

FX Evolution

- Negative impact expected, mainly from Brazil.



APPENDIX

1. Refinancing Agreement	19
2. Capital Increase	20
3. Balance Sheet	21
4. Equity situation	22
5. Other relevant facts	23
6. Breakdown of adjusted Operating Revenues and Ebitda by B.L	28
7. Extraordinary impacts and changes in the consolidation perimeter	29
8. Bridge from Operating Profit to Adjusted Ebitda and Ebit	30
9. FX evolution	31



REFINANCING AGREEMENT

The Company has signed an agreement with all its lenders that governs the basic terms and procedure to follow in order to refinance and amend the conditions of the current financial debt.

Main key terms of the Reinstalled Facilities whose implementation is expected for the 1H2018 are as follows:

- **Maturity:**
 - 5 years. Extension of debt maturity until November and December 2022.
- **Repayment:**
 - Initial repayment of €450 Mn at par.
- **Pricing:**
 - E+400 bps cash (Euribor: zero floor) apply from completion of the debt restructuring.
 - Margin uplift of 150 bps from January 1st 2021 (50 bps cash &100 bps pik).

:



CAPITAL INCREASE

As of January 22th 2018, **the Board of Directors agreed to increase its share capital for an effective amount of € 563,220,166.80** through the issuance of 469,350,139 new shares at an issue price of € 1.20 each (EUR 0.94 nominal value and 0.26 share premium each) of the same class and series as the shares currently outstanding.

After the completion of the preferential subscription period and the allocation period of additional shares, all of the 469,350,139 shares offered in the capital increase have been subscribed for in an aggregate amount (including nominal value and issue premium) equal to 563,220,166.80 euros as detailed below:

- **Preferential Subscription Period**

During the preferential subscription period ended on February 10, 2018, 468,443,150 new shares of the Company were subscribed for by exercising the preferential subscription rights, representing 99.81% of the Capital Increase.

- **Allocation Period of Additional Shares**

During the Preferential Subscription Period 3,109,039,925 additional shares were requested. Accordingly, during the allocation period of additional shares that took place today, 906,989 new shares of the Company were subscribed for, representing 0.19% of the capital increase. Given that the number of additional shares requested was higher than the shares not subscribed for during the Preferential Subscription Period, the corresponding pro rata allocation has been done in accordance with the provisions of the Securities Note that forms part of the Prospectus approved by the Spanish National Securities Commission (Comisión Nacional del Mercado de Valores) on January 25, 2018 (the "Securities Note").

The total new shares subscribed for during the Preferential Subscription Period, together with the number of additional shares requested represent a demand of 7.62 times the shares offered in the Capital Increase.

The admission to trading of the new shares in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia as well as their inclusion in the Spanish Automated Quotation System (SIBE) came effective on February 21st.

After this cash capital increase, the new share capital of Prisa is represented by **558,177,502 ordinary shares**, all of them same series and class.



BALANCE SHEET

€ Million	ASSETS	
	12/31/2017	12/31/2016
FIXED ASSETS	756,68	1.273,70
Property, plant and equipment	82,65	122,39
Goodwill	167,56	593,12
Intangible assets	110,80	130,80
Long term financial investments	25,56	33,89
Investment in associates	37,25	36,69
Deferred tax assets	332,83	353,65
Other non current assets	0,03	3,16
CURRENT ASSETS	1.166,39	852,73
Inventories	70,15	168,68
Accounts receivable	381,52	418,12
Short term financial investments	23,34	19,51
Cash & cash equivalents	217,21	246,42
Assets held for sale	474,17	0,00
TOTAL ASSETS	1.923,06	2.126,43

€ Million	LIABILITIES	
	12/31/2017	12/31/2016
SHAREHOLDERS EQUITY	-485,87	-336,04
Issued capital	83,50	235,01
Reserves	-545,03	-592,27
Income attributable to the parent company	-102,87	-67,86
Minority interest	78,53	89,08
NON CURRENT LIABILITIES	863,14	1.909,13
Long term financial debt	642,25	1.653,54
Other long term financial liabilities	120,15	136,15
Deferred tax liabilities	23,90	21,06
Provisions	39,01	56,52
Other non current liabilities	37,83	41,87
CURRENT LIABILITIES	1.545,79	553,35
Short term financial debt	1.002,63	68,49
Other current financial liabilities	22,63	23,10
Trade accounts payable	245,79	301,63
Other short term liabilities	94,27	139,26
Accrual accounts	21,39	20,87
Liabilities held for sale	159,08	0,00
TOTAL LIABILITIES	1.923,06	2.126,43



EQUITY SITUATION

As of December 31, 2017, the equity of the parent Company with respect 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 46,279 thousand, below two thirds of total share capital, although representing over half of share capital. In this sense, the company has an imbalanced equity situation in terms of the obligation to reduce share capital in the period of one year.

In February 2018 it has been subscribed a cash capital increase of €563.2 Million, amount which will establish the equity balance of the company.



OTHER RELEVANT FACTS

CORPORATE TRANSACTIONS

Regarding the eventual disposal of Grupo Santillana Educación Global, S.L. that was announced to the market through the corresponding relevant information on November 16, 2016, PRISA announced on May 26th 2017 that the board of directors had decided to reject the binding offers received.

COMPOSITION OF THE BOARD

As of June 12 2017, Ms. Blanca Hernández has submitted her resignation as director of the Company and member of the Corporate Governance Committee. As she has informed, the resignation responds to her personal and professional situation that leads her to foresee that, in the short term, it may be especially difficult to fulfill her duties and responsibilities as director with the necessary dedication.

The Company thanks Ms. Hernández her dedication to PRISA since she joined the board and the Corporate Governance Committee.

The board of directors held as of June 30th 2017 has proceeded to appoint Mr. Manuel Mirat Santiago as director of the company, in order to fill the existing vacancy in the board.

The board of directors has also agreed that Mr. Manuel Mirat will succeed Mr. José Luis Sainz as Chief Executive Officer from September 4th. Mr. José Luis Sainz will act as CEO until that date.

Mr. Manuel Mirat Santiago is currently responsible and Chief Executive Officer of the News division and he has worked for more than 20 years within the group, performing different functions not only corporate but also in the digital and television business units.

The appointment has been made in accordance with the procedure established in the Succession Plan and counts with the previous favorable reports of the Corporate Governance and Appointment and Remuneration Committees.

Mr. José Luis Sainz Díaz and Mr. Manuel Mirat Santiago will carry out an orderly transition in the company's management.

The board of directors held as of July 28th 2017 In the light of the resignation tendered by Mr. Antonio García-Mon Marañés, the board of directors of the Company held today, with the previous favorable reports of the Corporate Governance and Appointment and Remuneration Committees, has proceeded to appoint Mr. Xavier Pujol Tobeña as secretary of the board of the Company.

Since 2014, Mr. Xavier Pujol holds the office of vice-secretary of the board. Previously, he was legal director of Prisa Radio and Prisa Noticias. Before entering into the group, we worked as lawyer in Cuatrecasas and Latham & Watkins.

The Board of Directors has expressed his recognition to Mr. Antonio García-Mon for his contribution to PRISA and for his performance in the exercise of his office.

The Board of Directors held as of November 20th 2017, on proposal or with the previous favorable report of the Appointments and Compensations Committee and the Corporate Governance Committees, each acting within the scope of their respective responsibilities, has unanimously agreed, the appointment by cooptation of Mr. Javier Monzón de Cáceres, Mr. Javier de Jaime, Ms. Sonia Dulá, Mr. Javier Gómez Navarro and Mr. Francisco Gil Díaz in order to cover five of the Board of Director's existing vacancies. Mr. Javier Monzón de Cáceres, Mr. Javier de Jaime, Ms. Sonia Dulá and Mr. Javier Gómez Navarro will have the qualification of independent directors and Mr. Francisco Gil Díaz will have the qualification of other external directors. Consequently, the Board of Directors will be composed by the following fourteen members:

-With the qualification of executive directors: Mr. Juan Luis Cebrián Echarri (Chairman), Mr. Manuel Polanco Moreno (Vice-Chairman) and Mr. Manuel Mirat (CEO);

-With the qualification of external proprietary directors: Mr. Roberto Alcántara Rojas, Mr. Shk. Khalid Thani A. Al Thani, Mr. Joseph Oughourlian and Mr. Waleed Alsa'di;

-With the qualification of external independent directors: Mr. John Paton, Mr. Dominique D'Hinnin, Mr. Javier Monzón de Cáceres, Mr. Javier de Jaime, Ms. Sonia Dulá and Mr. Javier Gómez Navarro; and

-With the qualification of other external directors: Mr. Francisco Gil Díaz.

Also, the Board of Directors, with the Favorable report of the Appointments and Compensations Committee and the Corporate Governance Committee has approved the composition of the Board as follows:

Delegated Commission Chairman: Mr. Juan Luis Cebrián Echarri. Members: Mr. Manuel Polanco Mr. Manuel Mirat Mr. Javier Monzón, Mr. Joseph Oughourlian, Mr. Roberto Alcántara, Mr. John Paton.

Audit Committee Chairman: Mr. Dominique D'Hinnin
Members: Ms. Sonia Dulá, Mr. Waleed Alsa'di,
Appointments and Remunerations Committee Chairman:

Mr. Javier Monzón. Members: Mr. Dominique D'Hinnin
Mr. Javier Gómez Navarro, Mr. Joseph Oughourlian, Mr. John Paton.

Corporate Governance Committee Chairman: Mr. Javier Monzón. Members: Mr. Dominique D'Hinnin, Mr. Javier Gómez Navarro, Mr. Joseph Oughourlian, Mr. Shk. Khalid Thani A. Al Thani.

The Secretary of the Board of Directors, Mr. Xavier Pujol Tobeña, is secretary of the Delegated Commission and of the Audit, Appointments and Remunerations and Corporate Governance Committees.



OTHER RELEVANT FACTS

COMPOSITION OF THE BOARD

Following the Relevant Event published on 15 November 2017 and of the announcement by the Chairman of the Board of Directors at the General Shareholders Meeting, PRISA announces that the Board of Directors has accepted Mr. Juan Luis Cebrián Echarri's resignation as director with effect from January 1, 2018, and has appointed Mr. Manuel Polanco Moreno, current Deputy Chairman, as non-executive Chairman of the Board of Directors of PRISA with effect from January 1, 2018.

LOANS, CREDIT LINES AND GUARANTEES

The Company announces that, as of January 16th 2018, the Board of Directors has approved the signature of a framework agreement (the "Lock-up Agreement") with the majority of the financial creditors of PRISA that governs the basic terms and procedure to follow in order to refinance and amend the conditions of the current financial debt, including within its main terms the following: (i) Extension of the debt maturity until November and December 2022, that is, a 5-year extension from today in the validity of such debt, (ii) The payment calendar does not foresee mandatory repayments during the first 3 years from today, until December 2020, with a subsequent repayment calendar adjusted to the expected cash flow generation from the Prisa Group's business, (iii) Relocation of the debt currently recorded in Prisa in order to bring it closer to the educational business benefiting from its capacity of cash flow generation, (iv) Partial amendment of the debt guarantees, And (v) The agreement foresees a first repayment amounting to 450 million euros to be made with the funds obtained with the capital increase approved by the General Shareholders Meeting held on November 15, 2017, to be made once the refinancing enters into force. The Lock-up Agreement has already been executed by a sufficient majority of lenders in debt amounts and in number of each tranche (T2, T3 and PPLs) and will be developed under the corresponding agreements modifying the debt. Thereafter the agreement will be processed by means of the English legal procedure named scheme of arrangement, so that it becomes effective among all the lenders and it will enter into force once all the milestones and conditions to which it is subject are fulfilled, no later than June 30, 2018. The Lock-up Agreement is subject to the Company executing the capital increase amounting to 450 million euros approved by the General Shareholders Meeting held on November 15, 2017.

Following the **Relevant Event published on January 16, 2018**, the Company announces on January 22nd 2018, that all its lenders have signed the lock-up agreement (the "Lock-up Agreement") that governs the basic terms and procedure to follow in order to refinance and amend the conditions of the current financial debt. The consequence of this unanimity is that the refinancing arrangements pursuant to the Lock-Up Agreement will not require implementation by means of the English legal procedure named scheme of arrangement in order to take full effects, which will simplify execution.

OTHERS ON CORPORATE TRANSACTIONS

In relation to the **information published in the media on September 6th 2017**, Prisa informs that in the process of financial deleveraging in which it is working, different alternatives are considered, for which the Company has maintained and held talks with other parties. In connection with the above, the Company maintains conversations with Rhône Capital regarding its interest shown for Grupo Santillana Educación Global S.L. but the Company has not yet decided in that respect.

COMPOSITION OF OTHER MANAGEMENT AND SUPERVISORY BODIES

The board of directors held as of July 13th, with the previous favorable report of the Appointment and Remuneration Committees has resolved to appoint Mr. Guillermo de Juanes Montmeterme as CFO of the Company, succeeding Mr. Fernando Martínez Albacete

The Board of Directors held as of September 29th, and with the previous reports issued by the Appointments and Compensations Committee and the Corporate Governance Committee, proceeded to appoint the CEO, Mr. Manuel Mirat Santiago, as member of the Delegated Commission and the Digital Transformation Committee.



OTHER RELEVANT FACTS

INCREASES AND DECREASES OF SHARE CAPITAL

As of **October 13th** PRISA announced the following: - **That the Board of Directors** has unanimously approved to propose the General Shareholders Meeting a capital increase of a maximum amount of EUR 450,000,000 by means of cash contributions and with the recognition of the shareholders' preferential subscription rights at an issue price of EUR 1.20 per share (the "Capital Increase with Preferential Rights"). -That, as of today, shareholders representing a relevant percentage of the share capital have committed to subscribe its proportional part of the new shares to be issued within the framework of the Capital Increase with Preferential Rights and others have expressed their intention of doing so. Also, the Company is negotiating the execution of placing and/or underwriting agreements for the stake not committed by its shareholders. -The Board of Directors has also unanimously approved to propose the General Shareholders Meeting a capital increase by way of compensation of the Company's financial debt for a maximum amount of EUR 100,000,000 at a minimum issue price of EUR 2 per shares (the "Capital Increase by Credit Compensation").

The Capital Increase by Credit Compensation is addressed to the creditors holding PPLs of the Company by virtue of the financing contract executed by PRISA on 11 December 2013 who express their interest in subscribing such Capital Increase by Credit Compensation. Both capital increases are subject, among other standard conditions in this kind of transactions,

to (i) the execution of the share capital and reserves reduction which approval is proposed to the same General Shareholders Meeting as point 4 of the agenda; and (ii) an agreement with the totality or part of the creditors holding financial debt of the Company being reached, which, in the opinion of the Board of Directors, may enable a restructuring or refinancing of the debt, including with regard to the existing profit participating loans, in terms satisfactory to the Company and to achieve its financial stability.

In the event that the capital increases are approved by the General Shareholders Meeting of the Company, the formalization and execution of the capital increases will take place once the new agreements that, as the case may be, the company sign with the creditors, enter into force. Finally, within the framework of the financial

Restructuring, PRISA's Chairman, Juan Luis Cebrián, has proposed to the Succession Committee to activate the Succession Plan. PRISA's Succession Plan was announced by the Chairman himself during the General Shareholders Meeting held on 2016. The Chairman's relay will take place once the capital increases and the debt restructuring, so that the Company counts on a financial structure stable and sustainable.

The Company granted the following public deeds as of November 17th 2017: (i) The public deed formalizing the resolutions on the reductions of share capital and reserves aimed at restoring the Company's equity structure, which were approved at PRISA's extraordinary General Shareholders' Meeting on 15 November 2017 under items 4.1, 4.2 and 4.3 of the agenda; (ii) In connection with the issue of bonds mandatorily convertible in to PRISA shares approved at the General Shareholders' Meeting held on 1 April 2016, the public deed executing the share capital increase by the amount necessary to carry out the early conversion requested by all the bondholders, in accordance with the bases and forms of conversion. The Company has issued 10,491,405 new shares each with a par value of EUR 0.94, and redeemed the totality of the mentioned bonds pursuant to the request seeking the total conversion of the latter. As a consequence of the amendments approved by virtue of the reductions and increase of the share capital mentioned above, PRISA's share capital amounts to EUR 83,497,721.22 represented by 88,827,363 ordinary shares of the same class and series, each with a par value of EUR 0.94 and consecutively numbered from 1 to 88,827,363.

Prisa informs that, within the restructuring process, and after signing the refinancing framework agreement (the "Lock-up Agreement") with the entirety of its financial creditors, yesterday the Board of Directors unanimously resolved to execute the share capital increase with preferential subscription rights authorized by the General Shareholders Meeting held on 15 November 2017 amounting to EUR 450,000,000, which was conditional upon the execution of the referred refinancing agreement. Likewise, the Board of Directors unanimously approved an additional share capital increase, also with preferential subscription rights for current shareholders, amounting to EUR 113,220,166.80 under the delegation approved by the Ordinary General Shareholders Meeting held on 20 April 2015 according to article 297.1.b) of the Spanish Companies Act. Those proceeds shall be used in the development of the core businesses.

The resolution has been adopted taking into account the irrevocable undertakings and statements of interest received from the main shareholders of the Company to the subscription of the additional amount of EUR 113,220,166.80, which are similar or even greater than the undertakings communicated by the Company on 16 October 2017 (registry number: 257387) at the time of the proposal to increase the share capital by 450,000,000 submitted to the General Shareholders Meeting.

Since both capital increase resolutions include the same terms and conditions (each of them for its corresponding amount), it has been resolved to execute both of them simultaneously and, consequently, the Company has resolved to increase its share capital for an effective amount of EUR 563,220,166.80 through the issuance of 469,350,139 new shares at an issue price of EUR 1.20 each (EUR 0.94 nominal value and 0.26 share premium each) of the same class and series as the shares currently outstanding.



OTHER RELEVANT FACTS

INCREASES AND DECREASES OF SHARE CAPITAL

Following the **Relevant Event published on January 23, 2018** with registration number 260737, by means of which the Company informed that the Board of Directors had resolved to increase the share capital by way of cash contributions by an effective amount equal to 563,220,166.80 euros (the “Capital Increase with Preferential Rights”), Prisa informs that it has signed an underwriting and placement agreement with Banco Santander, S.A. and Morgan Stanley & Co. International plc, entities named by the Board of Directors as global coordinators and underwriters of the Capital Increase with Preferential Rights.

The underwriting and placement agreement, together with the subscription undertakings received from the current shareholders of the Company, cover 100% of the Capital Increase with Preferential Rights subject to the terms described in the Prospectus corresponding to the Capital Increase with Preferential Rights (the “Prospectus”) approved by the Spanish National Securities Commission (Comisión Nacional del Mercado de Valores) today, where, among others, the terms and conditions of the Capital Increase with Preferential Rights and the procedure for subscribing and paying for the new shares are included.

The Prospectus can be consulted in electronic format in the websites of Prisa (www.prisa.es) and the Spanish National Securities Commission (Comisión Nacional del Mercado de Valores) (www.cnmv.es).

As it is stated in the Prospectus, it is foreseen that the preferential subscription period of the Capital Increase with Preferential Rights begins next January 27, 2018 once the required announcement in the Official Gazette of the Mercantile Registry (BORME) is made (scheduled for tomorrow January 26, 2018).

TRANSMISSIONS AND PURCHASES OF CAPITAL UNDERTAKINGS

In accordance with the material fact communicated in Portugal to the Securities Market Commission by the Portuguese subsidiary of the company Grupo Media Capital SGPS, S.A., in which it is informed of a statement from the entity Altice NV, Prisa announced as of June 26th 2017 that it has maintained in the last few days informative talks to the effect that Altice NV values the possible presentation of an offer to acquire the shareholding that Prisa has in Grupo Media Capital SGPS, S.A.

As of July 14th 2017 the Company informs that the Board of Directors of Prisa has agreed to accept the binding offer submitted by Altice NV (“Altice”) for the whole stake that Prisa has in Grupo Media Capital SGPS, S.A. (“Media Capital”) at an enterprise value of EUR 440 million.

Afterwards, the parties have executed a share purchase agreement by means of which Prisa will transfer to MEO - Serviços de Comunicação e Multimédia, S.A., Altice’s affiliate, its entire stake in Media Capital, which represents 94.69% of its share capital.

The execution of the transaction is subject to the obtaining of the required authorization of the antitrust and regulatory authorities in Portugal and to the obtention of the waiver from certain lenders of Prisa, as well as the approval by the General Shareholders Meeting of Prisa.

The final price of the transaction is subject to the usual adjustments in this kind of transactions. The Company considers that, according to its most reasonable estimate, the price for Prisa’s stake in Media Capital, after calculating those adjustments, would be around EUR 321 million (“equity value”).

According to the estimates of the Company, this transaction will mean an accounting loss in the consolidated Prisa accounts of approximately EUR 69 million and in the individual accounts of Prisa of EUR 81 million approximately.



OTHER RELEVANT FACTS

ANNOUNCEMENTS AND AGREEMENTS OF SHAREHOLDERS GENERAL MEETINGS

The Ordinary Shareholders Meeting of Promotora de Informaciones, S.A., held as of June 30th 2017, has approved all the decisions, submitted to the Assembly by the Board of Directors.

The Board of Directors of PRISA held on September 29th, resolved to call a General Extraordinary Shareholders meeting in Madrid, expected to be held at the first call, on October 30, 2017, at 1:30 pm, at Teatro Real de Madrid, Plaza de Oriente s/n, Madrid 28013.

As of October 13th 2017, the Board of Directors of PRISA resolved to call off—in order to call another meeting to take place in a later date as set out below—the General Extraordinary Shareholders Meeting scheduled to be held at first call on October 30, 2017, at 1:30 pm and postpone it to a later date. The announcement of the call was published through the legally required means. The General Extraordinary Shareholders Meeting is newly convened for the purpose of incorporating new proposals of resolutions in the Agenda, as indicated in the announcement of the call attached hereto. In this respect, the Board of Directors, mindful of PRISA's corporate interest and that of its shareholders, considers that the most efficient solution is to call off the said General Extraordinary Shareholders Meeting and call a new meeting to be held at a later date, maintaining on the Agenda the items already agreed and including new items for deliberation, thus avoiding the need to hold two General Shareholders Meetings within a short period of time and the costs involved. Accordingly, the Company's Board of Directors, in a meeting held today, has agreed to call a General Extraordinary Shareholders Meeting, which is expected to take place in Madrid on November 15, 2017 at 12:30 pm, at Casa de América, c/Marqués del Duero, 2, 28014 Madrid.

the Extraordinary General Shareholders Meeting held on November 15th 2017 approves the following resolutions. Resolutions from one to ten, both inclusive, subject to approval, were included in the agenda of the General Meeting and correspond to the proposals submitted by the Board of Directors. Those resolutions have been approved by the majority of the shareholders present or represented in the Meeting. It is also informed that during the General Shareholders Meeting it has been requested the inclusion as points outside the agenda the dismissals of the following directors: Mr. Alfonso Ruiz de Assin Chico de Guzman, Mr. Alain Minc, Mr. Gregorio Marañón Bertrán de Lis, Mr. José Luis Leal Maldonado and Ms. Elena Pisonero Ruiz. In accordance with the applicable regulations, the Extraordinary Shareholders Meeting has voted those resolutions, separately, that have been approved by the majority of the shareholders present or represented in the Meeting. Finally, it is informed that the directors Mr. Glen Moreno and Mr. Ernesto Zedillo Ponce de León have submitted their resignations previously to this General Shareholders Meeting.

OTHERS ABOUT CORPORATE GOVERNANCE

the Board of Directors meeting held on October 13th, with the previous favorable report issued by the Corporate Governance Committee, has resolved by unanimity the amendment to articles 15 (Deputy Chairman or Deputy Chairmen), 17 (Delegated Commission) and 27 (Audit Committee) of the Regulation of the Board of Directors, to improve the distribution of powers among the positions of the Board. Likewise the amendments aim to incorporate technical improvements in the current text of Regulations and to adapt the current wording of the Board of Directors Regulations to the new wording given to the Company's Articles of Association by the General Shareholders Meeting held on 30 June 2017, with regard to the quantitative and qualitative composition of the Audit Committee

The Board of Directors meeting held on January 16th 2018, Upon the proposal of CEO Mr. Manuel Mirat Santiago and with the prior favorable report of the Appointments and Compensation Committee, at its meeting held today the Company's Board of Directors approved changes in Prisa's Management Committee after appointing the following managerial staff members:

- Mr. Pedro García Guillén, CEO of Prisa Radio.
- Mr. Alejandro Martínez Peón, CEO of Prisa Noticias.
- Mr. Augusto Delkáder Teig, Chief Editor.
- Mr. Jorge Rivera, Chief of Communication and Institutional Relations.
- Ms. Marta Bretos, Head of Talent Management.

The following will continue to perform their present duties: Mr. Guillermo de Juanes, CFO; Mr. Xavier Pujol, General Secretary and Legal Counsel; Mr. Miguel Ángel Cayuela, CEO of Santillana; and Ms. Rosa Cullell, CEO of Media Capital.

With the changes approved today, the senior management positions on the CEO's Management Committee are:

1. CFO
2. General Secretary and Legal Counsel
3. Chief Editor
4. Chief of Communication and Institutional Relations
5. Head of Talent Management
6. CEO of Santillana
7. CEO of Prisa Radio
8. CEO of Prisa Noticias
9. CEO of Media Capital



BREAKDOWN OF ADJ. OPERATING REVENUES AND EBITDA BY B.U.

€ Millions	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
	Operating Adjusted Revenues					
GROUP	1.166,1	1.175,9	(0,8)	277,1	278,5	(0,5)
Education	656,2	632,6	3,7	133,6	119,1	12,2
Radio	280,7	301,1	(6,8)	77,8	93,3	(16,6)
Press	220,6	239,9	(8,1)	63,2	65,8	(4,1)
Audiovisual	2,5	1,3	89,4	1,0	0,1	---
Others	6,1	1,0	---	1,6	0,2	---

€ Millions	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
	Adjusted EBITDA					
GROUP	230,3	229,6	0,3	41,0	44,5	(7,9)
Education	187,1	180,2	3,8	19,5	13,0	50,2
Radio	46,6	46,7	(0,3)	18,1	22,5	(19,7)
Press	12,5	16,8	(25,8)	8,0	9,3	(14,6)
Audiovisual	(1,7)	(2,0)	11,1	(0,3)	(0,9)	70,0
Others	(14,2)	(12,1)	(16,6)	(4,3)	0,5	---



EXTRAORDINARY IMPACTS AND CHANGES IN THE CONSOLIDATION PERIMETER

€ Millions	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
Extraordinary Effects						
One-offs in Operating Revenues	(4,6)	(8,6)	46,1	0,0	(8,6)	100,0
Norma	0,0	(4,9)	100,0	0,0	(4,9)	100,0
VAT AVS	0,0	(3,7)	100,0	0,0	(3,7)	100,0
Tax Effects	(4,6)	0,0	---	0,0	0,0	---
			---			---
			---			---
One-offs in Operating Expenses	(27,9)	(32,3)	13,5	(12,1)	(22,7)	46,7
Redundancies and other non-recurrent	(27,9)	(15,9)	(75,8)	(12,1)	(6,3)	(92,0)
Norma	0,0	(8,2)	100,0	0,0	(8,2)	100,0
Fiscal impacts	0,0	(8,2)	100,0	0,0	(8,2)	100,0
			---			---
			---			---
One-offs in Amortization&Provisions	(11,9)	(9,7)	(22,6)	(10,6)	(10,1)	(5,7)
Other impairments	(11,9)	(8,8)	(34,7)	(10,6)	(9,2)	(15,7)
Norma	0,0	(0,9)	100,0	0,0	(0,9)	100,0

- a) **Redundancies and other non-recurrent:** The extraordinary expenses from redundancies **increases compared to** same period in 2016. In 2017 redundancies have reached 25.4 million euros compared to the 14.9 million euros in 4Q2016.
- b) **Other Impairments:** include impairments of assets corresponding the main amount to the business press (8.7 million) mainly by the closure of the printing plants.



BRIDGE FROM OPERATING PROFIT TO ADJUSTED EBITDA AND EBITDA

GROUP	JANUARY - DECEMBER			OCTOBER - DECEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
€ Millions						
EBITDA	207,0	205,9	0,5	28,9	30,4	(4,9)
Extraordinary effects	23,3	23,7	(1,7)	12,1	14,1	(14,3)
Adjusted EBITDA	230,3	229,6	0,3	41,0	44,5	(7,9)
Amortizations	69,7	74,7	(6,7)	17,7	18,2	(3,0)
Provisions	17,9	19,6	(8,5)	(3,5)	(9,3)	62,0
Impairment from fixed assets	1,8	2,5	(28,4)	0,9	1,8	(50,2)
Operating Result	140,9	132,8	6,1	26,0	33,8	(23,2)
EDUCATION						
€ Millions						
EBITDA						
Extraordinary effects	7,8	14,3	(45,3)	4,1	10,8	(62,2)
Adjusted EBITDA	187,1	180,2	3,8	19,5	13,0	50,2
Amortizations	53,0	55,2	(3,9)	13,4	13,6	(1,7)
Provisions	14,1	14,1	(0,3)	(4,8)	(11,7)	58,9
Impairment from fixed assets	2,0	2,2	(5,7)	1,0	1,3	(26,4)
Operating Result	118,0	108,8	8,5	10,0	9,8	2,0
RADIO						
€ Millions						
EBITDA						
Extraordinary effects	5,2	5,4	(3,8)	0,9	1,3	(34,4)
Adjusted EBITDA	46,6	46,7	(0,3)	18,1	22,5	(19,7)
Amortizations	8,2	7,8	5,8	2,3	2,0	14,0
Provisions	2,4	4,6	(47,8)	1,0	1,9	(46,2)
Impairment from fixed assets	(0,2)	0,3	---	(0,1)	0,4	---
Operating Result	36,2	34,0	6,2	14,8	18,2	(18,5)
PRESS						
€ Millions						
EBITDA						
Extraordinary effects	8,5	1,6	---	5,9	1,2	---
Adjusted EBITDA	12,5	16,8	(25,8)	8,0	9,3	(14,6)
Amortizations	7,5	7,4	1,2	1,8	1,9	(6,5)
Provisions	1,1	0,7	60,8	0,2	0,4	(58,2)
Impairment from fixed assets	0,0	0,1	(99,5)	(0,0)	0,1	---
Operating Result	3,9	8,6	(54,8)	6,0	6,9	(13,3)
OTHERS						
€ Millions						
EBITDA						
Extraordinary effects	1,7	7,0	(76,2)	1,1	5,3	(79,5)
Adjusted EBITDA	(14,2)	(12,1)	(16,6)	(4,3)	0,5	---
Amortizations	0,9	4,4	(78,8)	0,2	0,7	(71,0)
Provisions	0,3	0,2	87,9	0,1	0,1	(3,0)
Impairment from fixed assets	0,0	0,0	---	(0,0)	0,0	---
Operating Result	(15,4)	(16,7)	7,6	(4,6)	(0,2)	---

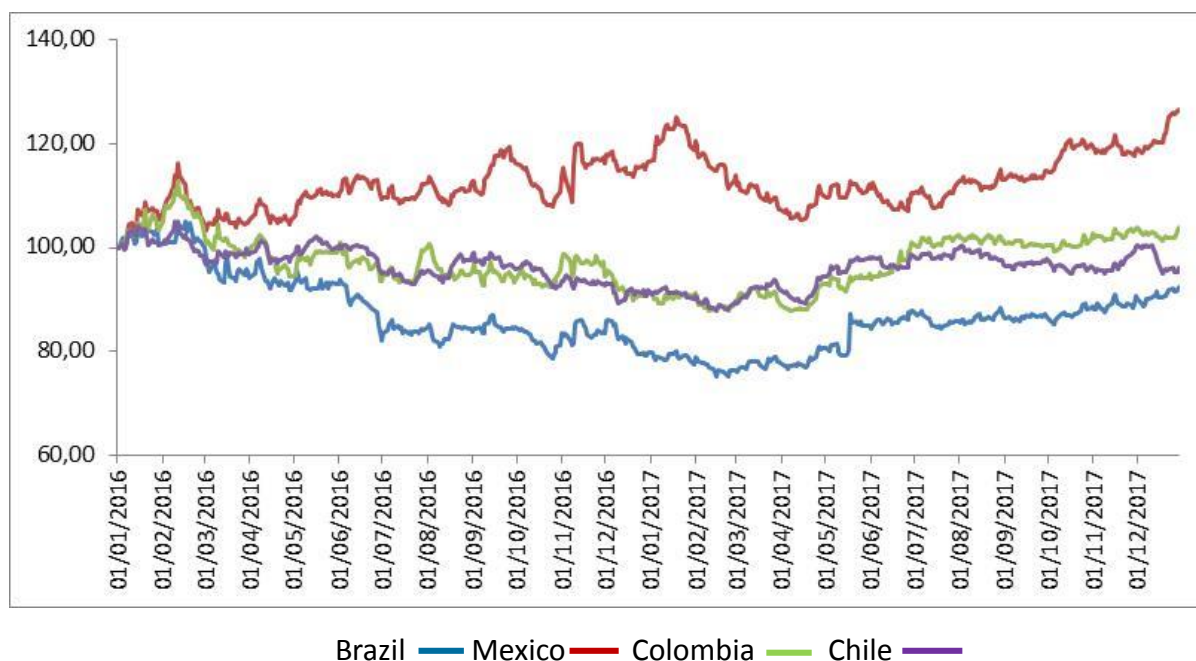


FX EVOLUTION

FX Evolution vs. Euro 2016/2017

Group's results in Latin America are impacted by **exchange rates** in the region as a consequence of the economic cycle.

The FX impact has been positive on Group within the period, due to exchange rates evolution mainly in Brazil. **Positive impact amounted to 6.5 million euros in Revenues and 5.1 million euros in EBITDA.**



	Brazil	Mexico	Colombia	Chile
1Q2014	3,24	18,13	2.747,88	756,11
2Q2014	3,06	17,83	2.624,31	760,69
3Q2014	3,01	17,38	2.531,21	764,94
4Q2014	3,18	17,34	2.720,13	747,23
1Q2015	3,22	16,84	2.782,63	703,37
2Q2015	3,40	16,96	2.766,99	684,08
3Q2015	3,94	18,28	3.278,24	752,61
4Q2015	4,21	18,36	3.356,73	763,97
1Q2016	4,30	19,89	3.587,01	773,27
2Q2016	3,96	20,45	3.379,47	765,13
3Q2016	3,62	20,94	3.289,51	738,46
4Q2016	3,55	21,37	3.254,53	716,99
1Q2017	3,35	21,63	3.111,93	698,44
2Q2017	3,55	20,42	3.221,61	731,47
3Q2017	3,71	20,93	3.493,58	754,35
4Q2017	3,80	22,09	3.506,75	745,57

Source: Bloomberg