



# 1Q 2015 RESULTS PRESENTATION

Madrid, April 2015

In addition to figures prepared in accordance with IFRS, PRISA presents non-GAAP financial performance measures, e.g., EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net profit, free cash flow, gross debt and net debt, among others. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. For further information relevant to the interpretation of these terms, please refer to the “Reconciliation Section” of the 1Q 2014 earnings press release filed with the Securities and Exchange Commission and posted on [prisa.com](http://prisa.com).

This document may contain “forward-looking statements” as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act, including statements about the financial conditions, results of operations, earnings outlook and prospects of the Company. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

Forward-looking statements are based on management’s current expectations and are inherently subject to uncertainties and changes in circumstance and their potential effects and each speaks only as of the date of such statement. There can be no assurance that future developments will be those that have been anticipated.

These forward-looking statements are typically identified by words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “would” and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in our filings with the Securities and Exchange Commission under “Risk Factors”.

## Advertising growth in Spain and Portugal

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- Spain shows solid growth (+10%) in 1Q 2015. Radio (+14%) and Press (+6%)
- Portugal continues consolidating its recovery with +1% growth.

## LatAm shows positive evolution in local currency

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- Santillana education campaigns in south countries show a positive performance (+10.3% growth)
- Radio shows flattish growth (-0.2%), Mexico compensating the weakness Chile and Colombia
- FX evolution has positively impacted revenues in € 9.9 million and EBITDA in € 6.2 million

## Accelerating the Digital transformation of the Group

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- Total transformation revenues in the group increased by 51% in 1Q 2015

## Cost Control across all businesses continues to be a priority

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- Cost reduction and capex continues under control in all business areas.

## Focus on executing the refinancing plan

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- Disposal of 3.6% stake of Mediaset España
- Cancellation of 63 million euros (face value) in 1Q 2015 with proceeds of 47 million euros (25% discount)
- Capital Increase of 75 million euro at 0.53E per share, pending to be formalized
- Total net debt reduced to 2,406 million in 1Q 2015 from 2,582 million as of December 2014

# Consolidated Group Results



## Group results (€m)

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	1Q 2015	1Q 2014	% chg.
Revenues	341,9	323,6	5,7
EBITDA	68,0	53,6	26,7
<i>EBITDA margin %</i>	19,9%	16,6%	
EBIT	44,7	27,9	60,1
<i>EBIT margin %</i>	13,1%	8,6%	

## Group results at constant currency (€m)

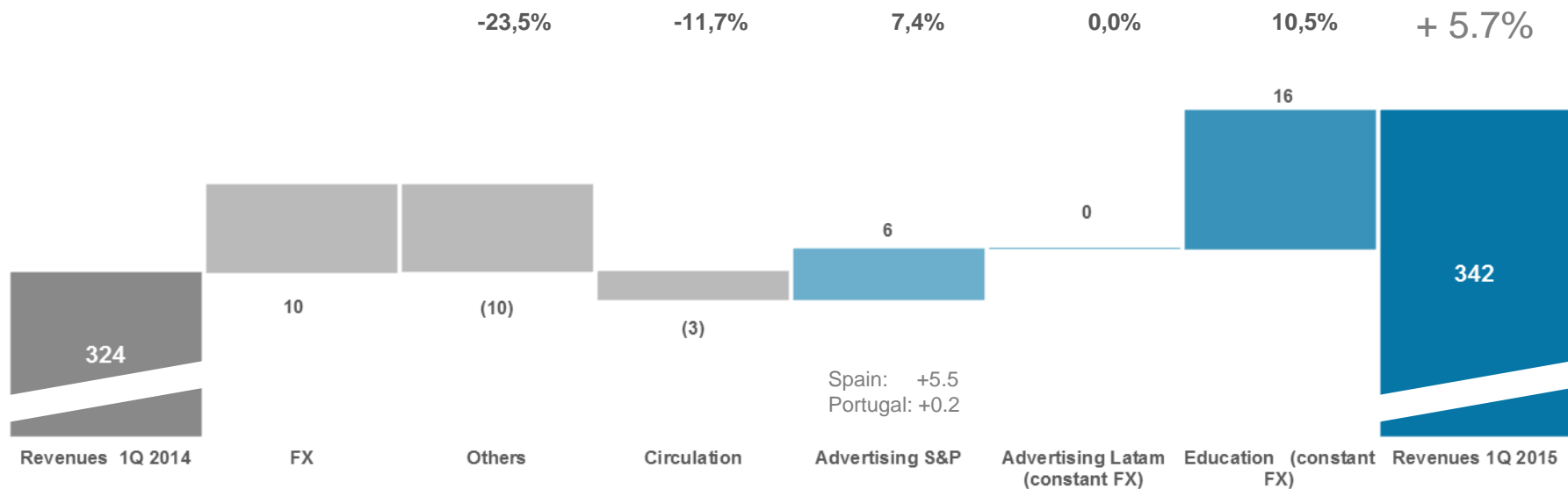
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	1Q 2015	1Q 2014	% chg.
Revenues	332,0	323,6	2,6
EBITDA	61,8	53,6	15,2
<i>EBITDA margin %</i>	18,6%	16,6%	
EBIT	38,6	27,9	38,3
<i>EBIT margin %</i>	11,6%	8,6%	

# Revenue Evolution



## Group results (€m)



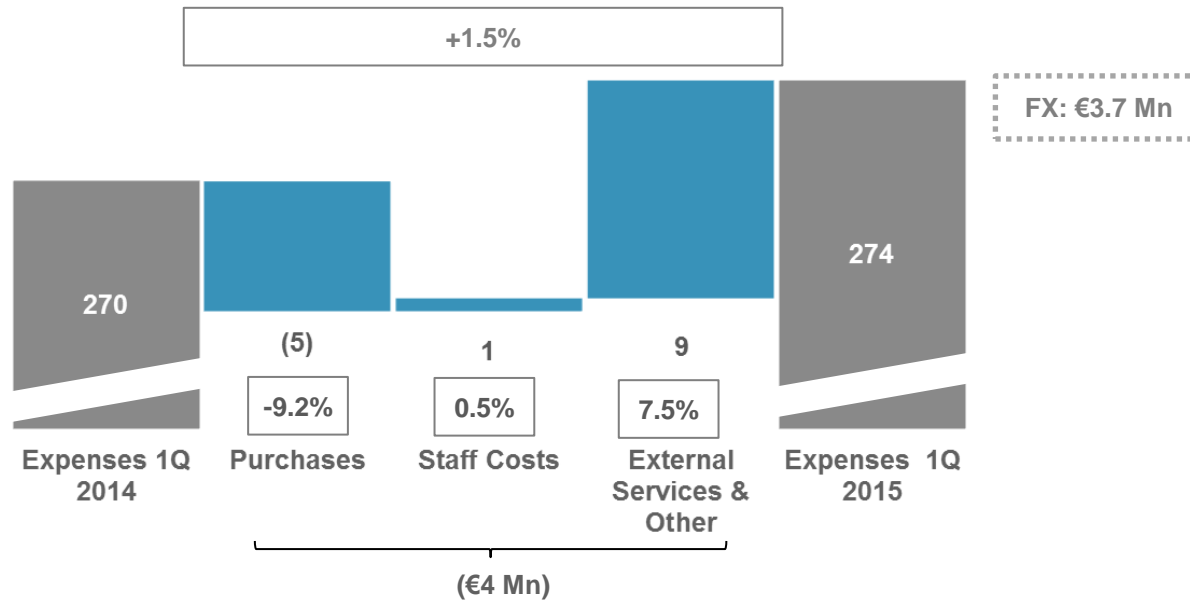
### Total revenue contribution %

	1Q 2015*	1Q 2014*
FX	9,3%	12,8%
Circulation	7,1%	8,5%
Advertising S&P	24,3%	23,9%
Advertising Latam (constant FX)	7,9%	8,4%
Education (constant FX)	48,5%	46,4%

\* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

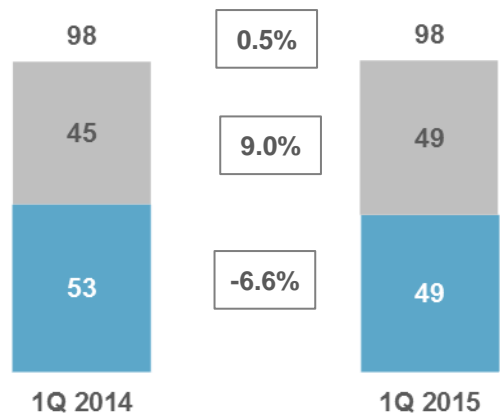
# Focus on efficiency & cost control

## Opex reduction (€m)



## Staff costs (€m)

■ Spain ■ International

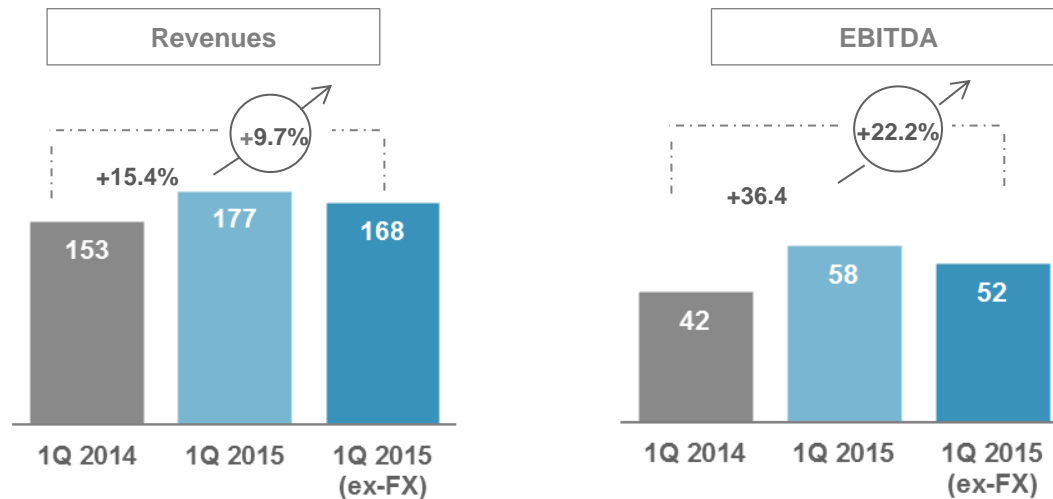


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## Key highlights

- In 1Q 2015, most of the southern area campaigns take place: Brazil (traditional & private), Colombia, Costa Rica, Argentina, Uruguay, Chile, Bolivia, Peru and Ecuador. Solid performance.
- Northern Area Campaigns (Mexico, Spain and Venezuela) to take place in 2H
- **Digital learning systems (UNO & Compartir)** continued to grow improving their profitability
- **Positive FX impact** of 8.8 M€ in revenues and 6 M€ in EBITDA.

## Operating performance (€m)



\* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

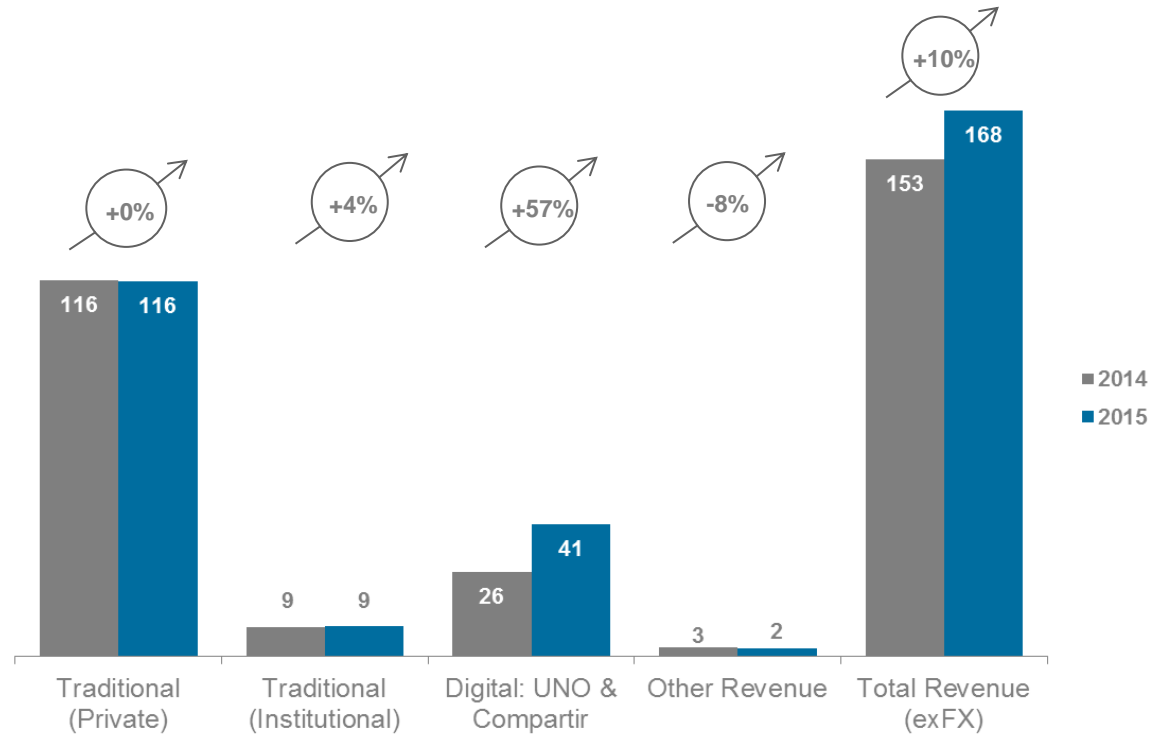
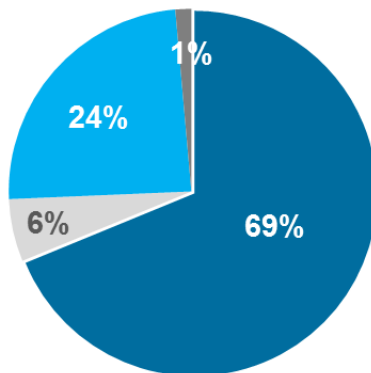
## Key highlights by Business Line (Local Currency)

- Traditional private education sales reach 116 and represented 69% of total revenues.
- The institutional sales increased by 4.2%.
- New Digital learning systems continued its growth (+57%) already representing 24% of total revenues.

## Revenue performance by Business line at constant currency (€m)

Contribution by Business Line

- Traditional (private schools)
- Institutional
- Digital: UNO & Compartir
- Other Revenue



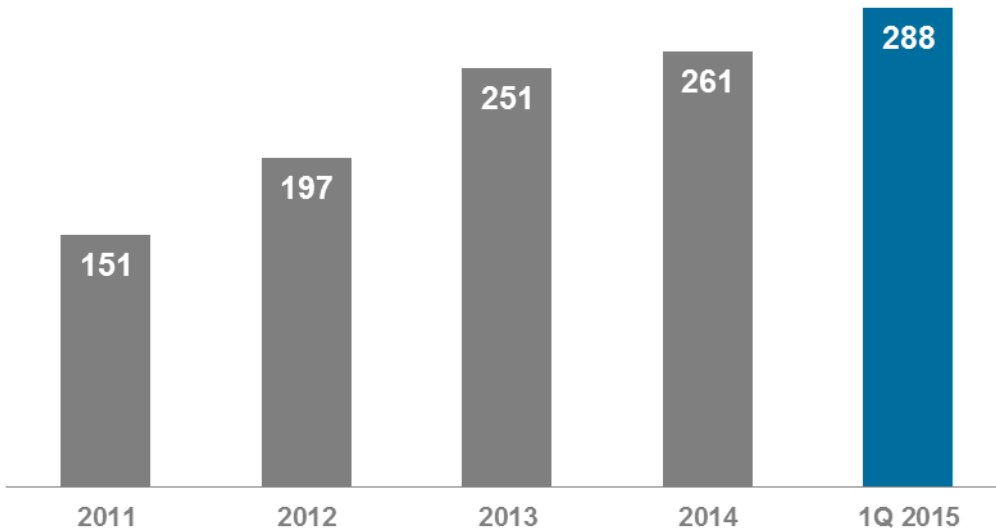
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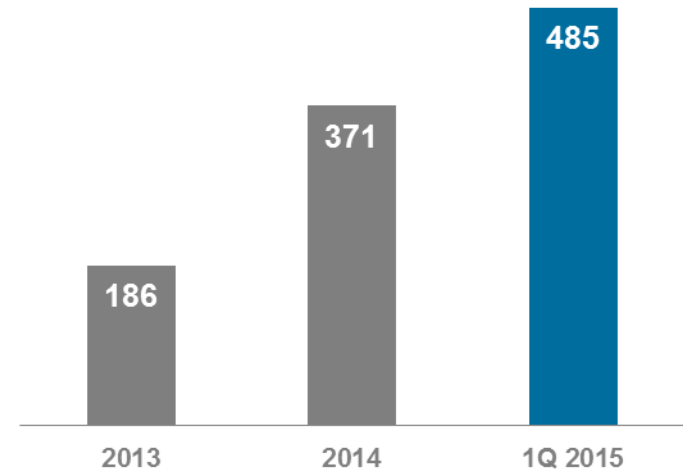
## Digital learning systems | UNO & Compartir: over 772,000 students

### UNO AND COMPARTIR EVOLUTION OF STUDENTS

UNO - number of students evolution (thousands)



Compartir - number of students evolution (thousands)

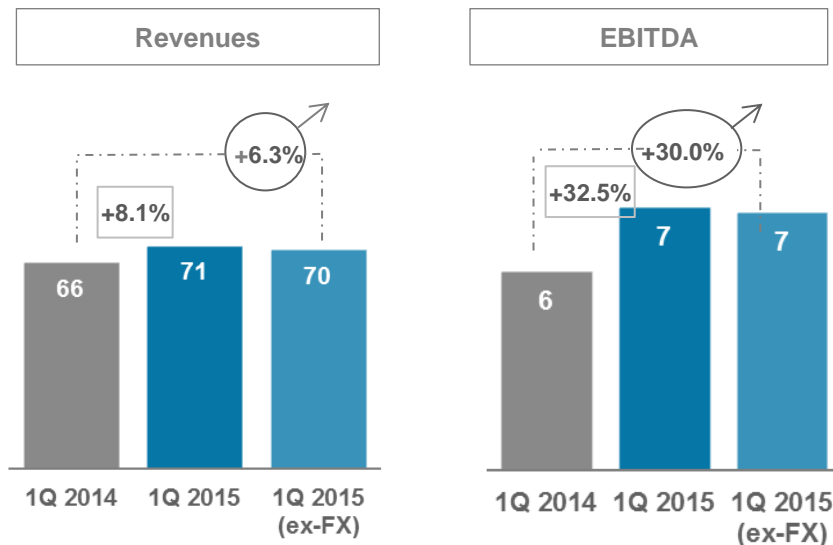


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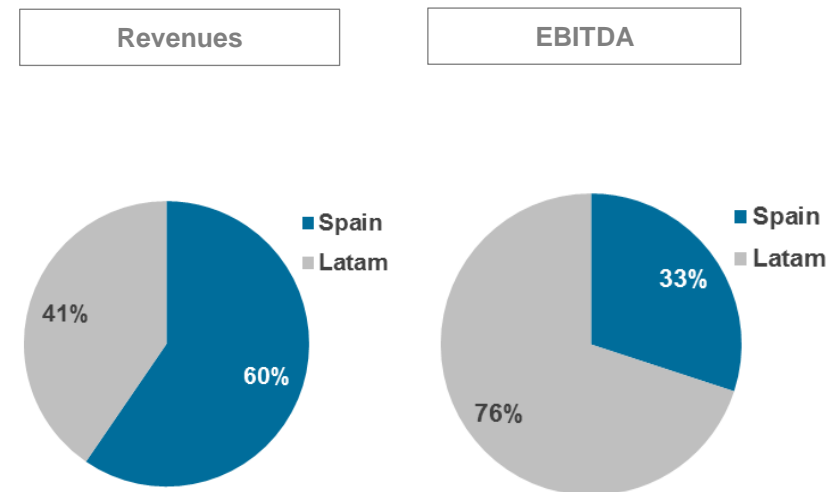
## Key highlights

- In Spain, Advertising grows by 14%. Growths in both local (+16.2%) and National advertising (+6.2%)
- In LatAm, weakness continues in Chile and Colombia, compensated by Mexico with outstanding performance.
- FX has positively affected revenues in 1.2M€ and EBITDA in 0.1M€.

## Operating performance (€m)



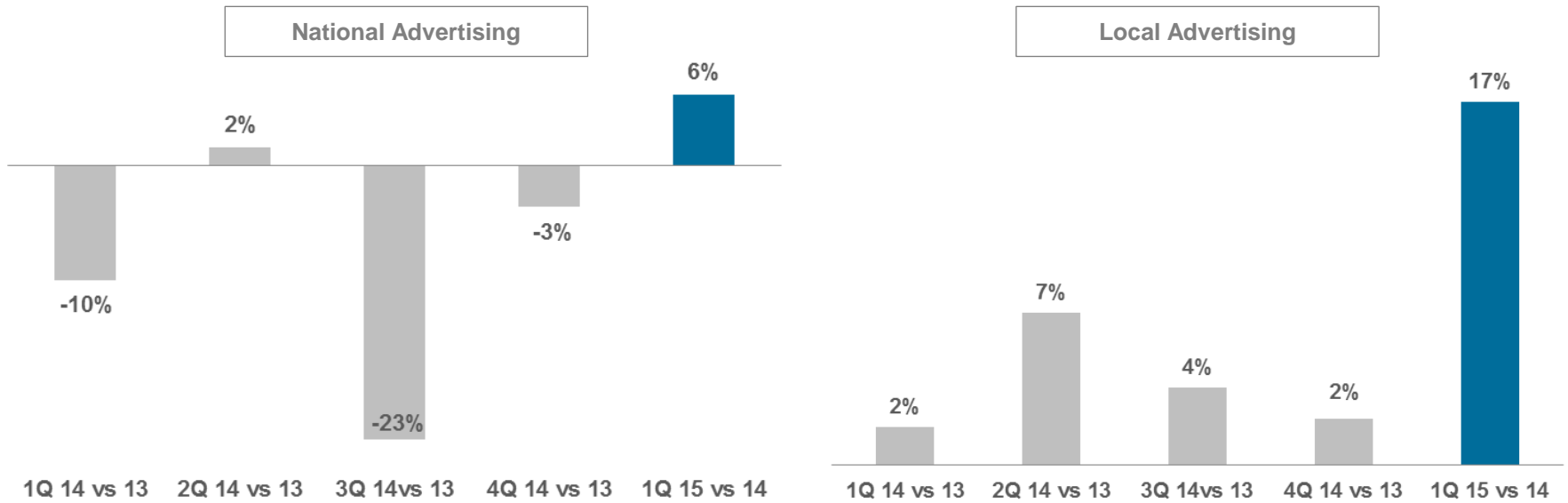
## Geographical Contribution (1Q 2015)



\* Excludes FX Impact and includes Mexico and Costa Rica results

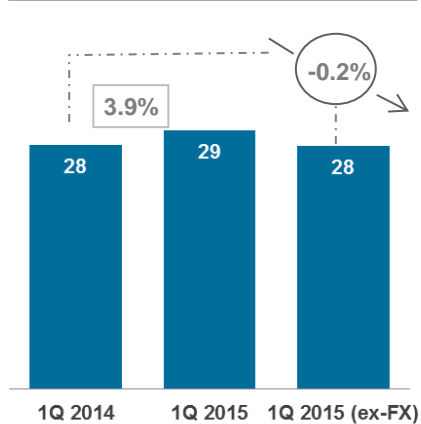
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## Radio in Spain (€m)

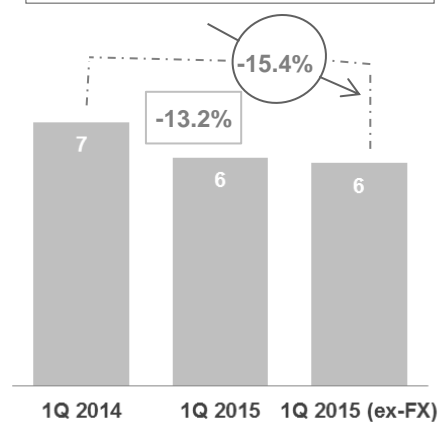


## Operating performance in LatAm (€m)

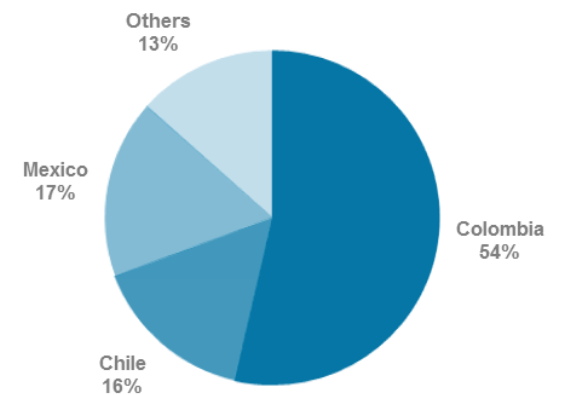
Revenues



EBITDA



Revenues contribution by Country

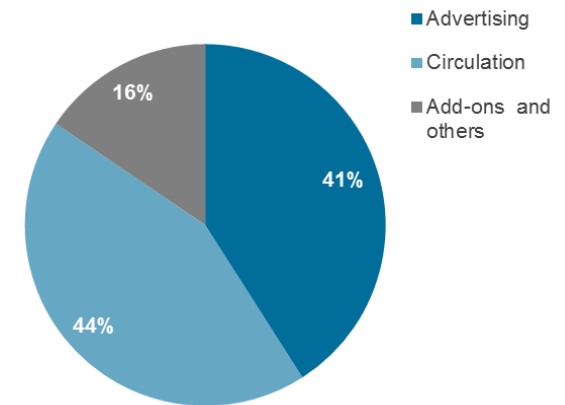


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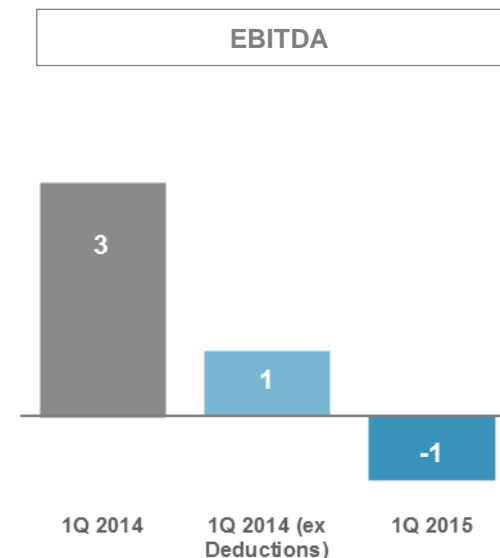
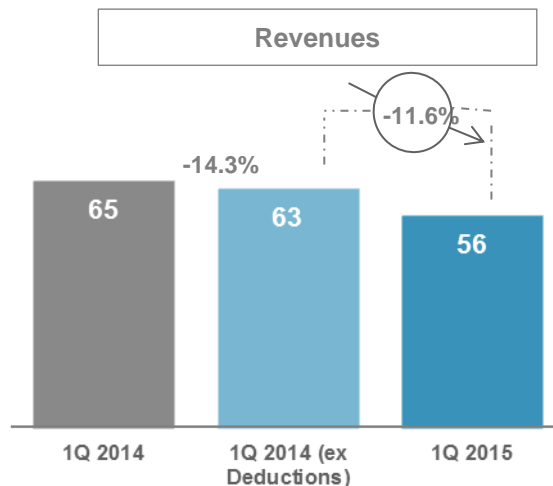
## Key highlights

- Circulation revenues fall by -13.6%.
- Advertising revenues increase by 7%:
  - **Offline Advertising** grows for the second consecutive quarter
  - **Online Advertising** has grown by 21%
  - **Event management has grown by 8,5%.**
- **Lower add-on activity**, decline by 4.9 million euros, but maintain profitability.

Revenues by Line (Contribution)



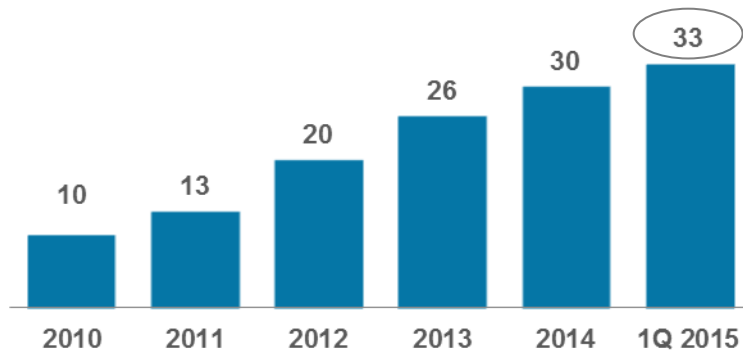
## Operating Performance (€m)



\* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

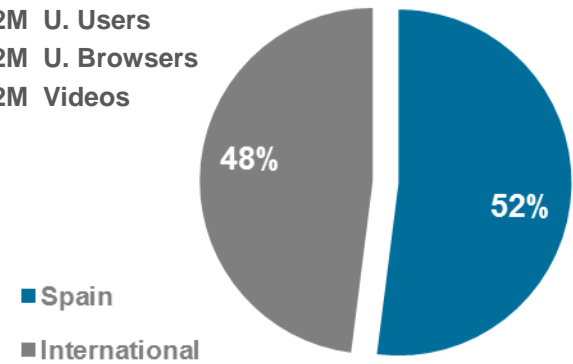
## Digital KPI's

Digital advertising / total advertising (%)



Elpais.com worldwide audience (1Q 2015)

12M U. Users  
42M U. Browsers  
2M Videos



\* All Group and business unit figures are Adjusted (exclude non-recurring items, detailed in the press release)

## Key Highlights

- **Advertising** revenue increase by +0.8%, (+0.7% TV; 2.2% Radio), (ad market recovery started in 2S 2013).
- Decline in **other revenues** due to decrease in value added calls. (-12.9%).
- Strong effort in **cost control** continues.
- **Adjusted EBITDA** reaches 6.2 million euros and grows by 9.5%.

## Operating performance (€m)

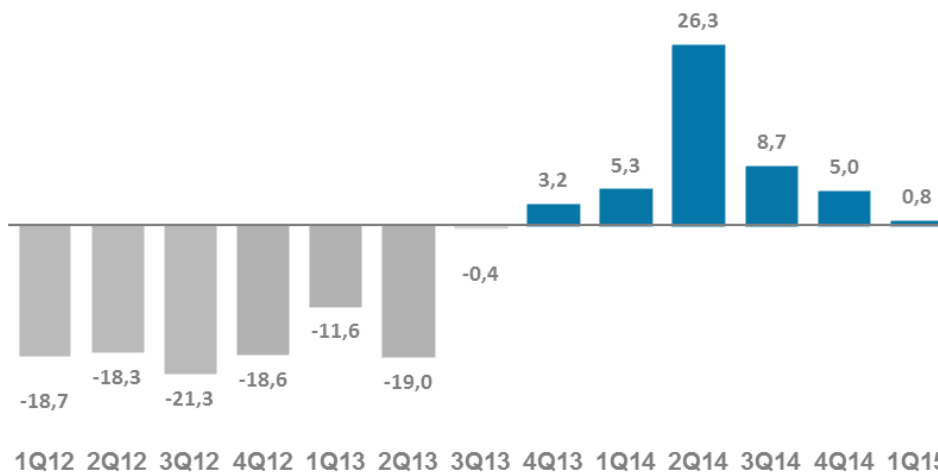


## Market Position



## Advertising revenues evolution (%)

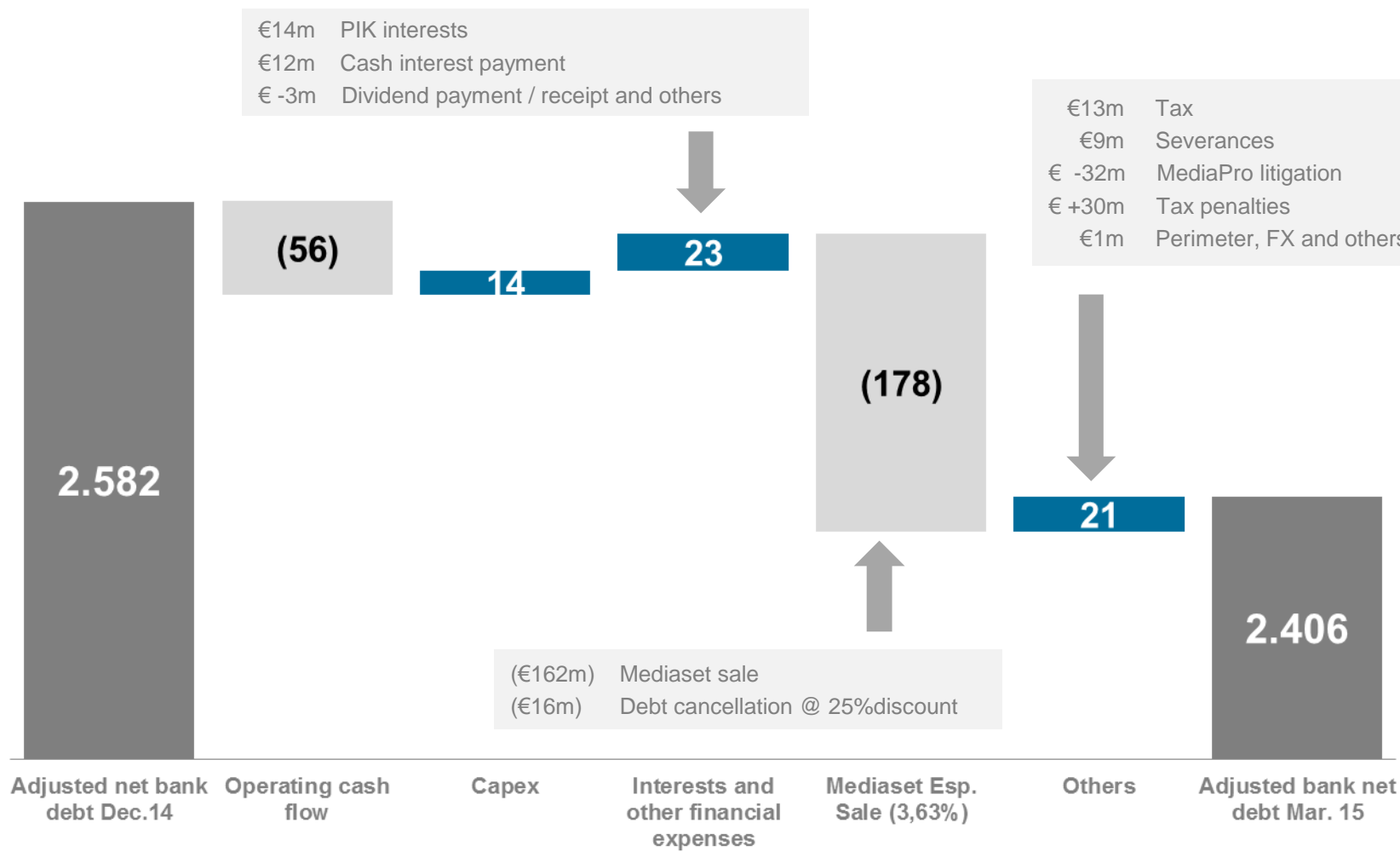
Media Capital advertising



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# Evolution of consolidated net debt

## Grupo Prisa Bank Net Debt (€m)

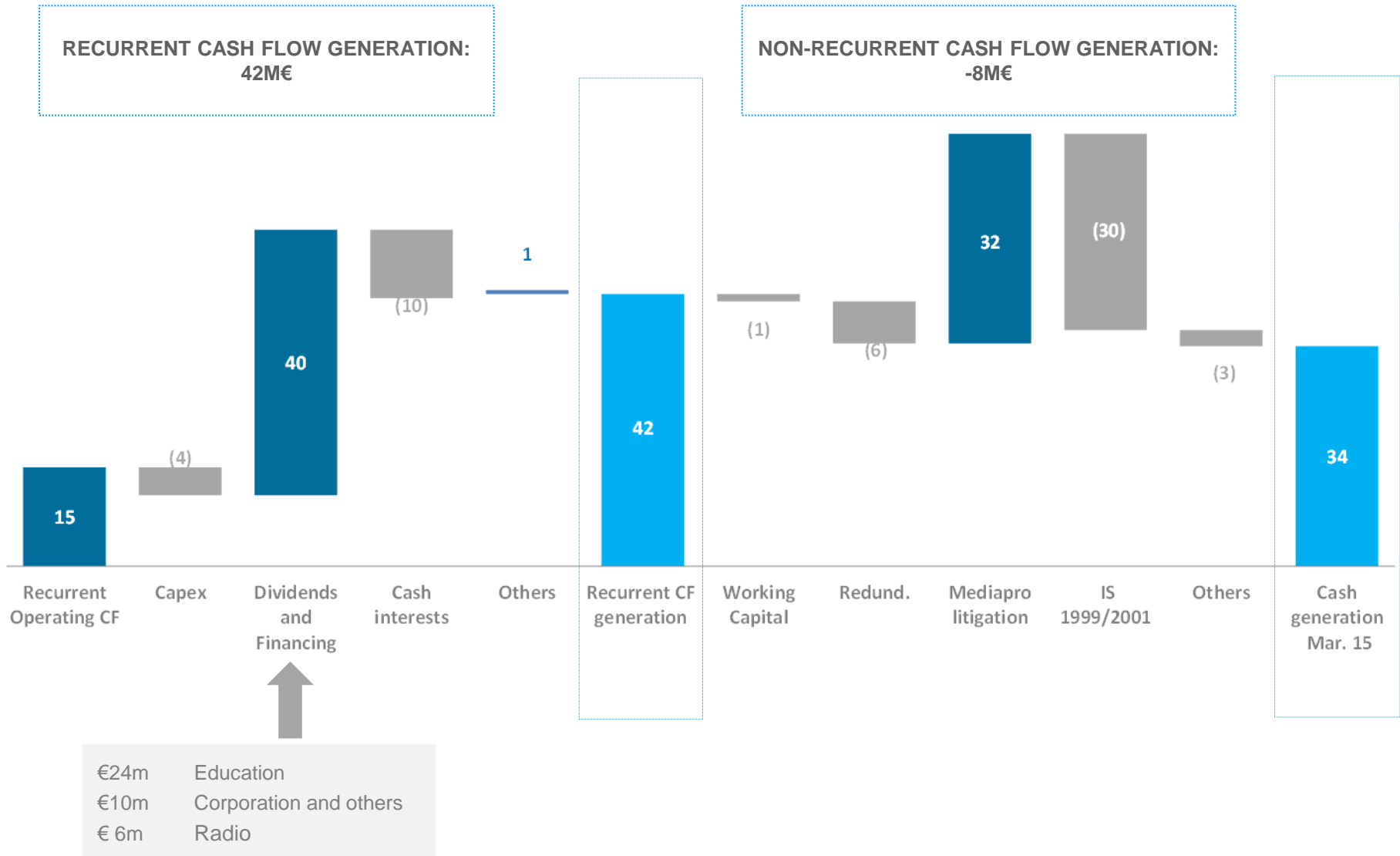


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# Cash generation at Holdco level – 1Q 2015

## Cash generation at Holdco level 1Q 2015 (€m)



## Other relevant facts

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- **Canal+ process** keeps on going, regulatory approval pending
- **Capital impairment situation of the company** has been restored as of April 20<sup>th</sup> 2015

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- PRISA benefiting from **the advertising recovery in Spain**
  - **Santillana maintains a positive trend**, with South Area campaigns showing good performance. North Area campaigns to come in 2H
  - **In Radio LatAm**, Chile and Colombia continue to show weakness, while México grows meaningfully. Focus on taking measures to maintain their market position.
  - The group continues **accelerating its digital transformation**
  - **Cost & Capex control** remains a priority.
  - Keep focus on **the execution of the refinancing plan.**



**THANK YOU.**