



1H 2019 Results

PROMOTORA DE INFORMACIONES, S.A.

July 30th , 2019



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GENERAL OVERVIEW

- ❑ In 1H 2019, EBITDA reached **100 million euros**, in line with Company's expectations.
- ❑ The comparison of results versus previous year is conditioned by the **impact of the seasonality of businesses**.
- ❑ The Company confirms its full year Outlook evolution.

Business Overview

Santillana

- Increase of **200,000** active students in **subscription models**, from 1.2 million to 1.4 million (+14%).
- Campaigns developed as planned, with **relevant increases** in Spain, a year with novelties.
- Comparison of 2Q affected by asset's disposals in 2018, public sales of Brazil and Mexico (which will occur in 2019 in the 2H), and by the hyperinflation effect in Argentina. **EBITDA growth of +0.3%** in local currency excluding such effects.
- Milestones planned in 2H 2019 (public sales Brazil and Mexico and novelties in Spain) will drive **solid growth**.

Radio

- **EBITDA growth of 3%** despite World Cup and elections impacts in 2018, both in Spain and in LatAm. Excluding impacts, **EBITDA growth of 14%**.
- Highlights Spain performance, with an **advertising revenue growth of 4%**, above market growth of 2.8% according to i2p.
- **Growth and operational improvement** are expected to continue throughout the year.

Press

- **Strong improvement on EBITDA** (+1.6Mn€ vs -2Mn) due to business growth. EBITDA growth of 4.8 Mn€ excluding 2018 World Cup effect.
- **Advertising growth of 3%** despite lack of World Cup with **improvements in circulation margins (+30%)** as a result of agreements and efficiency measures reached the previous year.
- **Continuous improvement of relevant key performance indicators** (digital leadership, advertising growth and improved circulation margins) is expected.

Media Capital

- Advertising revenue growth of 1% in the period, above market, **costs maintenance in 2Q standalone**, improving its development in a very competitive market environment.
- Radio revenue growth of 27% with an EBITDA improvement of 60% to **6 Mn€**.
- **Changes in the management team and in the board of directors**.

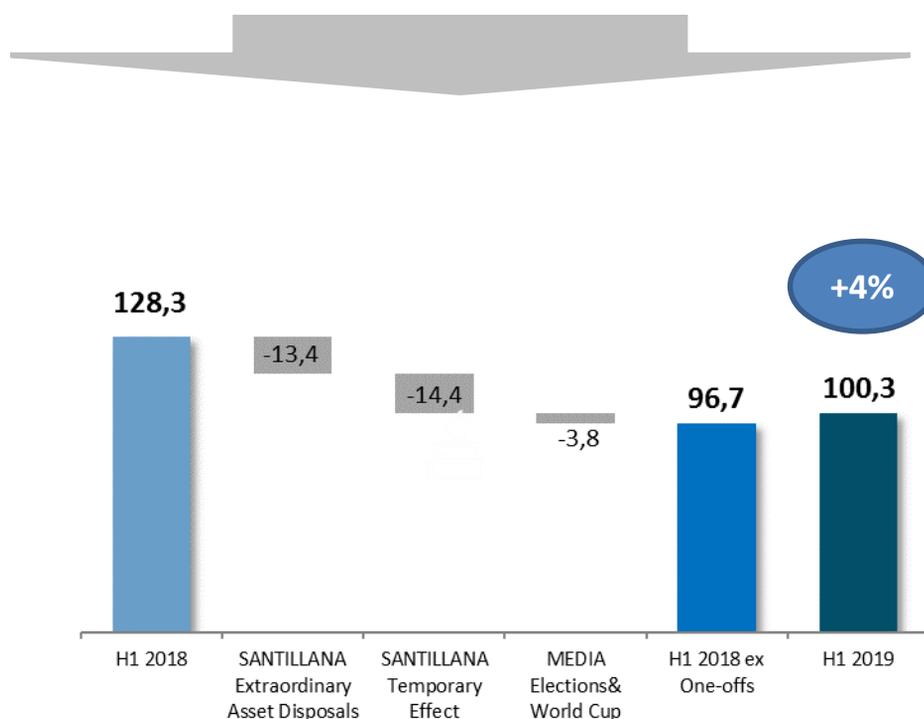
Other relevant milestones

- **The Company successfully completes the 200 million euros capital increase for the purchase of Santillana minorities**, having registered the transaction in the month of April.
- **Credit rating improvement from S&P and new rating from Moody's** due to the significant improvement of the financial situation of the group, as well as the strength of its business.
- **In 2019, IFRS16 comes into force and EBITDA figures include operating allowances and sales returns provisions which were included in EBIT previous year** (€-2Mn in 1H2019 and €-4Mn in 1H2018).
- In 1H2019, **FX** has had a **negative impact on revenue of -6.7 million euros and -1.4 million on EBITDA** mainly driven by Brazil FX evolution and Argentina hyperinflation.
- **Net Debt as of June 2019 stood at 1,180 million** after the expected pending payment to 3i (€36 million euros), and the repurchase of Santillana's minority (€113Mn), compared to 929 million euros in December 2018. In 1H2019 **operating cash flow generation has been of -57Mn€ versus -38Mn€**, explained by Santillana's temporary effects and business seasonality.
- **Extraordinary provision** registered in 1Q2019 of **€51Mn** corresponding to Mediapro's ruling.



Impacts on EBITDA affecting the 1H comparison

- ❑ **Extraordinary Assets disposals** in 2Q2018 (Santillana USA & real estate)
- ❑ **Brazil's (replacement) and Mexico's public sales** expected in 2H2019 while in 2018 they were registered in 2Q
- ❑ **Hyperinflation in Argentina**
- ❑ **Elections and World Cup** positively impacting in Spain and Colombia in 2Q2018



Expected evolution in 2H 2019

STRONG EBITDA AND CASH FLOW GENERATION

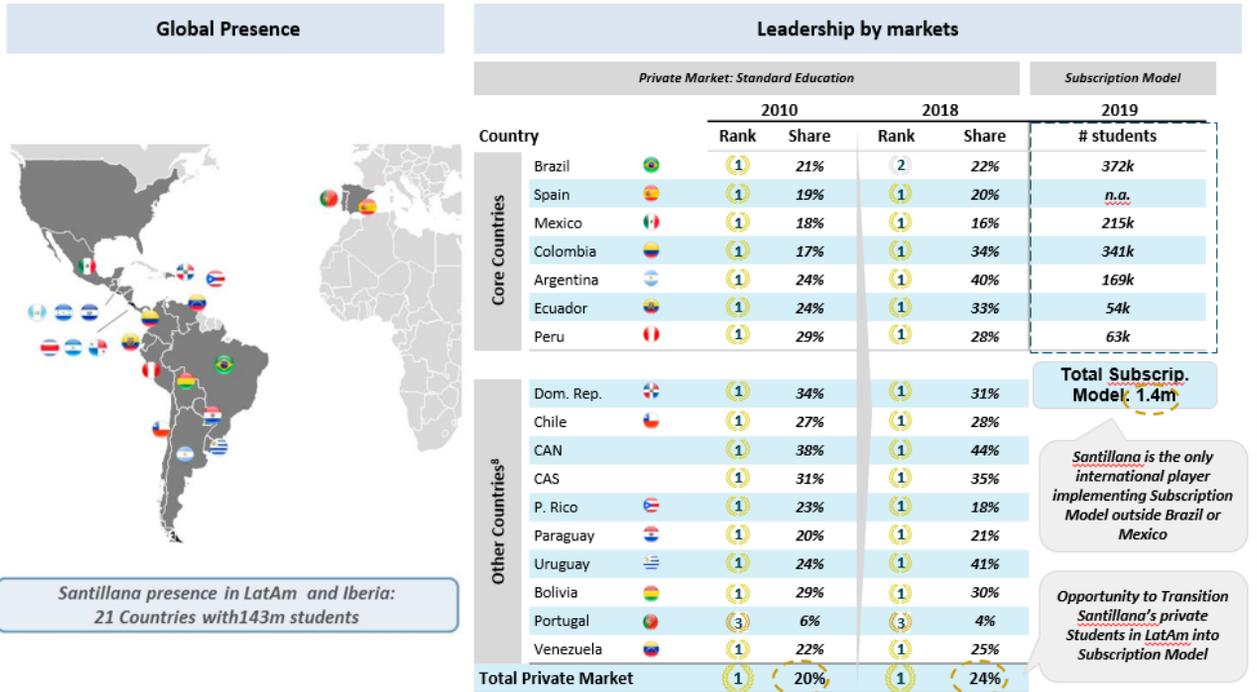
- ❑ **Santillana:** i) Brazil's and Mexico public replacement sales taking place in 2H, ii) fulfillment of the Spanish campaign with novelties in 2019 versus 2018 iii) new order of Brazil's public sales in the 4Q (medium cycle versus low cycle in 2018)
- ❑ **Media:** Continued business growth with efficiency improvements
- ❑ **Disposals of non-strategic assets (non-material)**



EDUCATION

Business description and market position

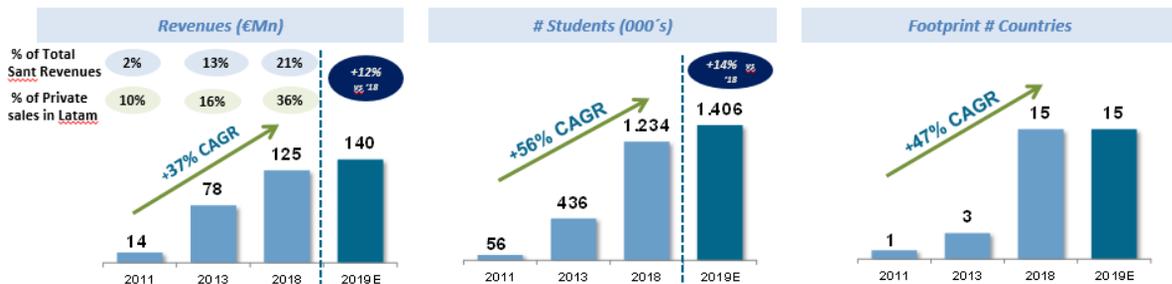
In education, Santillana, is the leading company in Spain and Latin America with a combined share of 24%, and with the competitive advantage of being the only global operator in all markets in Spain and Latin America. Santillana is focused on the K-12 educational market, which is the largest education market in size, more attractive and more resilient because of its compulsory education nature, with special focus in subscription model's growth.



FOCUS ON SUBSCRIPTION MODELS BASED ON LEARNING SYSTEMS

Santillana has developed a key role in the educational technological development process of the countries in which it operates through the implementation and development of the technology in the educational learning system. Santillana has created a scalable technological platform for any user in any region. Its offer includes a comprehensive service aimed at schools, teachers and students, which incorporates technology, training and counseling. Learning Systems (UNO, Compartir, Farias Brito, Educa and English Learning systems) accounted for 21% of Santillana's total revenues in 2018 and 36% of total private education revenues in LatAm. Santillana is the only operator to have developed these teaching systems outside Brazil and is present in 15 countries.

This new business model offers more revenue visibility, with signed contracts for an average time between 3 - 4 years with an average revenue per student higher than the average price per student of the traditional model. The average renewal rate on such systems is of 86% with a gross margin above 80%, superior to traditional education. The evolution of subscription models since their launching is as follows:



* 2018 Figure excludes digital revenues other than pure learning systems amounting 9 Mn€. Including them, total digital initiatives amounted 134 Mn€

Leadership in the K-12 market, with a special focus on subscription models and with the opportunity to transform traditional education students into subscription models.



EDUCATION

1H2019 Main Headlines

- ❑ Evolution of campaigns in line with expectations, with a good start of the Spanish campaign, growth of subscription models and with a 2Q affected in the comparison with the previous year by the following effects (impacts at EBITDA level):
 - Extraordinary (13.4 Mn€): Santillana USA disposal and Argentina real estate in 2T2018
 - Temporary (14.4 Mn€): Brazil's replacement orders and Mexico's public sales that in 2018 took place during 2Q (9,9Mn€) will be booked in 2H2019 and the hyperinflation effect in Argentina (4.6 million euros). The effect of hyperinflation will be reduced from September, month when the impact began to be recorded in 2018.
- ❑ EBITDA growth of +0.3% excluding the above mentioned effects
- ❑ Subscription models grow in students by 200,000 surpassing 1,400,000 students. (+14% growth)
- ❑ Significant growth expected in 2H of the year mainly explained by (i) record of Brazil's replacement orders and Mexico's public sales, (ii) fulfillment of the Spanish campaign with novelties in regards previous year (iii) medium cycle on institutional sales in Brazil compared to low cycle in 2018, which are expected to be booked in 4Q.

P&L

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
Comparable Results						
Operating Revenues	256,0	301,3	(15,1)	87,1	127,6	(31,8)
Spain	46,7	37,3	25,1	44,2	35,2	25,4
International	209,3	264,0	(20,7)	42,9	92,4	(53,6)
Comparable EBITDA	61,9	91,0	(32,0)	(4,4)	22,8	---
Spain	3,0	(2,7)	---	18,0	11,5	56,4
International	58,8	93,7	(37,2)	(22,4)	11,3	---
<i>EBITDA Margin</i>	24,2%	30,2%		-5,0%	17,8%	
Comparable EBIT	34,5	65,1	(46,9)	(17,0)	12,1	---
<i>EBIT Margin</i>	13,5%	21,6%		-19,5%	9,5%	
Comparable Results at constant currency						
Operating Revenues on constant currency	260,5	301,3	(13,6)	85,1	127,6	(33,3)
Spain	46,7	37,3	25,1	44,2	35,2	25,4
International	213,8	264,0	(19,0)	40,9	92,4	(55,7)
Comparable EBITDA on constant currency	63,4	91,0	(30,4)	(6,9)	22,8	---
Spain	3,0	(2,7)	---	18,0	11,5	56,4
International	60,4	93,7	(35,6)	(24,9)	11,3	---
<i>EBITDA Margin</i>	24,3%	30,2%		-8,1%	17,8%	
Comparable EBIT on constant currency	35,4	65,1	(45,5)	(19,5)	12,1	---
<i>EBIT Margin</i>	13,6%	21,6%		-22,9%	9,5%	
Reported Results						
Operating Revenues	256,0	301,3	(15,1)	87,1	127,6	(31,8)
Spain	46,7	37,3	25,1	44,2	35,2	25,4
International	209,3	264,0	(20,7)	42,9	92,4	(53,6)
Reported Expenses	194,1	217,1	(10,6)	91,5	108,2	(15,5)
Reported EBITDA	61,9	84,2	(26,5)	(4,4)	19,4	---
<i>EBITDA Margin</i>	24,2%	27,9%		-5,0%	15,2%	
Reported EBIT	34,5	63,8	(45,8)	(17,0)	11,5	---
<i>EBIT Margin</i>	13,5%	21,2%		-19,5%	9,0%	
Adjustments in reported results						
€ Millions						
IFRS16 Effect						
IFRS16 Effect in Expenses	0,0	(6,8)	100,0	0,0	(3,4)	100,0
IFRS16		(6,8)	100,0	0,0	(3,4)	100,0
IFRS16 Effect in Amortizations	0,0	5,5	(100,0)	0,0	2,8	(100,0)
IFRS16		5,5	(100,0)	0,0	2,8	(100,0)



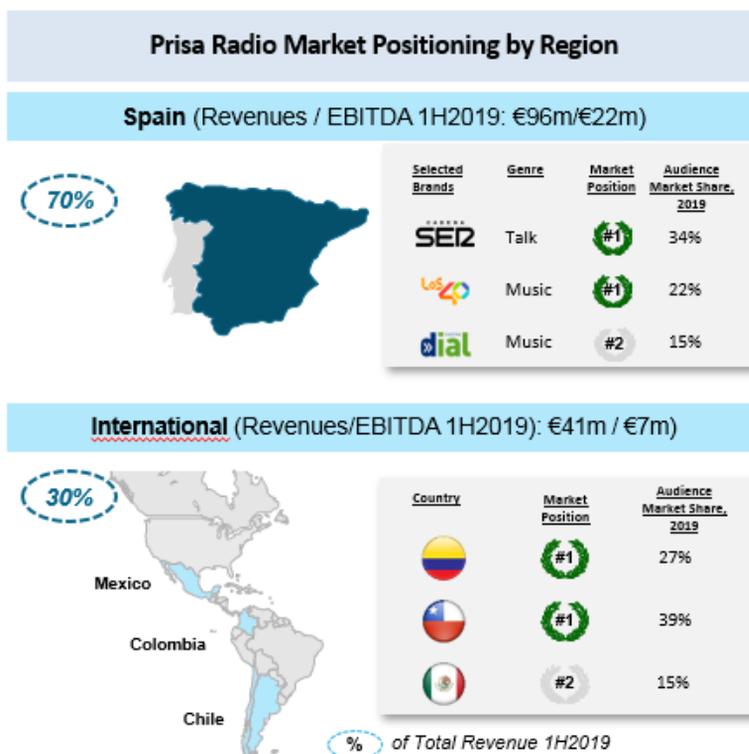
RADIO

Business description and market position

Prisa Radio is the largest Spanish language radio platform with presence in 10 countries, over 22 million listeners, 47 million unique browsers and with excellent market positioning in the main Spanish-speaking radio markets. PRISA Radio maintains an absolute leading position in Spain, Colombia and Chile.

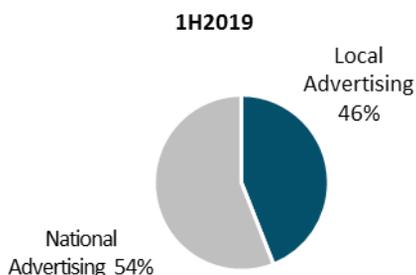
In Spain, we highlight the competitive strength of radio business through its stations (Cadena Ser, Los40, Cadena Dial, Los40Classic). According to the latest EGM survey, **Cadena Ser maintains absolute leadership in the market with 4,119 thousand listeners** (market share of 34% of Spain's generalist radio). **Los40 ranks 2nd position in Spain after SER and holds first place in the music radio market with audience shares of 22%.**

In Chile and Colombia, the group's radios are leaders with respective audience share of 39% and 27% respectively, and in Mexico, we hold the second position with an audience share of 15%



Business portfolio diversified by geography and by nature

Advertising Revenue Split



Leading Spanish radio global platform with a focus on becoming the largest producer and distributor of audio in Spanish



RADIO

1H 2019 Main headlines

- ❑ **Operational improvement** of 3% despite the positive impacts that the World Cup and elections had in 2018. **Growth at EBITDA level of 14%** excluding these effects
- ❑ **Growth of 4% in advertising in Spain** above market growth and showing good performance in both national (+1.1%) and local (+6.4%)
- ❑ LatAm has been affected in the 2018 comparison of 1H by Colombia where elections and World Cup had a positive impact on revenues of 3.5 million euros and 3.2 million euros on EBITDA
- ❑ **Expected growth and operational improvement** for the rest of the year

P&L

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
Comparable Results						
Operating Revenues	134,5	136,0	(1,1)	74,4	77,1	(3,5)
Spain	96,0	93,6	2,5	52,9	53,7	(1,5)
Latam	40,5	43,8	(7,6)	22,6	24,4	(7,4)
Music	0,0	2,5	(99,0)	0,0	1,1	(98,2)
Adjustments & others	(2,1)	(4,0)	48,1	(1,1)	(2,1)	47,3
Comparable EBITDA	28,1	27,1	3,7	20,1	21,4	(6,2)
Spain	21,5	17,4	24,0	15,3	15,0	1,9
Latam	6,7	10,5	(36,2)	4,9	6,9	(29,1)
Music	(0,0)	(0,3)	85,0	(0,0)	(0,0)	(6,5)
Adjustments & others	(0,1)	(0,4)	85,2	(0,0)	(0,4)	92,6
<i>EBITDA Margin</i>	<i>20,9%</i>	<i>20,0%</i>		<i>27,0%</i>	<i>27,8%</i>	
Comparable EBIT	19,0	18,4	3,6	15,4	17,0	(9,6)
<i>EBIT Margin</i>	<i>14,1%</i>	<i>13,5%</i>		<i>20,7%</i>	<i>22,1%</i>	
Comparable Results at constant currency						
Operating Revenues on constant currency	136,8	136,0	0,6	75,8	77,1	(1,7)
Spain	96,0	93,6	2,5	52,9	53,7	(1,5)
Latam	42,8	43,8	(2,4)	24,0	24,4	(1,8)
Music	0,0	2,5	(99,0)	0,0	1,1	(98,2)
Adjustments & others	(2,0)	(4,0)	48,4	(1,1)	(2,1)	47,3
Comparable EBITDA on constant currency	28,0	27,1	3,1	20,5	21,4	(4,5)
Spain	21,5	17,4	24,0	15,3	15,0	1,9
Latam	6,6	10,5	(37,6)	5,2	6,9	(23,8)
Music	(0,0)	(0,3)	85,0	(0,0)	(0,0)	(6,5)
Adjustments & others	(0,1)	(0,4)	85,2	(0,0)	(0,4)	92,6
<i>EBITDA Margin</i>	<i>20,5%</i>	<i>20,0%</i>		<i>27,0%</i>	<i>27,8%</i>	
Comparable EBIT on constant currency	18,7	18,4	1,9	15,7	17,0	(8,1)
Spain	15,9	11,4	39,6	12,6	12,0	4,4
Latam	2,9	7,7	(62,1)	3,2	5,5	(41,9)
Music	(0,0)	(0,3)	85,1	(0,0)	(0,0)	(2,8)
Adjustments & others	(0,1)	(0,4)	85,2	(0,0)	(0,4)	92,6
<i>EBIT Margin</i>	<i>13,7%</i>	<i>13,5%</i>		<i>20,7%</i>	<i>22,1%</i>	
Reported Results						
Operating Revenues	134,5	136,0	(1,1)	74,4	77,1	(3,5)
Advertising	126,4	127,8	(1,2)	70,3	73,2	(4,1)
Spain	89,5	86,0	4,0	49,4	49,7	(0,5)
Latam	37,0	41,9	(11,6)	21,0	23,6	(11,3)
Others	(0,1)	(0,1)	(20,4)	(0,1)	(0,1)	(60,2)
Others	8,1	8,1	0,0	4,2	3,9	7,2
Reported Expenses	106,4	115,2	(7,7)	54,3	58,9	(7,8)
Reported EBITDA	28,1	20,8	35,6	20,1	18,2	10,3
<i>EBITDA Margin</i>	<i>20,9%</i>	<i>15,3%</i>		<i>27,0%</i>	<i>23,6%</i>	
Reported EBIT	19,0	16,8	13,5	15,4	16,2	(5,1)
<i>EBIT Margin</i>	<i>14,1%</i>	<i>12,3%</i>		<i>20,7%</i>	<i>21,0%</i>	
Adjustments in reported results						
€ Millions	2019	2018	% Chg.	2019	2018	% Chg.
IFRS16 Effect						
IFRS16 Effect in Expenses	0,0	(6,4)	100,0	0,0	(3,2)	100,0
IFRS16		(6,4)	100,0		---	---
IFRS16 Effect in Amortizations	0,0	4,8	(100,0)	0,0	2,4	(100,0)
IFRS16		4,8	(100,0)		---	---



PRESS

Business description and market position

In press, Prisa owns the largest global spanish-language news platform with 129 million unique browsers and with presence in Spain and LatAm of its main brands, El País (general information) and As (sports information).

In recent years, the Company has made progress towards a **growing and scalable digital model**, whose first step has been the growth and leadership on audiences and the impulse of digital advertising, which already has more weight than the traditional.

EL PAÍS ranks 1st position in news in Spanish webs and in the media worldwide ranking is number 5 (excluding Chinese and Indian newspapers).

Prisa Noticias Market Positioning by Region

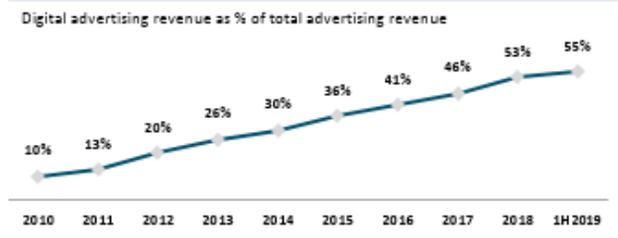


Leading Online Audience Worldwide

Unique monthly visitors, m²

Rank	Name	UMV, m
#1	NY Times	36.6
#2	The Guardian	29.9
#3	Daily Mail	21.2
#4	Washington Post	18.5
#5	EL PAÍS	15.3

Successful Transformation To Digital Advertising Model



Diario AS strengthens its growth in Spain and its international expansion. According to ComScore in June 2019 it has achieved the record of 13.4 million unique users and globally has reached 54.2 million unique browsers.

During 2018, the company has carried out a transformation from its fixed cost structure to variables with agreements in printing, distribution and technology that are generating significant savings.

EL PAÍS and ARC Publishing, the digital platform designed by the Washington Post, have been allied to optimize the technology infrastructure of the newspaper. ARC is a leading platform that will improve the reader's experience and accelerate the production and distribution of digital content. The support will reinforce the process of digital transformation initiated years ago by El País and is key to continue deepening in the process of digital transformation of the newsrooms and the business model, both of the advertising and the supported by the users. El País has already started production with a progressive deployment schedule, which has begun in the Brazilian Edition, and is expected to be extended to the Spanish Edition, and the rest of editions, throughout the second half of the year.

Agreement for the creation of the main program advertising platform in Spain: Prisa, Vocento and Godó have reached an agreement to create a joint platform for sales management of programmatic advertising. The aim of this Market place is to achieve the aggregation of qualitative audiences for the sale of programmatic advertising, which allows advertisers to have high visibility rates and generate efficient campaigns for users. In June, the company, which is fully operational and has already started commercial activity, has been established, and will intensify its activities in the second half of the year.

Growing and scalable global platform with a focus on moving towards subscription models



PRESS

1H 2019 main headlines

- ❑ Press business shows **EBITDA growth of 3.6 million euros** on the back of its operating performance with improvement in the main key performance indicators of the business despite the positive impact that World Cup had in 2018. Without the World Cup impact, **EBITDA growth of 4.8 million euros**
- ❑ Growth of advertising of **3%** with digital advertising growing strongly by **11%**
- ❑ Improvements of circulation margins of **30%**, as a result of the agreements and efficiency measures reached in 2018
- ❑ **Continuous improvement of the main operational indicators** of the business for the rest of the year

P&L

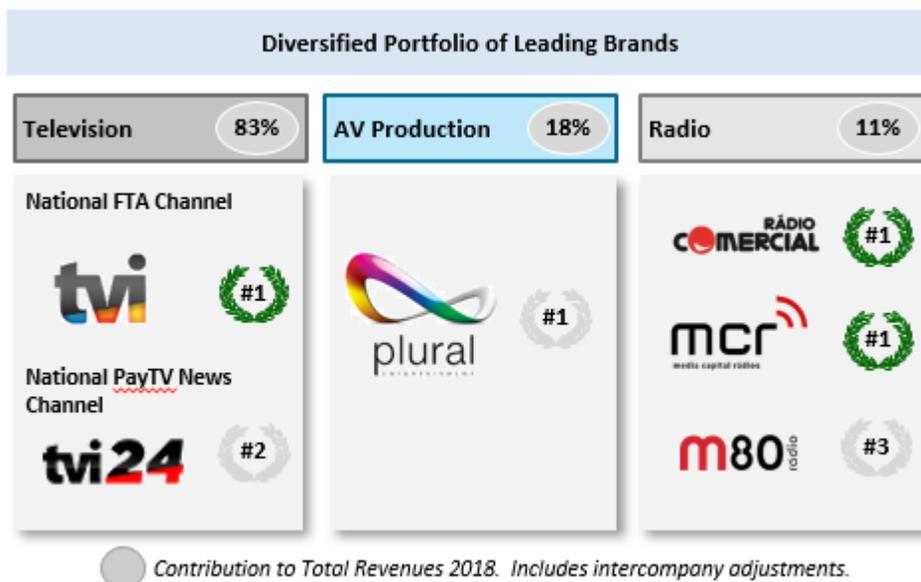
€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
Comparable Results						
Total Press Operating Revenues	104,5	109,6	(4,6)	55,5	58,4	(5,1)
PRESS Operating Revenues	94,2	100,3	(6,0)	50,4	54,6	(7,8)
Advertising	51,4	49,8	3,2	27,8	28,4	(2,0)
Circulation	30,7	35,2	(12,8)	15,5	17,9	(13,2)
Add-ons and Others	12,1	15,2	(20,7)	7,0	8,3	(15,5)
PBS & IT	10,3	9,3	10,9	5,1	3,8	33,3
Total Press Comparable EBITDA	1,6	(2,0)	---	4,7	1,1	---
PRESS Comparable EBITDA	2,7	0,5	---	4,8	1,8	159,0
EBITDA Margin	2,8%	0,5%		9,4%	3,4%	
PBS & IT	(1,0)	(2,5)	58,8	(0,0)	(0,7)	94,5
Total Press Comparable EBIT	(3,2)	(6,3)	49,0	2,2	(1,1)	---
PRESS Comparable EBIT	(1,3)	(3,2)	60,9	2,7	(0,1)	---
EBIT Margin	-1,3%	-3,2%		5,4%	-0,2%	
PBS & IT	(2,0)	(3,1)	36,6	(0,5)	(1,0)	47,5
Reported Results						
Total Press Operating Revenues	104,5	109,6	(4,6)	55,5	58,4	(5,1)
PRESS Operating Revenues	94,2	100,3	(6,0)	50,4	54,6	(7,8)
Advertising	51,4	49,8	3,2	27,8	28,4	(2,0)
Circulation	30,7	35,2	(12,8)	15,5	17,9	(13,2)
Add-ons and Others	12,1	15,2	(20,7)	7,0	8,3	(15,5)
PBS & IT	10,3	9,3	10,9	5,1	3,8	33,3
Total Press Reported Expenses	101,9	111,3	(8,5)	50,7	57,7	(12,2)
PRESS Reported Expenses	91,5	102,0	(10,3)	45,6	53,9	(15,4)
PBS & IT Reported Expenses	10,3	9,3	10,9	5,1	3,8	33,3
Total Press Reported EBITDA	1,6	(4,7)	---	4,7	(0,3)	---
PRESS Reported EBITDA	2,7	(1,7)	---	4,8	0,7	---
EBITDA Margin	2,8%	-1,7%		9,4%	1,3%	
PBS & IT	(1,0)	(3,0)	65,2	(0,0)	(1,0)	95,8
Total Press Reported EBIT	(3,2)	(7,1)	54,4	2,2	(1,5)	---
PRESS Reported EBIT	(1,3)	(3,8)	67,2	2,7	(0,4)	---
EBIT Margin	-1,3%	-3,8%		5,4%	-0,7%	
PBS & IT	(2,0)	(3,2)	39,0	(0,5)	(1,1)	50,4
Adjustments in reported results						
€ Millions	2019	2018	% Chg.	2019	2018	% Chg.
IFRS16 Effect						
IFRS16 Effect in Expenses	0,0	(2,7)	100,0	0,0	(1,4)	100,0
PRESS IFRS16		(2,3)	100,0	0,0	(1,1)	100,0
PBS&IT IFRS16		(0,5)	100,0	0,0	(0,2)	100,0
IFRS16 Effect in Amortizations	0,0	2,0	(100,0)	0,0	1,0	(100,0)
PRESS IFRS16		1,6	(100,0)			
PBS&IT IFRS16		0,3	(100,0)			



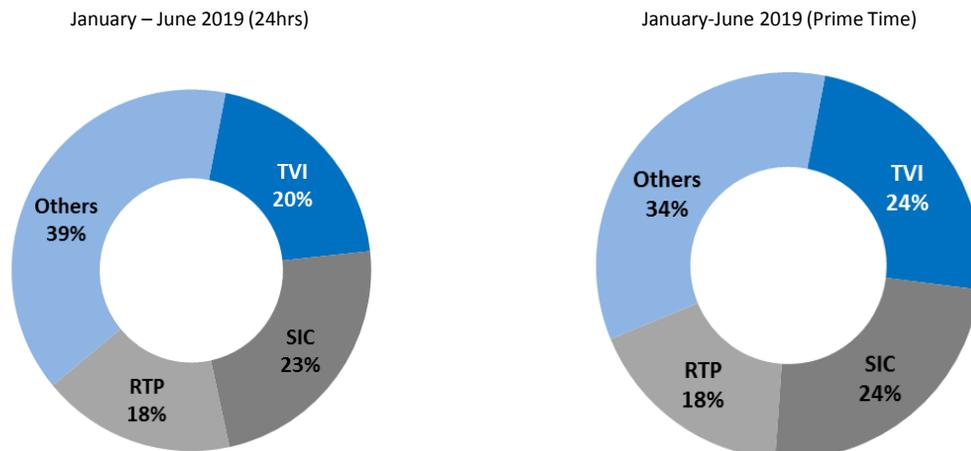
MEDIA CAPITAL

Business description and market position

Media Capital is the largest media group in Portugal. Its operations include television (TVI), radio, broadcasting and other digital activities



As of June 2019, TVI reaches a daily average audience of 20% and 24% in 24h and prime time respectively, on total Television (includes all TVI channels and for the main commercial target: Adults).



Media Capital's aggregate group of radios had a consolidated average audience share of 35.8% with an audience share in Radio commercial of 23.6%

Largest media group in Portugal



MEDIA CAPITAL

1H 2019 main headlines

- ❑ Media Capital grow its advertising revenue by **1%** above market performance, with costs maintained in 2Q (margins of 28%), improving evolution in a very competitive environment.
- ❑ TVI reaches a daily average audience of 24% in Prime Time and 20% in 24H
- ❑ Radio grows its revenue by 27% with an improvement in EBITDA of 60% to reach **6 Mn€**
- ❑ Changes in the management team and the Board of Directors

P&L

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
Comparable Results						
Operating Revenues	86,4	86,9	(0,6)	47,1	48,1	(2,2)
<i>Advertising</i>	59,0	58,6	0,7	33,7	34,3	(1,7)
<i>Others</i>	27,4	28,3	(3,1)	13,3	13,8	(3,5)
Comparable EBITDA	14,2	20,6	(30,9)	13,2	14,8	(10,7)
<i>EBITDA Margin</i>	16,5%	23,7%		28,1%	30,8%	
Comparable EBIT	9,8	16,4	(39,9)	11,0	12,7	(13,5)
<i>EBIT Margin</i>	11,4%	18,9%		23,4%	26,4%	

	2019	2018	% Chg.	2019	2018	% Chg.
Reported Results						
Operating Revenues	86,4	86,9	(0,6)	47,1	48,1	(2,2)
<i>Advertising</i>	59,0	58,6	0,7	33,7	34,3	(1,7)
<i>Others</i>	27,4	28,3	(3,1)	13,3	13,8	(3,5)
Reported Expenses	72,1	67,4	7,0	33,8	33,9	(0,2)
Reported EBITDA	14,2	19,4	(26,7)	13,2	14,2	(7,0)
<i>EBITDA Margin</i>	16,5%	22,4%		28,1%	29,5%	
Reported EBIT	9,8	16,4	(40,0)	11,0	12,7	(13,6)
<i>EBIT Margin</i>	11,4%	18,9%		23,4%	26,4%	

Adjustments in reported results

€ Millions	2019	2018	% Chg.	2019	2018	% Chg.
IFRS16 Effect						
IFRS16 Effect in Expenses	0,0	(1,2)	100,0	0,0	(0,6)	100,0
Redundancies			---	0,0	0,0	---
IFRS16		(1,2)	100,0			---
IFRS16 Effect in Amortizations	0,0	1,2	(100,0)	0,0	0,6	(100,0)
Impairment & Losses from fixed assets			---			---
IFRS16		1,2	(100,0)			---



TOTAL GROUP

1H 2019 Main headlines

- ❑ In 1H of 2019, comparable EBITDA reached **100 Mn€**
- ❑ Operational results in line with company expectations with 2018 comparison conditioned by the business seasonality and extraordinary effects. **Excluding these effects, EBITDA grows by 4%**
- ❑ The difference between Comparable and Reported results is explained by IFRS16 (after this accounting standard started in 2019 and 2018 accounts are reported with these adjustments) and by the extraordinary provision recorded by Mediapro ruling (51 million euros).
- ❑ **Negative FX impact** on revenues of -6.7 million and of -1.4 million on EBITDA.
- ❑ Higher financial expenses explained by 2018 refinancing agreement
- ❑ Net Profit affected by **the extraordinary provision of EUR 51 million euros** of Mediapro ruling
- ❑ With 1H2019 results, the company confirms its 2019 outlook

P&L

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
Comparable Results						
Operating Revenues	571,9	629,1	(9,1)	259,6	308,1	(15,7)
EBITDA	100,3	128,3	(21,8)	30,3	56,7	(46,6)
EBITDA Margin	17,5%	20,4%		11,7%	18,4%	
EBIT	53,9	84,2	(36,0)	8,0	37,0	(78,5)
EBIT Margin	9,4%	13,4%		3,1%	12,0%	
Comparable Results at constant currency						
Operating Revenues on constant currency	578,6	629,1	(8,0)	259,0	308,1	(15,9)
EBITDA on constant currency	101,7	128,3	(20,7)	28,2	56,7	(50,2)
EBITDA Margin	17,6%	20,4%		10,9%	18,4%	
EBIT on constant currency	54,6	84,2	(35,2)	5,7	37,0	(84,5)
EBIT Margin	9,4%	13,4%		2,2%	12,0%	
Reported Results						
Reported EBITDA	49,3	110,6	(55,4)	30,3	47,9	(36,7)
EBITDA Margin	9,4%	21,3%		11,7%	15,5%	
Reported EBIT	2,9	80,5	(96,4)	8,0	35,1	(77,3)
EBIT Margin	0,5%	12,8%		3,1%	11,4%	
Financial Result	(40,8)	(44,1)	7,4	(20,5)	(28,5)	27,9
Interests on debt	(29,6)	(25,2)	(17,5)	(14,9)	(12,6)	(18,6)
Other financial results	(11,2)	(18,9)	40,7	(5,6)	(15,9)	64,7
Result from associates	0,6	2,4	(75,6)	0,2	1,7	(85,0)
Profit before tax	(37,4)	38,8	---	(12,3)	8,3	---
Income tax expense	15,7	22,8	(31,2)	(5,1)	9,4	---
Results from discontinued activities	0,7	0,0	---	0,3	0,0	---
Minority interest	(0,8)	15,6	---	4,0	10,2	(60,5)
Net Profit	(51,5)	0,4	---	(11,0)	(11,4)	3,9
Mediapro Ruling	(40,8)	---	---	0,0	0,0	---
IFRS16	---	(2,8)	100,0	0,0	(1,4)	100,0
Comparable Net Profit	(10,7)	(2,4)	---	---	---	---

* Adjustments between reported results and comparable results are described in pages 22 and 23.



TOTAL GROUP

Cash flow statement

€ Million	jun. 2019	jun. 2018	Chg. 19/18	
			Abs.	%
EBITDA	100,3	128,3	-28,0	-21,8%
Redundancies expenses	7,6	20,6	-13,0	-62,9%
EBITDA (excluding redundancies&Mediapro)	107,9	148,9	-41,0	-27,5%
Change in working capital with Mediapro Adjusted	-63,7	-57,0	-6,6	-11,6%
Redundancies paid	-10,7	-22,3	11,6	52,2%
Taxes paid	-20,8	-15,4	-5,3	-34,6%
Other cash flows and adjustments from operations	0,0	-15,1	15,1	99,9%
Capex	-33,8	-26,4	-7,4	-28,0%
Financial investments	1,3	-4,7	6,0	---
CASH FLOW BEFORE FINANCING ACTIVITIES	-19,7	7,9	-27,6	---
Interests paid	-20,0	-17,6	-2,4	-13,8%
Other cash flows from financing activities	-19,1	-27,3	8,3	30,3%
- NIIF 16	-17,5	-17,7	0,2	1,1%
-Others	-1,5	-9,6	8,1	84,1%
CASH FLOW FROM FINANCING ACTIVITIES	-39,0	-44,8	5,8	13,0%
Fx impact, perimeter effect and others	1,5	-1,3	2,8	---
CASH FLOW BEFORE DIVIDENDS, DIVESTMENTS AND 2017 PNLD	-57,2	-38,3	-18,9	-49,4%
Divestments	2,2	21,0	-18,8	-89,6%
Dividends paid	-33,4	-23,1	-10,3	-44,7%
2017 PNLD collected in 2018	0,0	26,2	-26,2	-1,0
CASH FLOW BEFORE OPERATIONS	-88,4	-14,1	-74,3	-525,5%
Capital increase	199,5	562,8	-363,3	-0,6
25% Santillana acquisition	-312,5	0,0	-312,5	---
3iAcquisition	-36,1	0,0	-36,1	---
CASH FLOW	-237,6	548,7	-786,2	---

(*) In 2018 it is adjusted IFRS16 in EBITDA and in other cash flows

(**) Adjusted 26,2M€ of institutional sale of Brazil of 2017 collected in 2018

In 1H 2019, operating Cashflow generation before disinvestment, dividends to DLJ and PNLD 2017 was -57 million euros compared to -38 million in the same period of 2018 explained by the temporary effects on EBITDA and by :

- Higher WK investment explained by Spain, as it is a year with novelties.
- Higher CAPEX investment mainly in Santillana.
- Increased interest expenses as a result of the 2018 refinancing agreement.

The main differences in cashflow generation before operations are due to:

- Collections in 1Q2018 of 26 million euros that were pending from Institutional sales in Brazil corresponding to 2017 campaign, while the 2018 campaign was almost entirely collected 2018.
- Higher dividends payout in 2019 due to the settlement to DLJ of the dividend for 2018 and the 4 months of 2019.
- Minor divestments compared to 2018 where the sale of Santillana USA and real estate in Argentina took place

CAPEX

€ Million	jun. 2019	jun. 2018	Chg. 19/18
Santillana	-26,8	-21,6	-5,1
Radio	-1,7	-1,7	0,0
Press	-2,2	-1,6	-0,6
Media Capital	-2,6	-1,0	-1,6
Others	-0,6	-0,6	0,0
Total PRISA Group	-33,8	-26,4	-7,4



TOTAL GROUP

Financial Net Debt

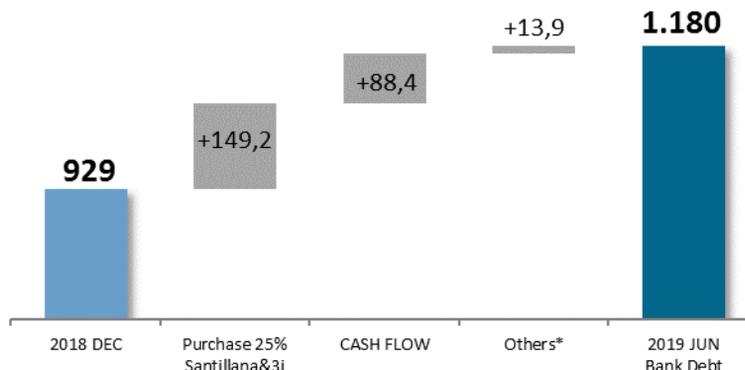
TOTAL BANK DEBT

€ Million	jun. 2019	Dec. 2018	Chg. 19/18	
			Abs.	%
- Financial debt	1.279,5	1.225,8	53,7	4,4%
- Non- current financial debt	1.176,1	1.149,7	26,4	2,3%
- Current financial debt	103,4	76,1	27,3	35,9%
Short term financial investments	-19,3	-24,9	5,6	22,5%
Cash & cash equivalents	-100,2	-295,1	194,9	66,0%
Fair value/ Loan arrangement costs	20,2	22,9	-2,7	-11,8%
TOTAL BANK DEBT	1.180,1	928,6	251,5	27,1%

TOTAL BANK DEBT BY B.U. (Including interco)

€ Million	jun. 2019	Dec. 2018	Chg. 19/18	
			Abs.	%
Prisa Holding+ Prisa Gestión Financiera+PAE+Others	1.040,5	897,1	143,4	16,0%
- Financial debt	1.167,1	1.123,4	43,7	3,9%
- Cash, Short term financial investments and interco debt	-126,6	-226,3	99,7	44,1%
Santillana	33,5	-46,7	80,2	---
Radio	7,0	-28,5	35,5	---
Press	25,6	22,3	3,3	14,9%
Media Capital	73,5	84,4	-10,9	-12,9%
TOTAL BANK DEBT	1.180,1	928,6	251,5	27,1%

1H2019 Bank net debt evolution is shown below:



(*) Includes mainly accrued and unpaid interests



TOTAL GROUP

Balance Sheet

€ Million	ASSETS	
	06/30/2019	12/31/2018
FIXED ASSETS	962,42	813,27
Property, plan and equipment	216,01	87,69
Goodwill	411,66	408,85
Intangible assets	125,77	111,24
Long term financial investments	25,71	24,61
Investment in associates	45,67	43,08
Deferred tax assets	135,31	135,36
Other non current assets	2,30	2,44
CURRENT ASSETS	628,42	847,45
Inventories	149,68	150,35
Accounts receivable	350,05	370,09
Short term financial investments	19,34	24,94
Cash & cash equivalents	100,24	295,09
Assets held for sale	9,12	6,99
TOTAL ASSETS	1.590,84	1.660,72
€ Million	LIABILITIES	
	06/30/2019	12/31/2018
SHAREHOLDERS EQUITY	-281,42	-235,81
Issued capital	666,13	524,90
Reserves	-957,97	-566,01
Income attributable to the parent company	-51,55	-269,35
Minority interest	61,97	74,65
NON CURRENT LIABILITIES	1.344,10	1.325,37
Long term financial debt	1.176,08	1.149,66
Other long term financial liabilities	120,67	125,70
Deferred tax liabilities	17,91	18,61
Provisions	26,91	28,57
Other non current liabilities	2,53	2,83
CURRENT LIABILITIES	528,16	571,16
Short term financial debt	103,43	76,12
Other current financial liabilities	20,30	58,64
Trade accounts payable	225,63	270,98
Other short term liabilities	145,97	130,36
Accrual accounts	26,57	32,13
Liabilities held for sale	6,26	2,92
TOTAL LIABILITIES	1.590,84	1.660,72

IFRS16 Impact

The impact of the entry into force of IFRS 16 has led to the recognition of a financial liability in the amount of EUR 155.2 million. The balancing entry has been a tangible and intangible right-of-use asset, generating additional annual amortization of some EUR 29 million, an annual financial expense of approximately EUR 11 million in 2019 and a reduction in operating expenses for rental registered on the basis of IAS 17 of approximately EUR 35 million per year. As of June 2019, the financial liability resulting from the application of the regulation amounts **EUR 140.6 million**.

The impact of the IFRS 16 has been re-estimated on the agreements that have automatic renewal clauses in which the renewal does not depend exclusively on the lessee, considering in these cases the mandatory minimum term set forth in each agreement. As of March 31, 2019, this re-estimation has meant a reduction of the value of the asset by right-of-use and of the related financial liability for an amount arising EUR 82 million, without significant impact in the profit account. This must be taken into account whenever the balance sheet published as of March 2019 is reviewed.



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OUTLOOK 2019

Education

- Positive evolution driven by Spain's and Brazil's evolution:
 - Novelties in Spain.
 - Middle year cycle on Brazil's public sales and PNLD F1 2018 repositions.
- 1H below 2018 due to Spanish business seasonality, Brazil and Mexico public sales seasonality and the effect of hyperinflation in Argentina, with 2H stronger on the back of Spain and Brazil.

Radio

- Growth of advertising in Spain, Colombia and Chile above market average. Leveraging in its audiences and product offerings, despite the positive contribution in 2018 of the extraordinary events linked to the World Cup and elections.
- Operational improvement in Spain and LatAm.

Press

- Leverage both on digital market growth and in launching of the programmatic advertising platform.
- Transition to a variable cost structure (printing, distribution and technology agreements).
- Leveraging operational improvement in the implementation of efficiency measures.

Media Capital

- Growth of advertising in line with market.
- Highly competitive market impacting programming costs and audiences.

FX Evolution

- Negative FX impact expected (lower than in 2018) mainly in Brazil and Argentina.

Recurrent cash flow generation

- Recurrent cashflow generation* in line with or above 2018, improving along the quarters due to business seasonality, being negative in the 1H.
- Payment to 3i (non-recurrent) in the amount of 36.1 million euros estimated in February 2019.

1H2019 Results consistent with 2019 Outlook

* Assumes 100% of Brazil's 2019 PNLD collection in line with 100% collection in 2018



APPENDIX

1. Business seasonality	19
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5. Conciliation between reported EBITDA and EBIT and comparable EBITDA and EBIT	24
6. Bridge between EBITDA reporting 2019 and EBITDA reporting 2018	26



BUSINESS SEASONALITY

SEASONALITY BUSINESS DESCRIPTION

Results and quarterly Cash generation of the group is linked to the seasonality of the business, producing fluctuations throughout the year explained mainly by the nature of the different businesses. Despite having a similar pattern of behavior every year, temporary differences can occur that make the quarterly comparability not homogeneous. In 2019 compared to 2018, some public sales especially coming from Mexico and Brazil are expected in 2H.

In **Santillana**, results generation is conditioned by the moment in which the campaigns of the different countries take place:

- **South Area: 1Q and 4Q.**
- **North Area: 2Q and 3Q.**
- **Brazil Public Sales: repositions in 2Q/3Q and new orders in 4Q.**

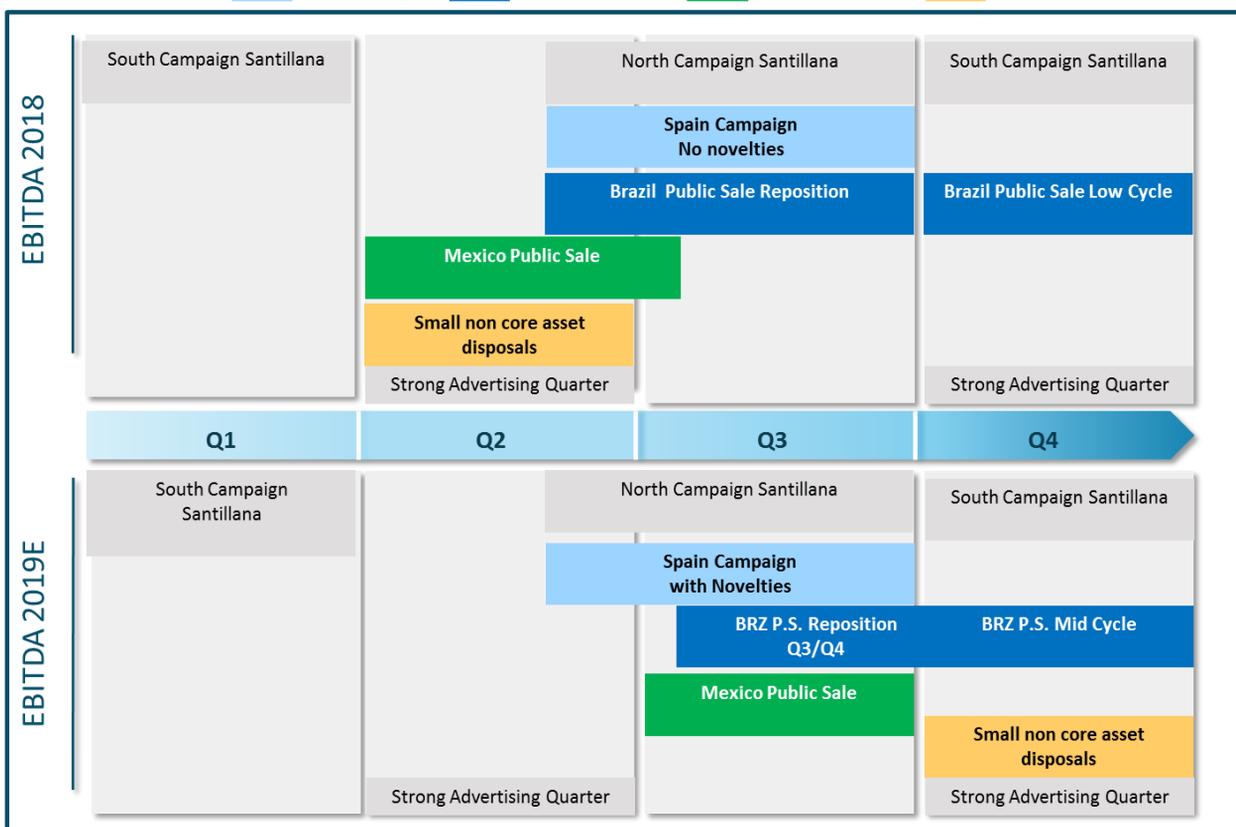
In **Media**, the seasonally strongest quarters of advertising sales are 2Q and 4Q.

Enclosed are tables that describe EBITDA and Cash generation seasonality in 2018 and the estimated for 2019, in order to help understand the quarterly differences that will arise throughout the year.

Outlook for 2019 contemplates these differences:

EBITDA SEASONALITY 2018/2019

Main differences 18/19: ■ Spain Campaign ■ Public sales BRZ ■ Public sales MX ■ Small Assets disposals



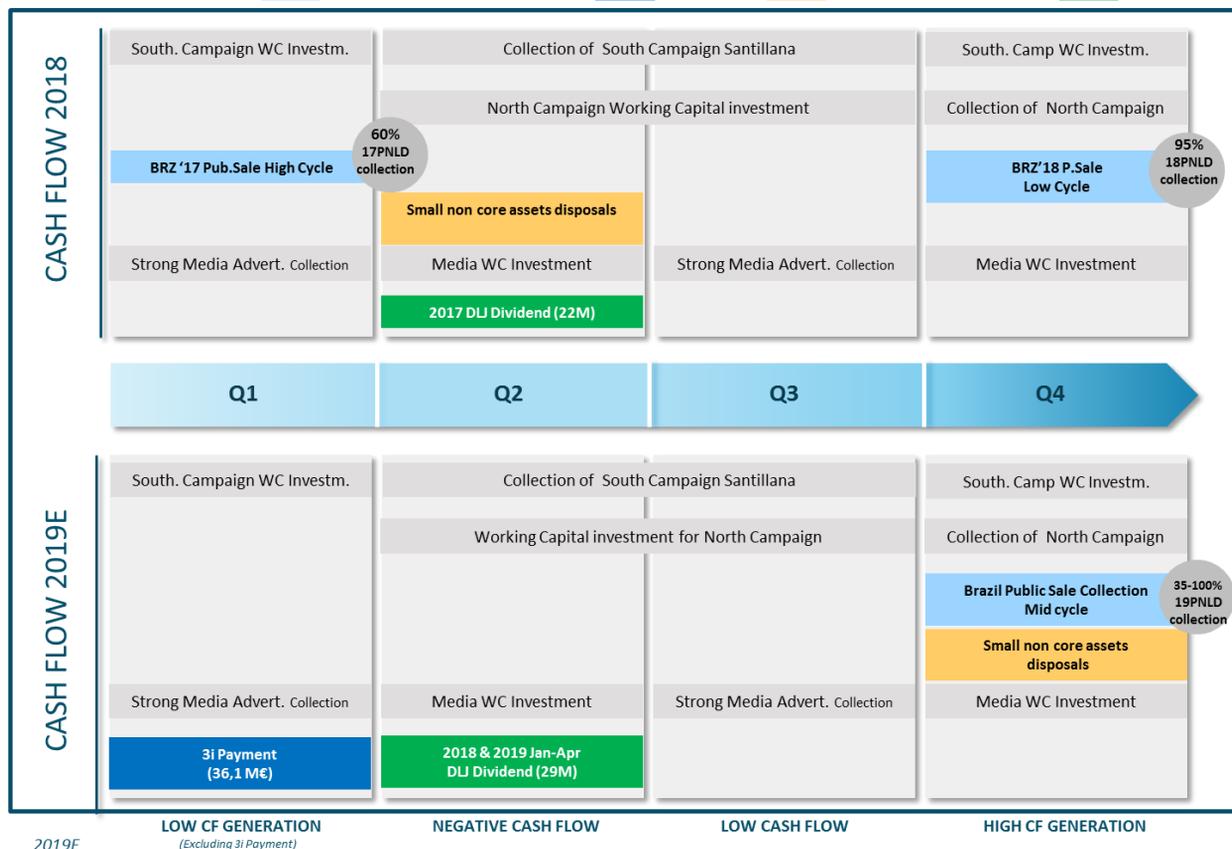
Main considerations:

- **Santillana's Spain campaign** in 2018 had lack of novelties while on 2019 novelties are expected.
- **Brazil's public sales repositions** were generated 22% in 2Q of 2018 while in 2019 100% of the repositions are expected in 3Q and 4Q.
- **Brazil public sale campaign in 2019** corresponds to medium cycle while in 2018 was low cycle.
- **Mexico public sale** was generated 90% in the 2Q in 2018 while 100% of it is planned in the 3Q and 4Q of 2019.
- In 2Q 2018, **sales of small non-core assets included in the assets disposal program** were generated while in the 2019 are planned in 4Q.



BUSINESS SEASONALITY

Main differences 18/19:



Cash flow generation is usually adjusted to revenue, being produced the collections in the quarter following the revenue generation.

Main considerations

- 1Q**
 - In 1Q 2018, 60% of 2017 public sales of BRZ were collected while the collections of the 2018 public sales in BRZ were produced almost entirely in the 4Q of 2018 (95%).
 - In 1Q 2019 pending payment to 3i was done by amount of 36.1 million euros.
- 2Q**
 - Real state disposals of Santillana USA and Argentina were produced in 2Q 2018. For 2Q 2019 no real state disposals are expected.
 - In 2Q 2018 there was registered the payment of the dividend to DLJ corresponding to the exercise 2017 in the amount of 22 million euros. In 2Q 2019 is been done the payment of the outstanding dividend to DLJ corresponding to 2018 and the first 4 months of 2019 in the amount of 29 million euros.
- 4Q**
 - In 4Q 2018, the collection of 95% of the public sale of BRZ (low cycle) took place. In 4Q 2019 Brazil public sale collections (middle cycle) can oscillate between 35% and 100%.
 - In 4Q 2019 are expected some non core asset disposals included in the disposals program of the company.

STRONG EBITDA AND CASHFLOW GENERATION EXPECTED IN SECOND SEMESTER OFFSETING A FIRST HALF CONDITIONED BY TEMPORARY EFFETS

Consistent with 2019 Outlook

In 2H2019, public sales in BRZ (repositions and medium cycle), public sales in MX, expected Media business performance and expected non core assets disposals, will more than offset first half temporary effects (reposition of public sales in BRZ and MX public sales), and the lack of non core asset disposals in first half.

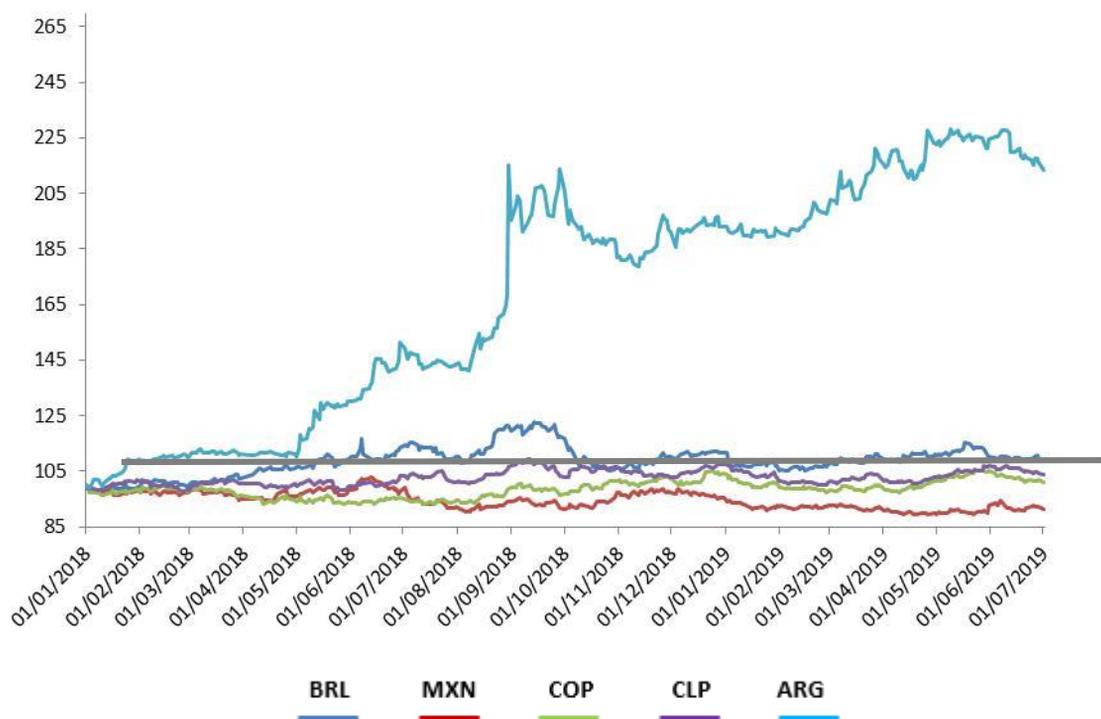


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FX Evolution

Group's results in Latin America are impacted by **exchange rates in the region** mainly in Brazil and Argentina (hyperinflation).

Negative FX impact on Group's revenue and EBITDA in 1H2019. **The negative impact has been of -6.7 million euros in revenue and -1.4 million euros on EBITDA.**



	BRL	MXN	COP	CLP	ARG
1Q2018	3,99	23,01	3.509,07	740,26	24,20
2Q2018	4,30	23,13	3.386,10	740,94	27,91
3Q2018	4,59	22,04	3.442,46	771,05	37,15
4Q2018	4,35	22,63	3.615,20	776,16	42,36
1Q2019	4,28	21,81	3560,74	758,39	44,29
2Q2019	4,40	21,47	3642,38	767,90	49,36

Source: Bloomberg



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Breakdown of operating revenue and comparable EBITDA by B.U.

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
Operating Revenues						
GROUP	571,9	629,1	(9,1)	259,6	308,1	(15,7)
Education	256,0	301,3	(15,1)	87,1	127,6	(31,8)
Radio	134,5	136,0	(1,1)	74,4	77,1	(3,5)
Press Total - includes PBS&IT	104,5	109,6	(4,6)	55,5	58,4	(5,1)
Media Capital	86,4	86,9	(0,6)	47,1	48,1	(2,2)
Others	(9,5)	(4,7)	(102,7)	(4,4)	(3,2)	(36,9)
Comparable EBITDA						
€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
GROUP	100,3	128,3	(21,8)	30,3	56,7	(46,6)
Education	61,9	91,0	(32,0)	(4,4)	22,8	---
Radio	28,1	27,1	3,7	20,1	21,4	(6,2)
Press Total - includes PBS&IT	1,6	(2,0)	---	4,7	1,1	---
Media Capital	14,2	20,6	(30,9)	13,2	14,8	(10,7)
Others	(5,6)	(8,5)	34,3	(3,4)	(3,4)	0,8
Comparable EBITDA excluding severance expenses						
€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
GROUP	107,9	148,9	(27,5)	33,1	66,6	(50,3)
Education	63,7	93,7	(32,0)	(3,0)	24,3	---
Radio	30,4	33,7	(9,7)	21,1	23,7	(10,8)
Press Total - includes PBS&IT	4,1	4,6	(9,8)	4,9	5,4	(8,4)
Media Capital	14,9	21,0	(28,8)	13,3	15,0	(11,8)
Others	(5,2)	(4,0)	(30,4)	(3,2)	(1,8)	(78,1)

Adjustments between reported EBITDA and EBIT and comparable EBITDA and EBIT

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2019	2018	% Chg.	2019	2018	% Chg.
Mediapro ruling & IFRS16 Effect						
Effect in Expenses	51,0	(17,7)	---	0,0	(8,9)	100,0
Mediapro Ruling	51,0	---	---	0,0	0,0	---
IFRS16	---	(17,7)	100,0	0,0	(8,9)	100,0
Effect in Amortizations	0,0	14,0	(100,0)	0,0	7,0	(100,0)
IFRS16	---	14,0	(100,0)	0,0	7,0	(100,0)
<p>a) Mediapro Ruling: The company has provisioned 51 million euros for the negative result of one of the judicial proceedings open with Mediapro.</p> <p>b) IFRS16: collects the impact of the implantation of the estimated IFRS16 in 2018 to make the exercises comparable.</p>						



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Adjustments from EBIT to Net Profit

€ Millions	2019	2018	% Chg.
Mediapro Ruling & IFRS16 impact			
Reported EBIT	2,9	80,5	(96,4)
Mediapro Ruling	51,0		
IFRS16 Effect		3,7	
Comparable EBIT	53,9	84,2	(36,0)
Reported Financial Result	(40,8)	(44,1)	7,4
IFRS16 Effect		(6,5)	
Comparable Financial Result	(40,8)	(50,6)	19,2
Reported Minority Interest	(0,8)	15,6	---
Mediapro Ruling	10,2		
Comparable Minority interest	9,4	15,6	(39,5)
Net Profit	(51,5)	0,4	---
Mediapro Ruling	(40,8)		---
IFRS16		(2,8)	100,0
Comparable Net Profit	(10,7)	(2,4)	---



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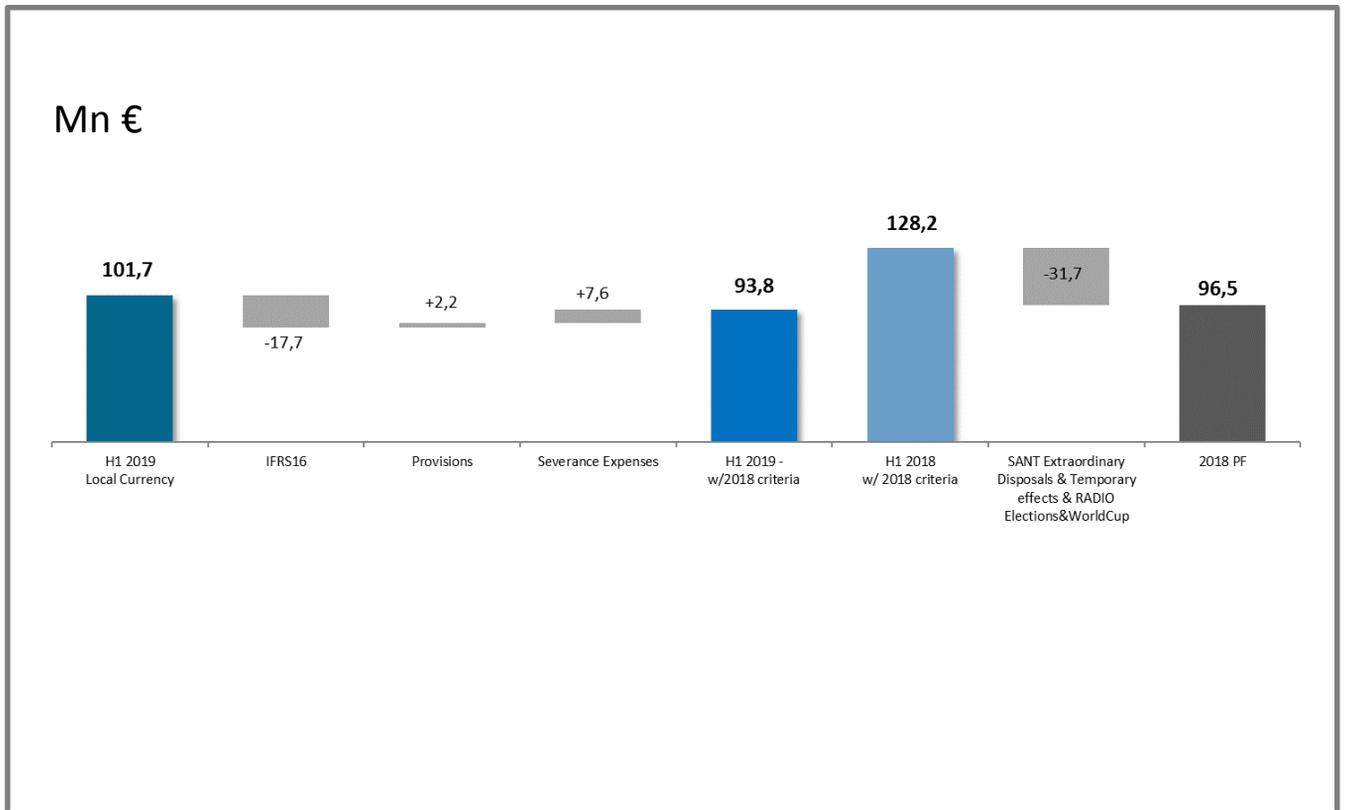
Conciliation between reported EBITDA and EBIT and comparable EBITDA and EBIT

	JANUARY - JUNE		
	2019	2018	% Chg.
Total Press			
Previous criteria reported EBITDA		(3,6)	100,0
Provisions		(1,1)	100,0
Reported EBITDA	1,6	(4,7)	---
IFRS16 Effect		2,7	(100,0)
Comparable EBITDA	1,6	(2,0)	---
Amortizations	4,9	4,3	12,2
Impairment from fixed assets	0,0	0,0	4,5
Comparable Operating Result	(3,2)	(6,3)	49,0
IFRS16 Effect		(0,7)	100,0
Reported Operating Result	(3,2)	(7,1)	54,4
	JANUARY - JUNE		
	2019	2018	% Chg.
MEDIA CAPITAL			
Previous criteria reported EBITDA		19,6	(100,0)
Provisions		(0,1)	100,0
Reported EBITDA	14,2	19,4	(26,7)
IFRS16 Effect	0,0	1,2	(100,0)
Comparable EBITDA	14,2	20,6	(30,9)
Amortizations	4,4	4,2	4,3
Impairment from fixed assets	0,0	0,0	---
Comparable Operating Result	9,8	16,4	(39,9)
IFRS16 Effect		0,0	(100,0)
Reported Operating Result	9,8	16,4	(40,0)
	JANUARY - JUNE		
	2019	2018	% Chg.
OTHERS			
Previous criteria reported EBITDA		(11,8)	100,0
Provisions		(0,2)	100,0
Reported EBITDA	(57,6)	(12,0)	---
Mediapro Ruling	51,0	1,3	---
IFRS16 Effect	0,0	1,1	(100,0)
Comparable EBITDA	(6,6)	(11,0)	39,9
Amortizations	1,6	1,3	22,4
Impairment from fixed assets	0,0	0,1	(100,0)
Comparable Operating Result	(8,2)	(12,4)	33,8
Mediapro Ruling	(0,0)	(0,1)	100,0
IFRS16 Effect			
Reported Operating Result			



TOTAL GROUP

EBITDA bridge between 2019 reporting and 2018 reporting





Investors Relation

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