



1H 2017 RESULTS PRESENTATION

Madrid, July 28th 2017

The information contained in this presentation has not been independently verified and is, in any case, subject to negotiation, changes and modifications.

None of the Company, its shareholders or any of their respective affiliates shall be liable for the accuracy or completeness of the information or statements included in this presentation, and in no event may its content be construed as any type of explicit or implicit representation or warranty made by the Company, its shareholders or any other such person. Likewise, none of the Company, its shareholders or any of their respective affiliates shall be liable in any respect whatsoever (whether in negligence or otherwise) for any loss or damage that may arise from the use of this presentation or of any content therein or otherwise arising in connection with the information contained in this presentation. You may not copy or distribute this presentation to any person.

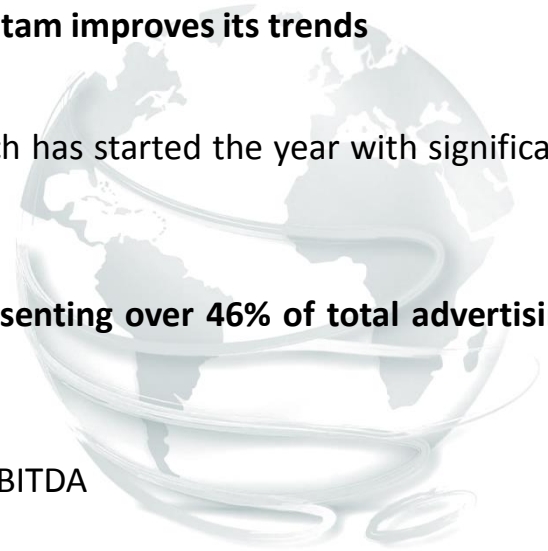
The Company does not undertake to publish any possible modifications or revisions of the information, data or statements contained herein should there be any change in the strategy or intentions of the Company, or occurrence of unforeseeable facts or events that affect the Company's strategy or intentions.

This presentation may contain forward-looking statements with respect to the business, investments, financial condition, results of operations, dividends, strategy, plans and objectives of the Company. By their nature, forward-looking statements involve risk and uncertainty because they reflect the Company's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of factors, including political, economic and regulatory developments in Spain and the European Union, could cause actual results and developments to differ materially from those expressed or implied in any forward-looking statements contained herein.

The information contained in this presentation does not constitute an offer or invitation to purchase or subscribe for any ordinary shares, and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

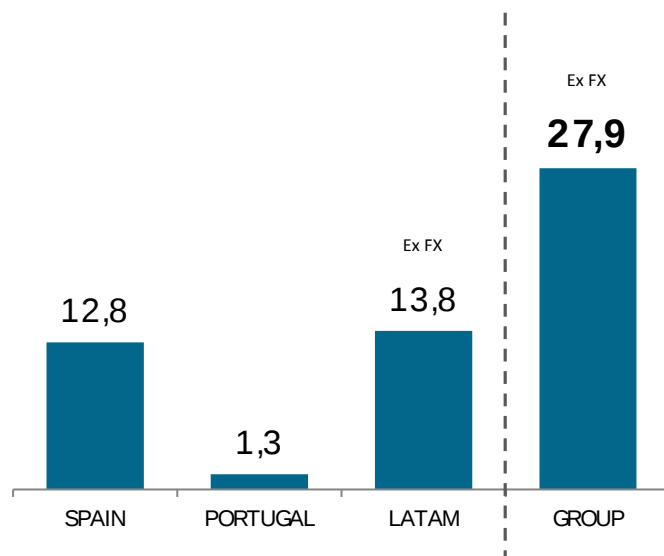
Strong set of results supported by outstanding performance of Santillana and Radio Recovery

- 1** **Santillana grows in local currency by 9% in revenues and by 33% in EBITDA.** Highlights the performance of Brazil and Argentina.
- 2** **Radio shows recovery in Spain** with advertising revenues growing **and Latam improves its trends**
- 3** **In Portugal, MediaCapital improves its ebitda by 3.3%** in a market which has started the year with significant drops in advertising which moderate in 2Q . Significant cost reduction.
- 4** **Press continues growing in Digital (+5%)** with online advertising representing over 46% of total advertising revenues
- 5** **Positive FX impact** of 25.4 million euros in revenues and 10.8 million in EBITDA
- 6** **Net bank debt amounts €1,543Mn as of June 30th.** Financial expenses reduced by **€4.4 Million.**
- 7** **Binding offer for MediaCapital accepted. EV (€440 Mn).**

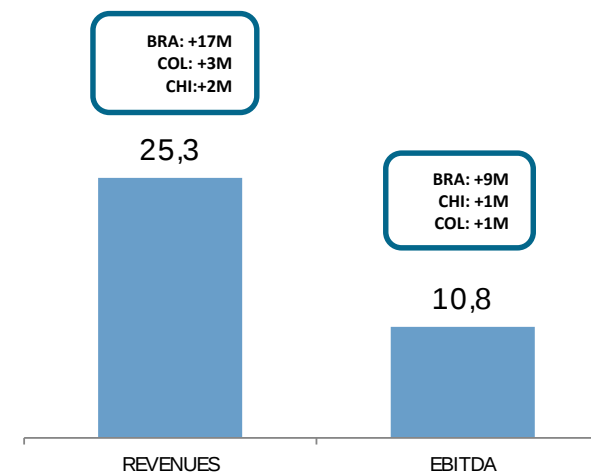


Million €	1H 2017	Chg. 17/16	Chg at Ont Ccy 17/16
REVENUES	665	4,9% 30,8M€	0,9% 5,5M€
EBITDA	136	39,9% 38,7M€	28,7% 27,9M€
<i>EBITDA Margin</i>	<i>20,4%</i>	<i>5,1 p.p.</i>	<i>4,2 p.p.</i>
EBIT	98	77,8% 42,8M€	61,5% 33,8M€
<i>EBIT Margin</i>	<i>14,7%</i>	<i>6 p.p.</i>	<i>5,2 p.p.</i>

EBITDA VARIATION (M€)

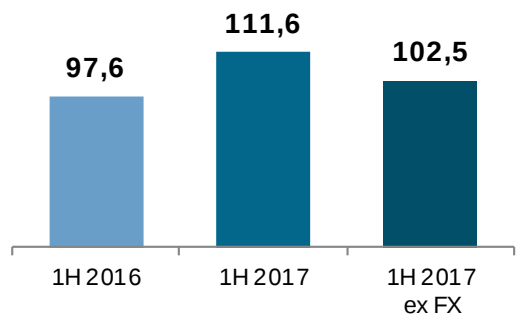


FX Effect (M€)



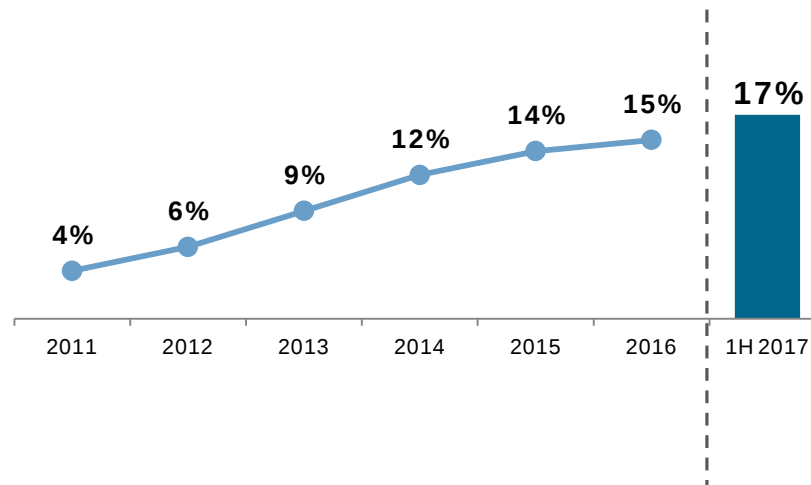
Transformation revenues

M€

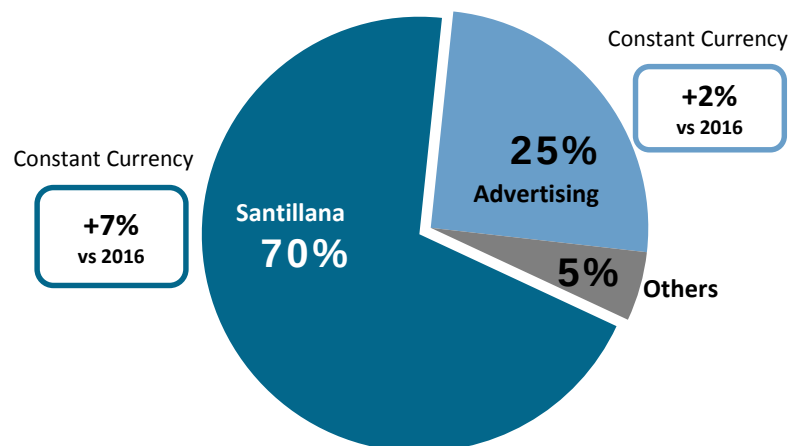


Chg (%)	14,3%
Chg ex FX (%)	5,0%

Contribution to Group's Total Revenues

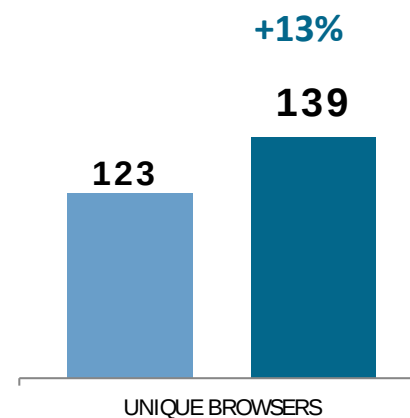


Revenues breakdown in 2017

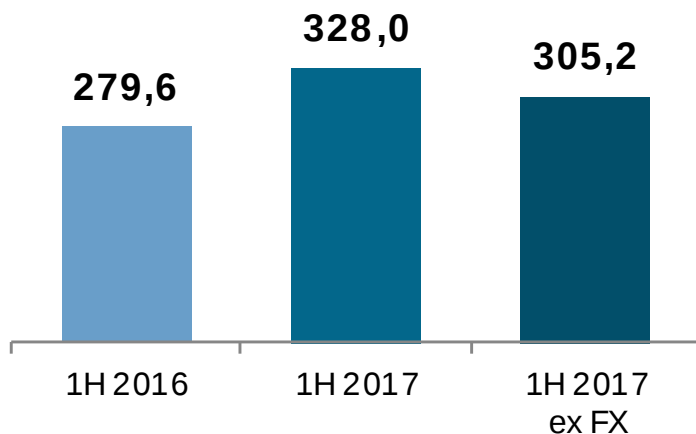


Audience

■ 2017
■ 2016

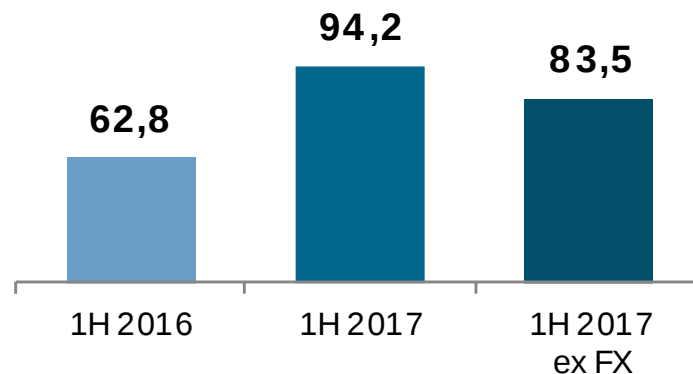


Revenues



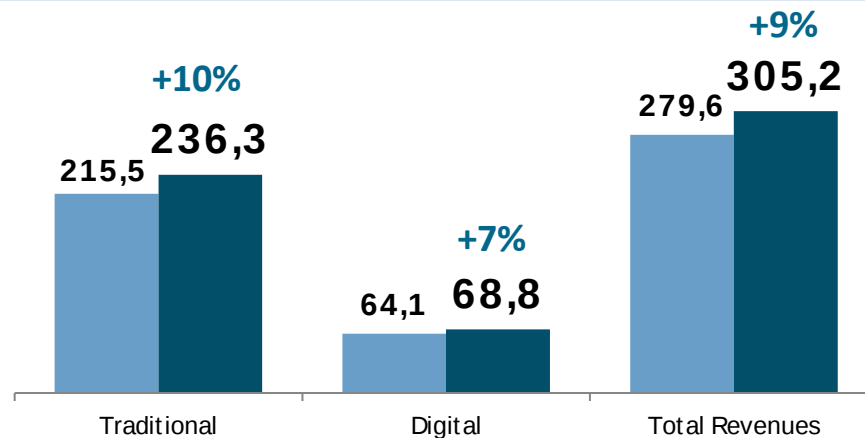
Chg (%) 17,3%
Chg ex FX (%) 9,2%

Adjusted EBITDA



Chg (%) 50,0%
Chg ex FX (%) 32,9%

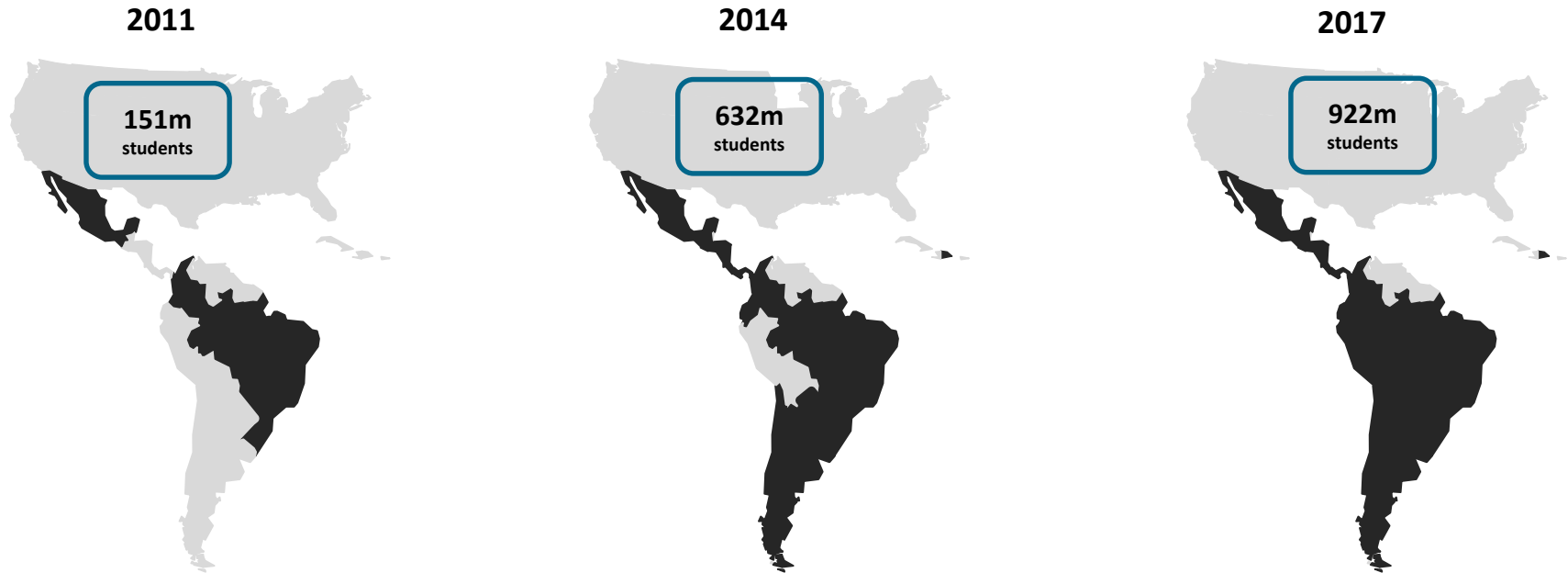
Revenues by Business at Constant Currency



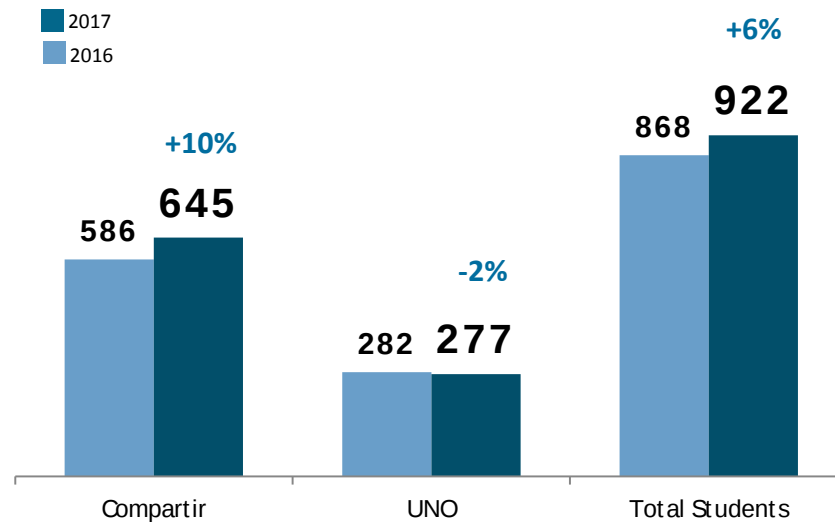
Operating performance by Business & main countries

€ Millions	Revenues			Adjusted EBITDA		
	JANUARY - JUNE			JANUARY - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Total Santillana	328,0	279,6	17,3	94,2	62,8	50,0
Traditional Education and Compartir	299,1	249,4	19,9	85,3	53,0	60,9
South Campaign	196,8	161,5	21,9	76,2	55,8	36,6
North Campaign	102,3	88,0	16,3	9,2	(2,7)	---
UNO System	28,9	30,1	(3,9)	8,9	9,8	(8,9)

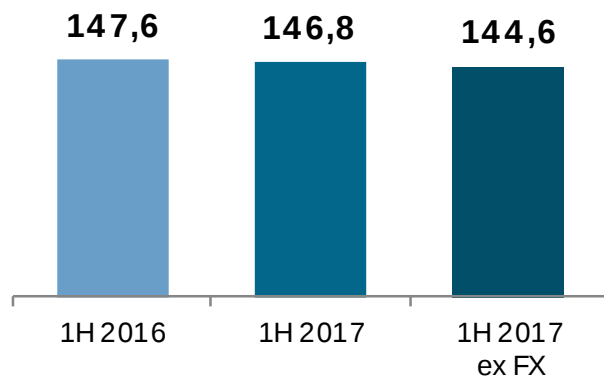
	Revenues at constant currency			Adjusted EBITDA at constant currency		
	JANUARY - JUNE			JANUARY - JUNE		
	2017	2016	% Chg.	2017	2016	% Chg.
Total Santillana	305,2	279,6	9,2	83,5	62,8	32,9
Traditional Education and Compartir	278,8	249,4	11,8	75,5	53,0	42,5
South Campaign	177,4	161,5	9,8	67,2	55,8	20,6
North Campaign	101,5	88,0	15,3	8,3	(2,7)	---
UNO System	26,4	30,1	(12,4)	7,9	9,8	(19,0)



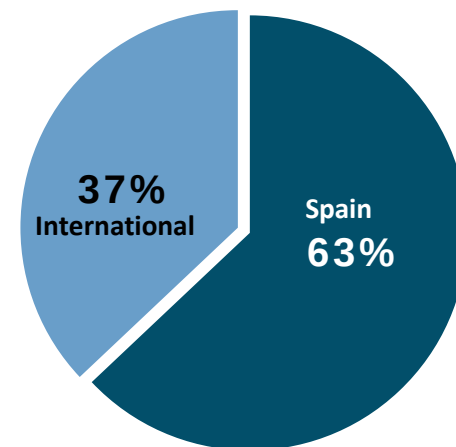
NUMBER OF STUDENTS (Thousands)



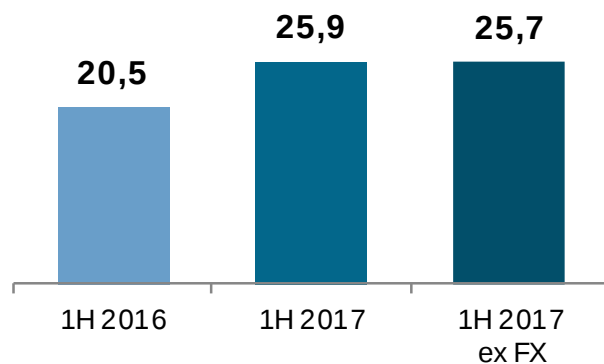
Revenues evolution



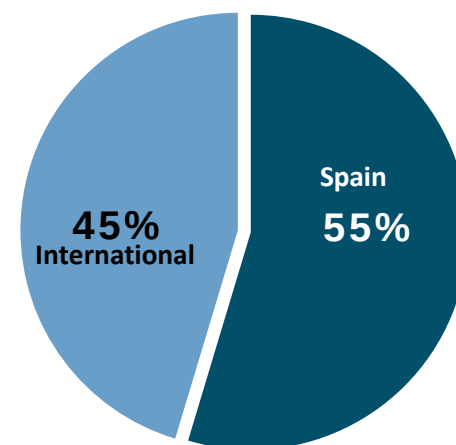
Chg (%)	-0,5%
Chg ex FX (%)	-2,0%



EBITDA evolution



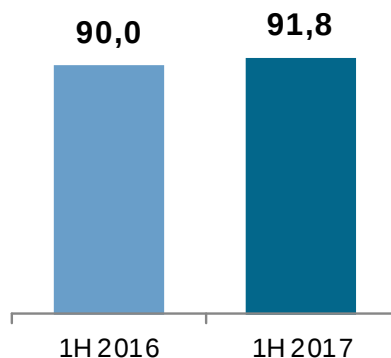
Chg (%)	26,2%
Chg ex FX (%)	25,2%



RADIO SPAIN

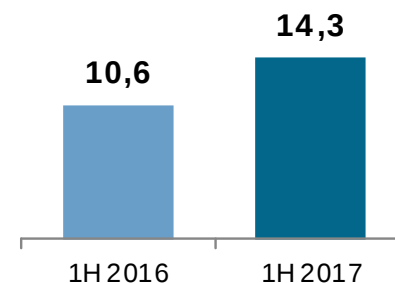


Revenues



Chg (%) 2,0%

EBITDA

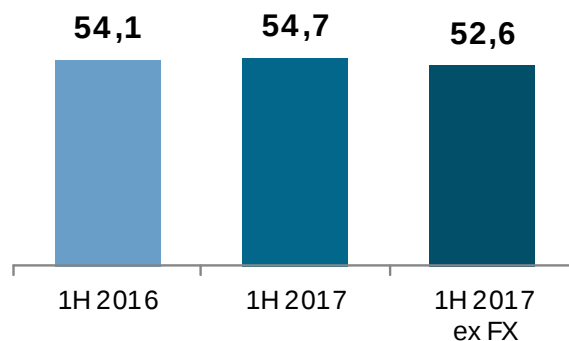


Chg (%) 34,8%

RADIO LATAM



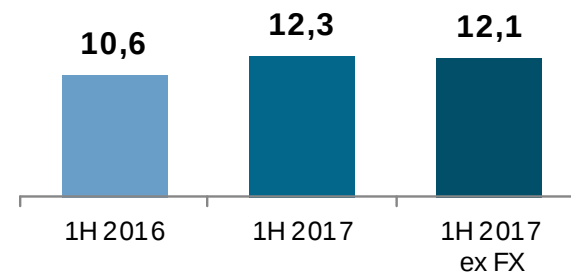
Revenues



Chg (%) 1,2%

Chg ex FX (%) -2,7%

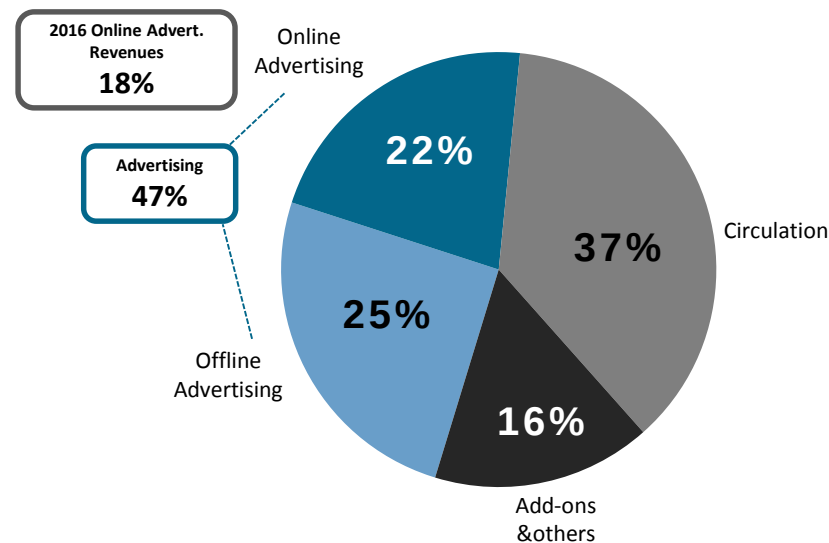
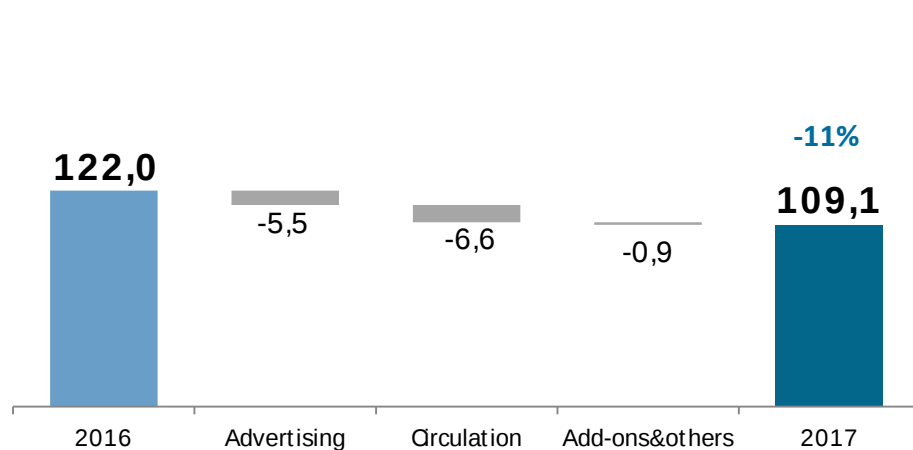
EBITDA



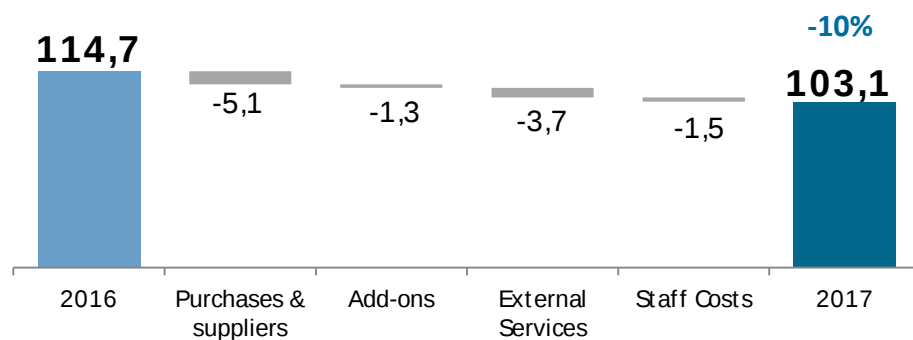
Chg (%) 15,8%

Chg ex FX (%) 13,5%

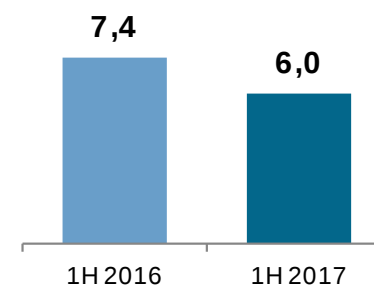
Revenues



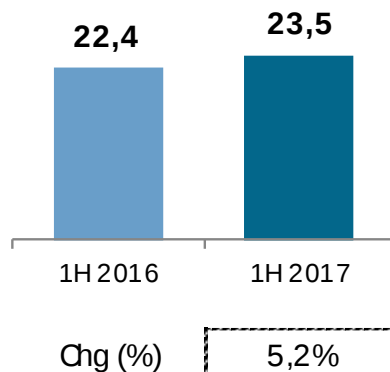
Adjusted Expenses



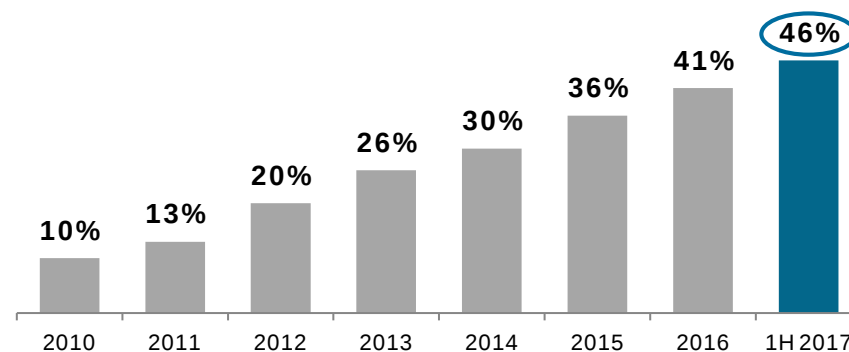
Ajusted EBITDA



Online Advertising Revenues

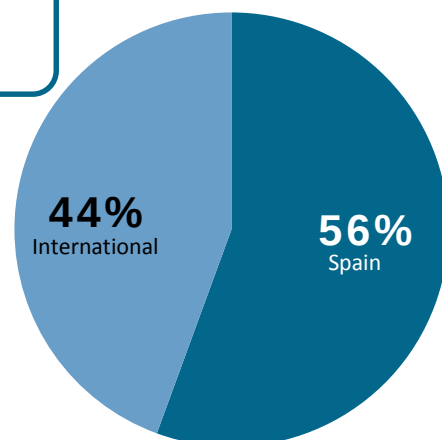


Online Advertising contribution



Worldwide audience El País.com (YTD)

50M* Unique Users
73M Unique Browsers
17M Videos

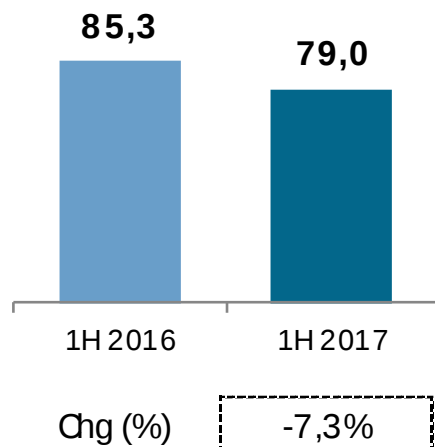


Spain Audience (PC+mobile)

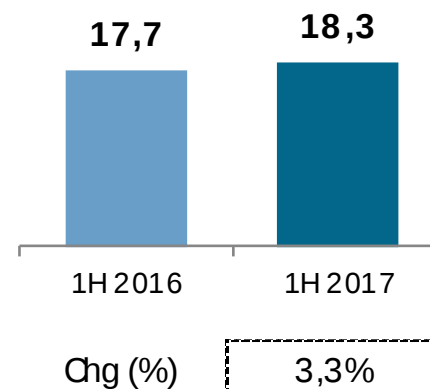
Ranking	PC+Mobile Spain (May'17)	Unique Users (M)	YoY
1	YOUTUBE	27,1	13%
2	GOOGLE	26,9	11%
3	FACEBOOK	22,8	9%
4	EL PAÍS	18,7	28%
5	ELMUNDO	16,5	18%

Spain figures: Spain unique users (Pc+mobile). Last available information (May 2017).

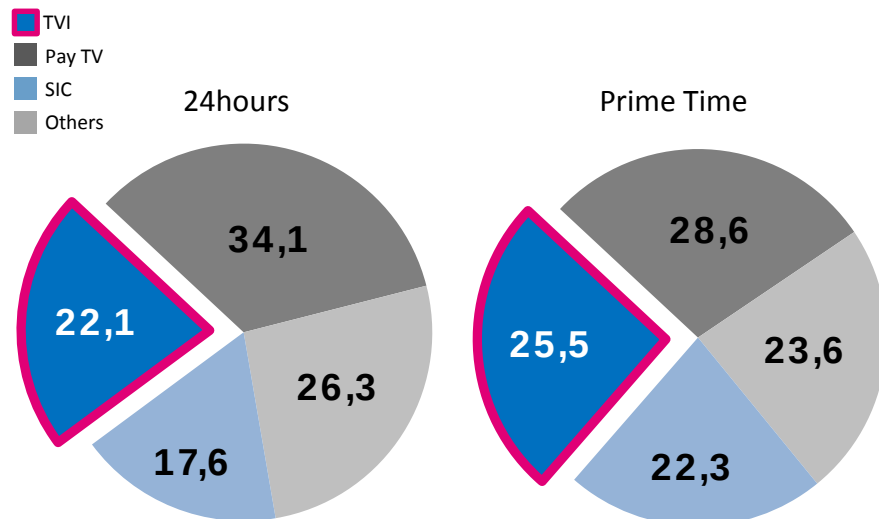
Revenues



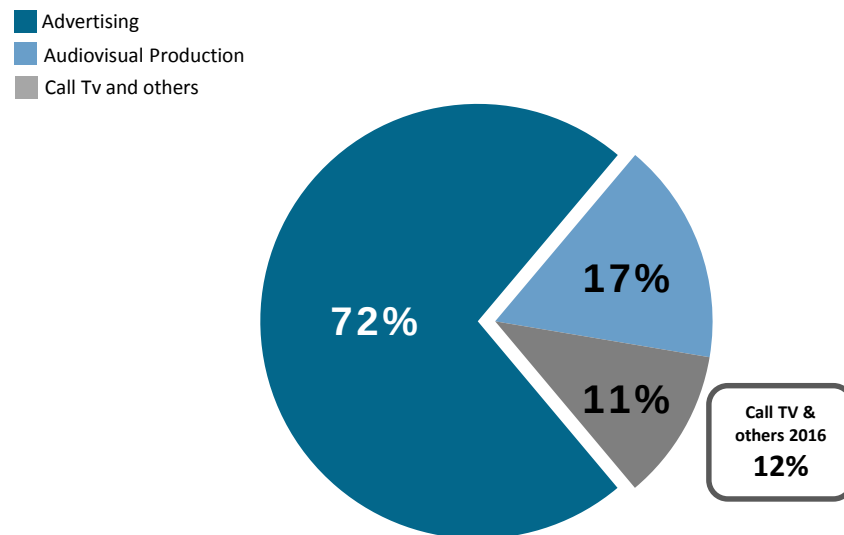
Adjusted EBITDA



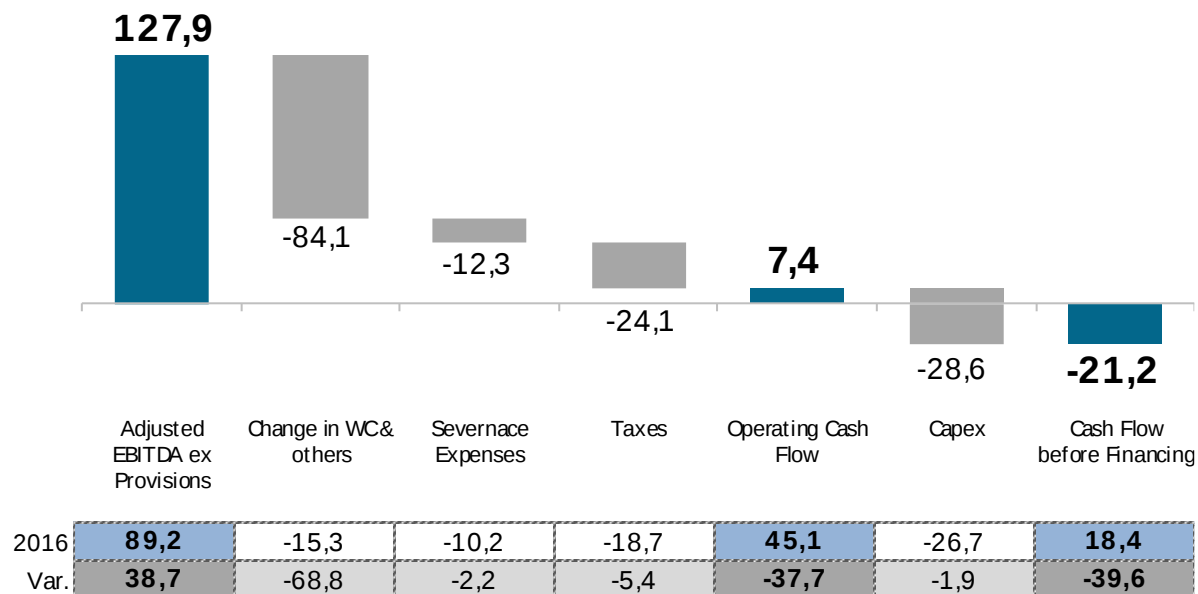
TVI Audience (%YTD)



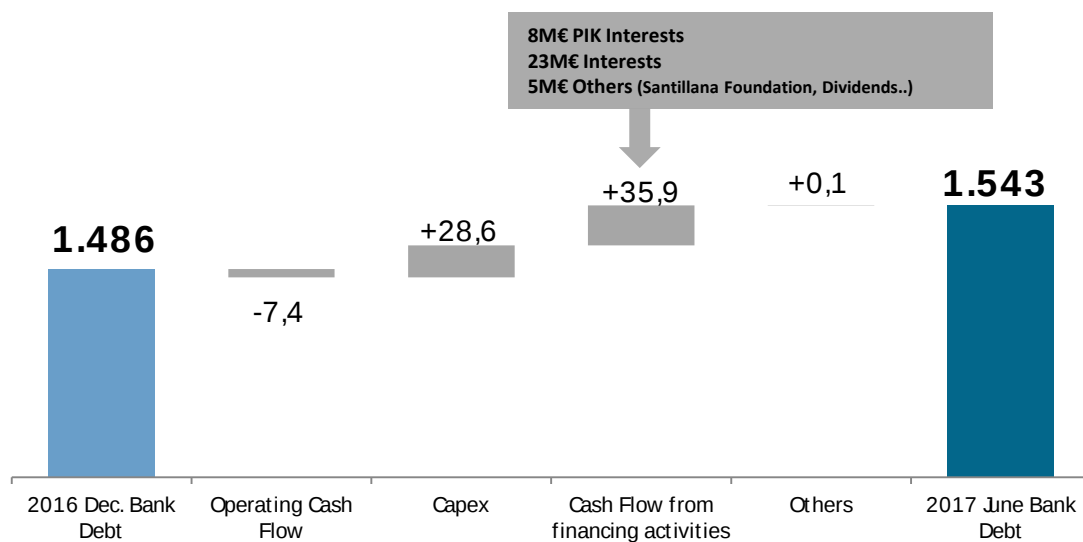
Revenues Breakdown 2017



	JANUARY - JUNE		
	2017	2016	% Chg.
EBIT	79,9	44,9	77,7
<i>EBIT Margin</i>	<i>12,2%</i>	<i>7,2%</i>	
Financial Result	(26,3)	(26,0)	(1,1)
Interests on debt	(26,9)	(31,3)	14,1
Other financial results	0,7	5,4	(87,7)
Result from associates	0,6	2,0	(71,5)
Profit before tax	54,1	20,9	159,0
Income tax expense	25,1	17,8	41,2
Results from discontinued activities	(1,0)	(0,3)	---
Minority interest	(14,2)	(13,3)	(6,3)
Net Profit	13,9	(10,5)	---



Net Bank Debt Evolution



Binding offer for MediaCapital accepted by the board on July 14th 2017:

Enterprise value: **€440Mn**

The execution of the transaction is subject to:

- the required authorization of the antitrust and regulatory authorities in Portugal
- the waiver from certain lenders of Prisa
- and the approval by the General Shareholders Meeting of Prisa.

The estimated final price of the transaction for Prisa's stake in Media Capital after the usual adjustments in this kind of transactions is **€321 million** (equity value).

Accounting loss according to the estimates of the Company

- **€69 million** in the **consolidated accounts**
- **€81 million** in the **individual accounts**

- 1 **Santillana has reported a strong set of results with strong growth and margin improvement**
- 2 **The radio in Spain grows again with Latam trends improving**
- 3 **In Portugal, Mediacapital has started the year with falls in the advertising market but trends are improving**
- 4 **Cost Control in all business areas**
- 5 **Cashflow generation of the company remains in line with plan**
- 6 **Deleveraging and strengthening balance sheet continues to be a priority**

