



3Q 2017 RESULTS PRESENTATION

Madrid, November 15th 2017

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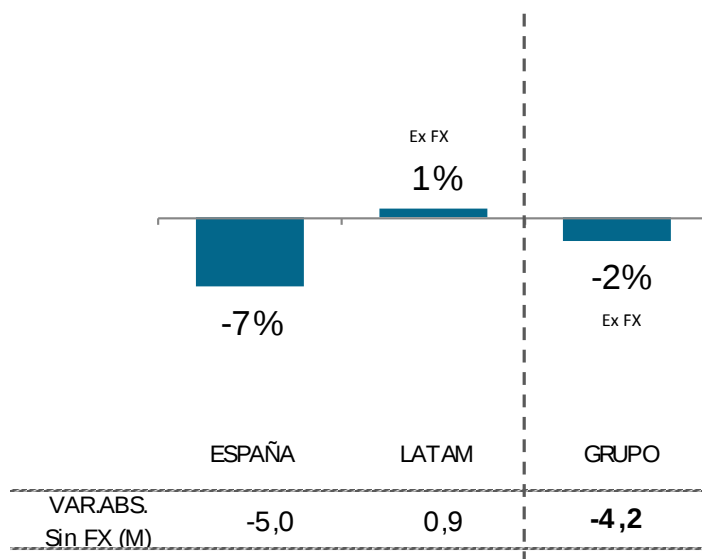
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- 1 **Santillana shows good performance** despite results have been affected by low cycle in Spain due to lack of novelties and lower replacements.
- 2 **Radio shows advertising growth in Spain** in line with market trends and **improves its operating performance**.
- 3 **Press continues growing in Digital** with online advertising representing over 46% of total advertising revenues. **Strong cost control**.
- 4 **Positive FX impact** of 18.6 million euros in revenues and 8.7 million in EBITDA.
- 5 **Binding offer for Media Capital accepted. EV (€440Mn)**. Process on going pending Antitrust approval.
- 6 **Cash capital increase of €450Mn and €100 million of voluntary PPL conversion approved by EGM**.
- 7 **Refinancing keeps ongoing. Working with our lenders to reach an agreement**.

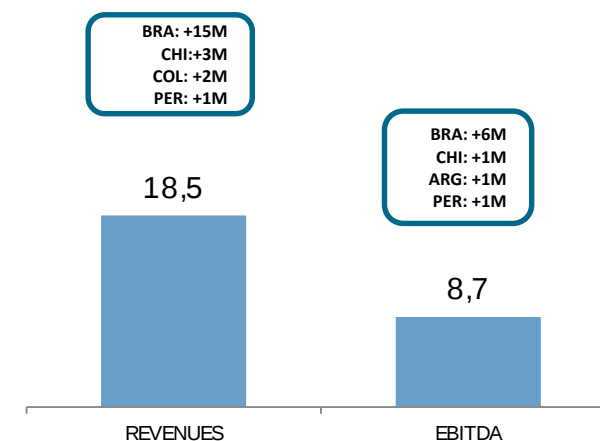


	JAN - SEPT 2017	Chg. 17/16		Chg at Qnt Ccy 17/16	
Million €					
REVENUES	904	-0,9%	-8,1M€	-2,9%	-26,7M€
EBITDA	195	2,4%	4,5M€	-2,2%	-4,2M€
<i>EBITDA Margin</i>	<i>21,6%</i>	<i>0,7 p.p.</i>		<i>0,1 p.p.</i>	
EBIT	124	20,1%	20,8M€	13,0%	13,5M€
<i>EBIT Margin</i>	<i>13,8%</i>	<i>2,4 p.p.</i>		<i>1,9 p.p.</i>	

EBITDA VARIATION (M€)

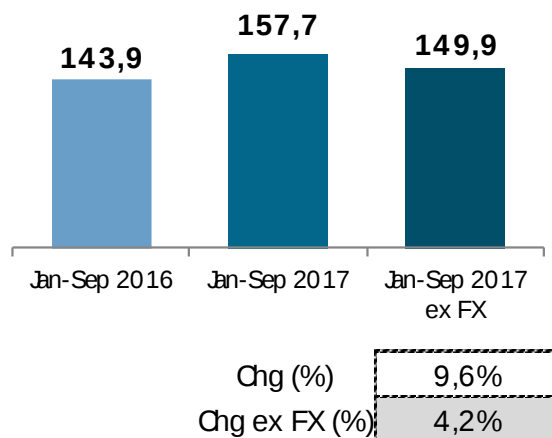


FX Effect (M€)

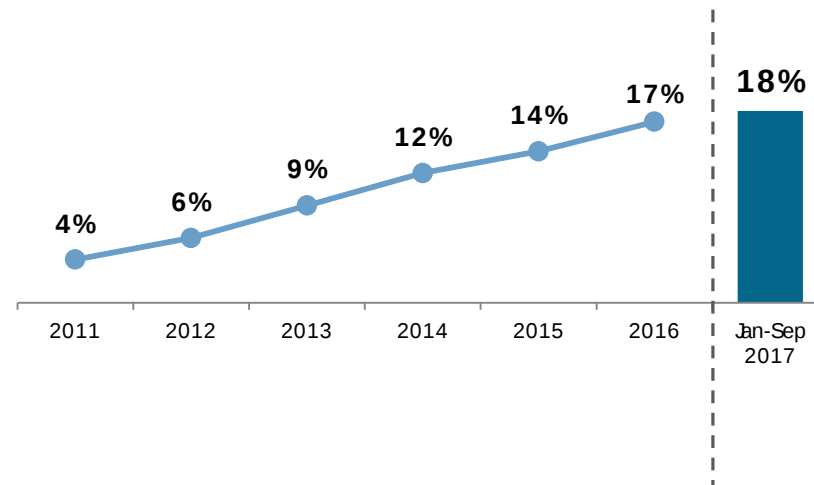


Transformation revenues

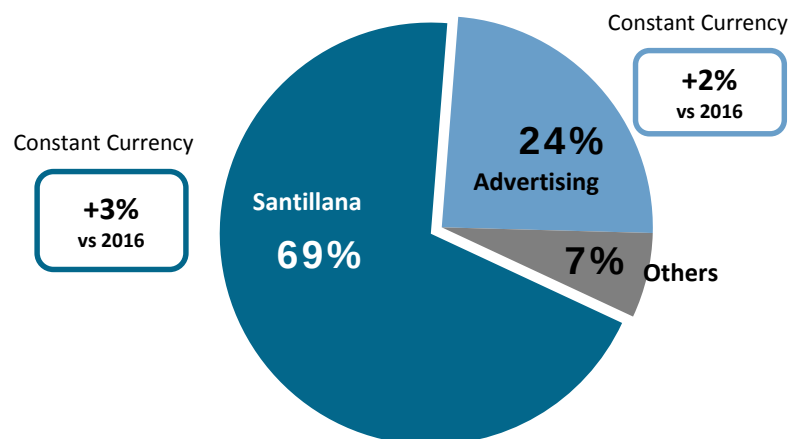
M€



Contribution to Group's Total Revenues

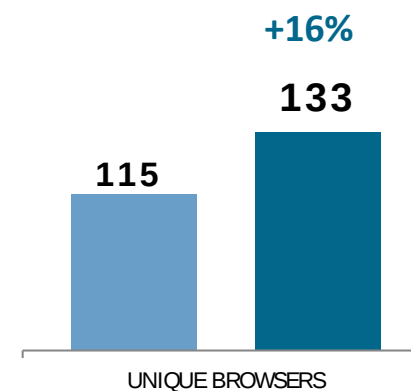


Revenues breakdown in 2017

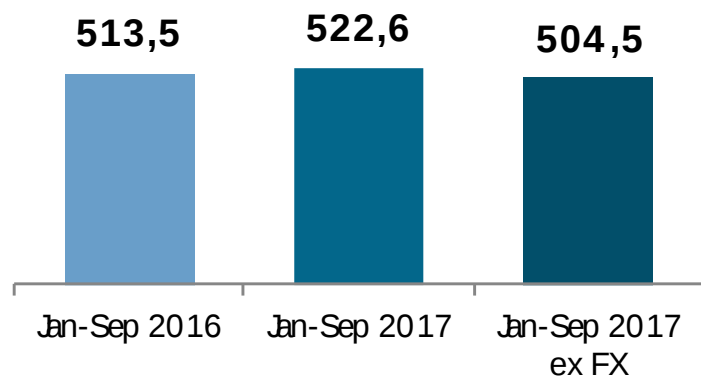


Audience

■ 2017
■ 2016

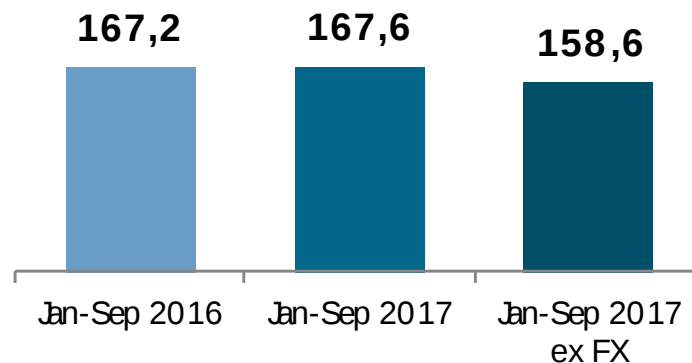


Revenues



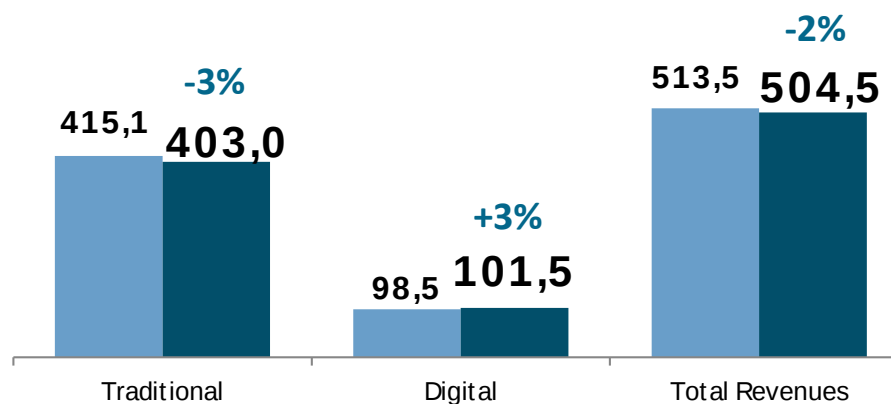
Chg (%)	1,8%
Chg ex FX (%)	-1,8%

Adjusted EBITDA



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

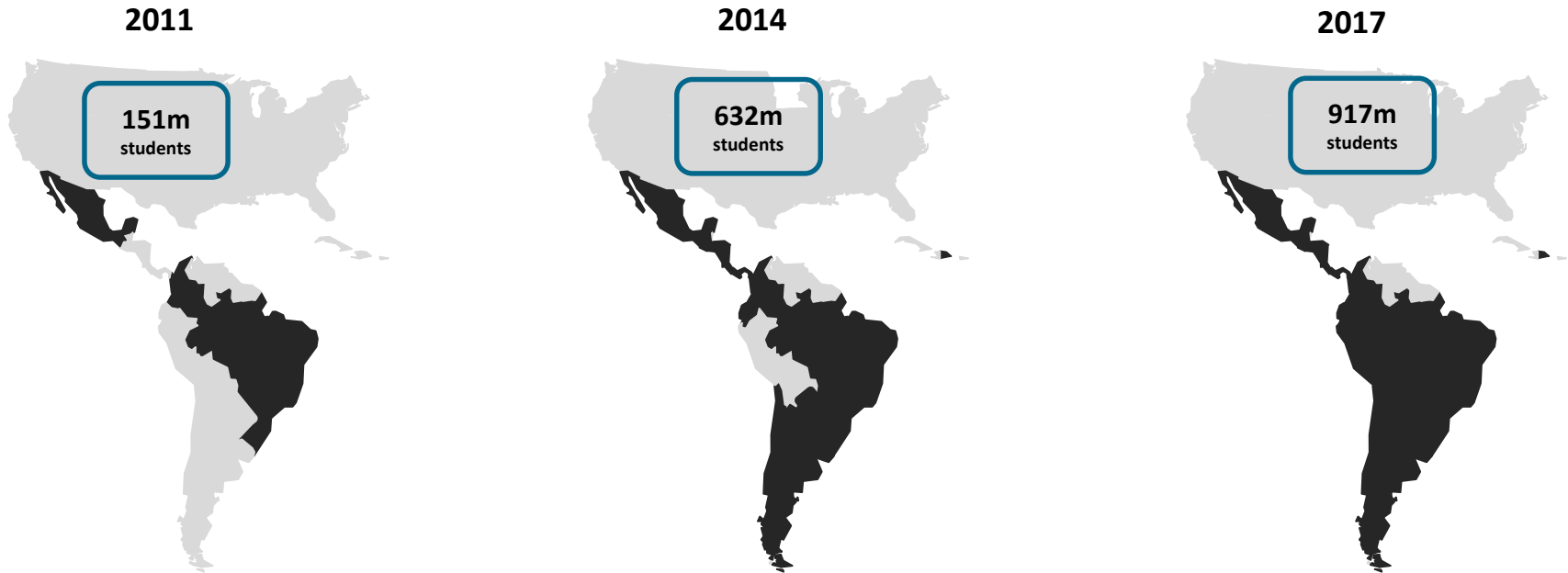
Revenues by Business at Constant Currency



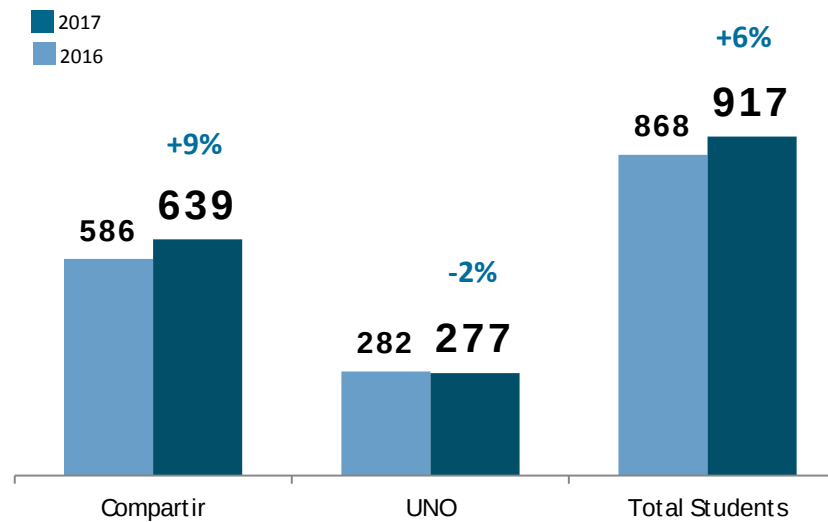
Operating performance by Business & main countries

€ Millions	Revenues			Adjusted EBITDA		
	JANUARY - SEPTEMBER			JANUARY - SEPTEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
Total Santillana	522,6	513,5	1,8	167,6	167,2	0,2
Traditional Education and Compartir	481,5	470,5	2,3	158,2	154,8	2,2
South Campaign	221,7	198,6	11,6	59,6	47,1	26,4
North Campaign	259,8	272,0	(4,5)	98,6	107,7	(8,5)
UNO System	41,1	43,0	(4,4)	9,4	12,4	(24,3)

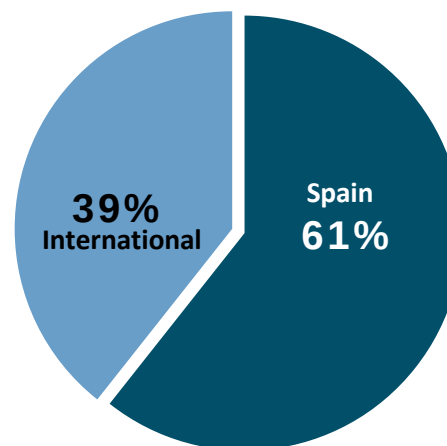
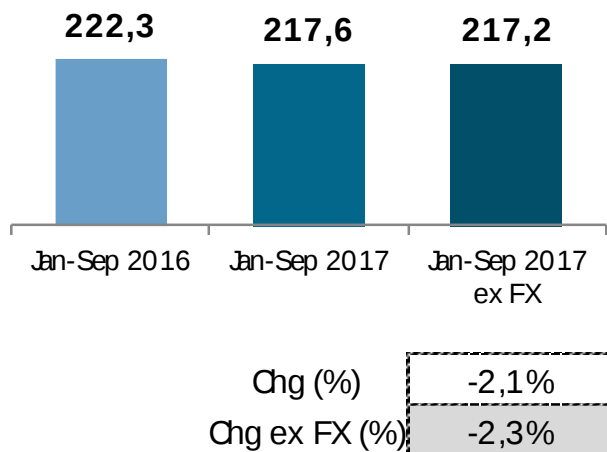
	Revenues at constant currency			Adjusted EBITDA at constant currency		
	JANUARY - SEPTEMBER			JANUARY - SEPTEMBER		
	2017	2016	% Chg.	2017	2016	% Chg.
Total Santillana	504,5	513,5	(1,8)	158,6	167,2	(5,2)
Traditional Education and Compartir	465,7	470,5	(1,0)	150,1	154,8	(3,1)
South Campaign	205,2	198,6	3,3	51,5	47,1	9,3
North Campaign	260,5	272,0	(4,2)	98,6	107,7	(8,5)
UNO System	38,9	43,0	(9,7)	8,5	12,4	(31,4)



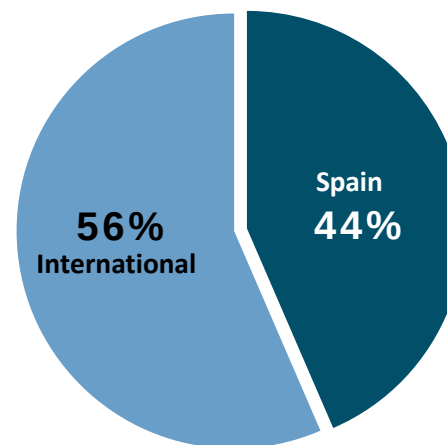
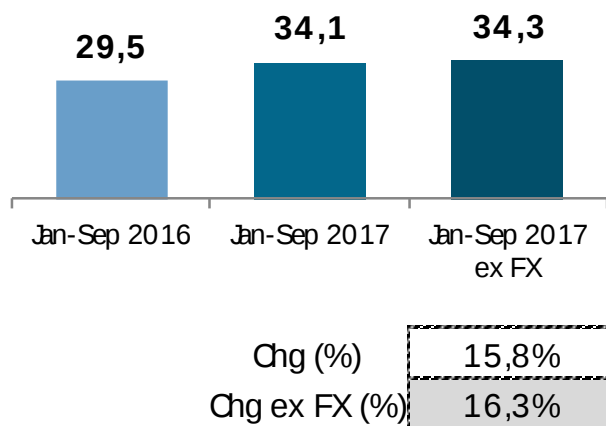
NUMBER OF STUDENTS (Thousands)



Revenues evolution



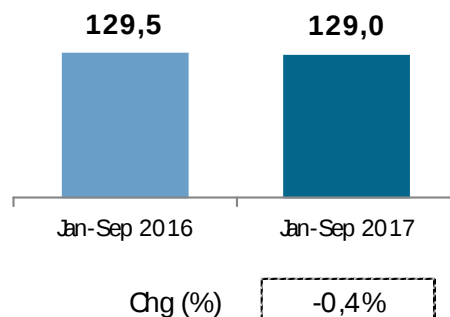
EBITDA evolution



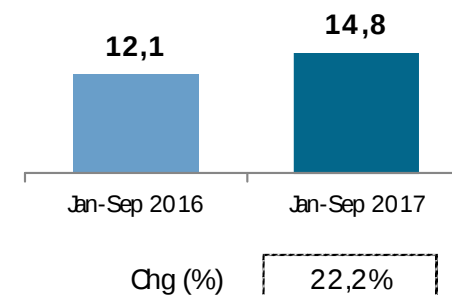
RADIO SPAIN



Revenues



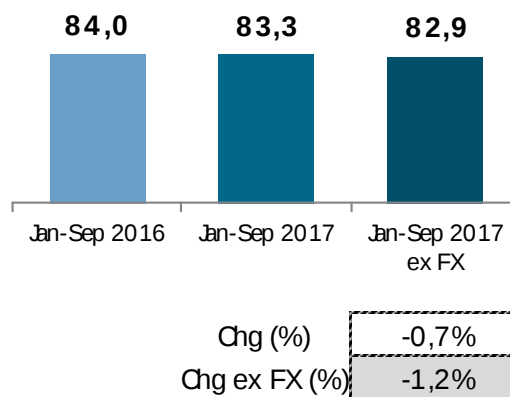
EBITDA



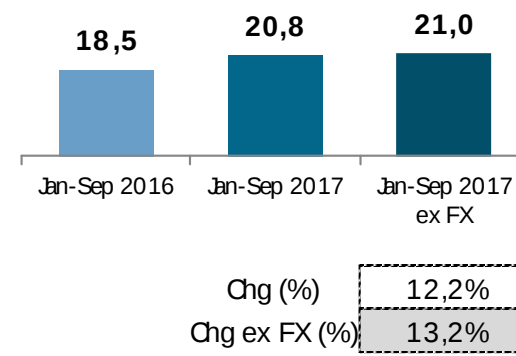
RADIO LATAM



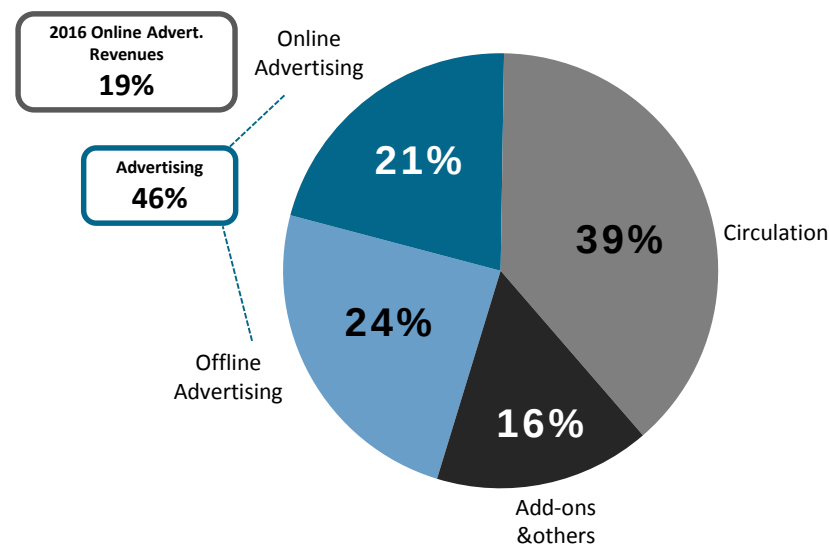
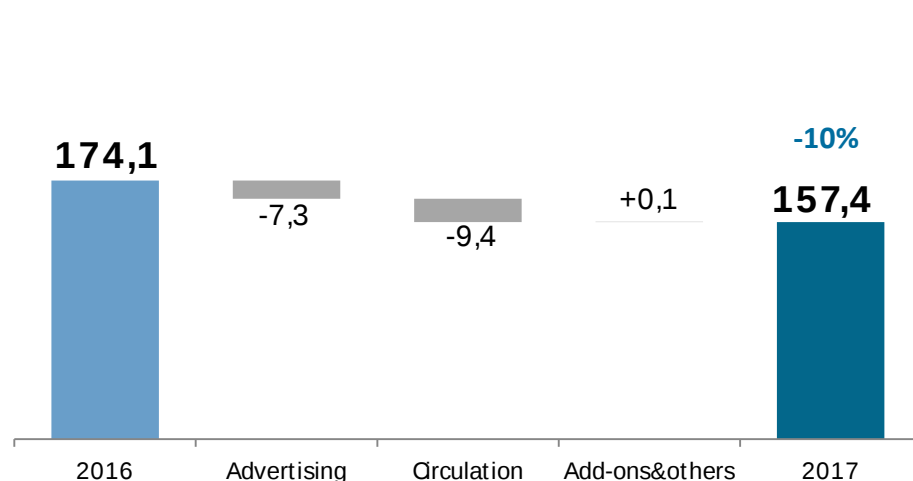
Revenues



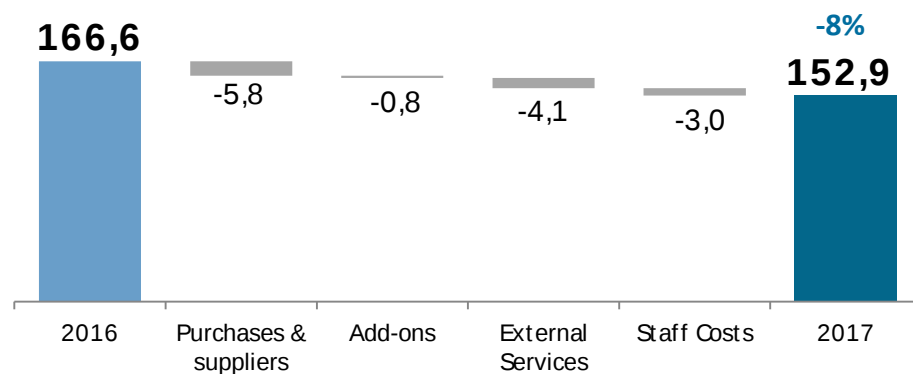
EBITDA



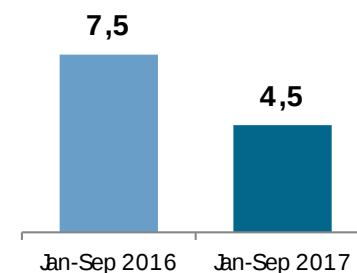
Revenues



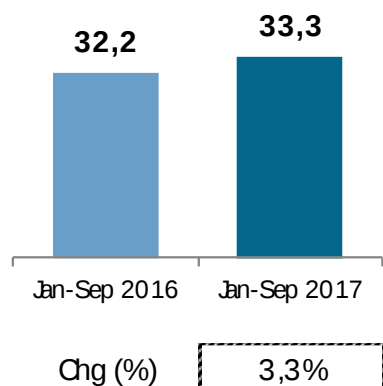
Adjusted Expenses



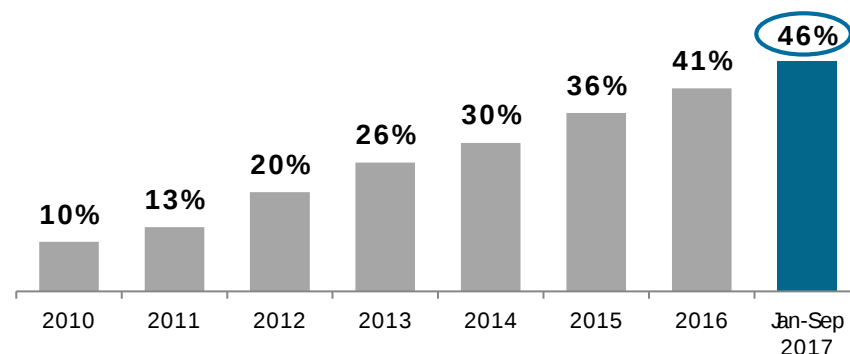
Ajusted EBITDA



Online Advertising Revenues

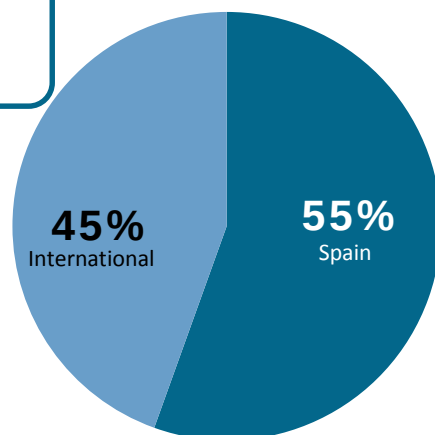


Online Advertising contribution



Worldwide audience El País.com (YTD)

46M* Unique Users
76M Unique Browsers
90M Videos (onsite+offsite)

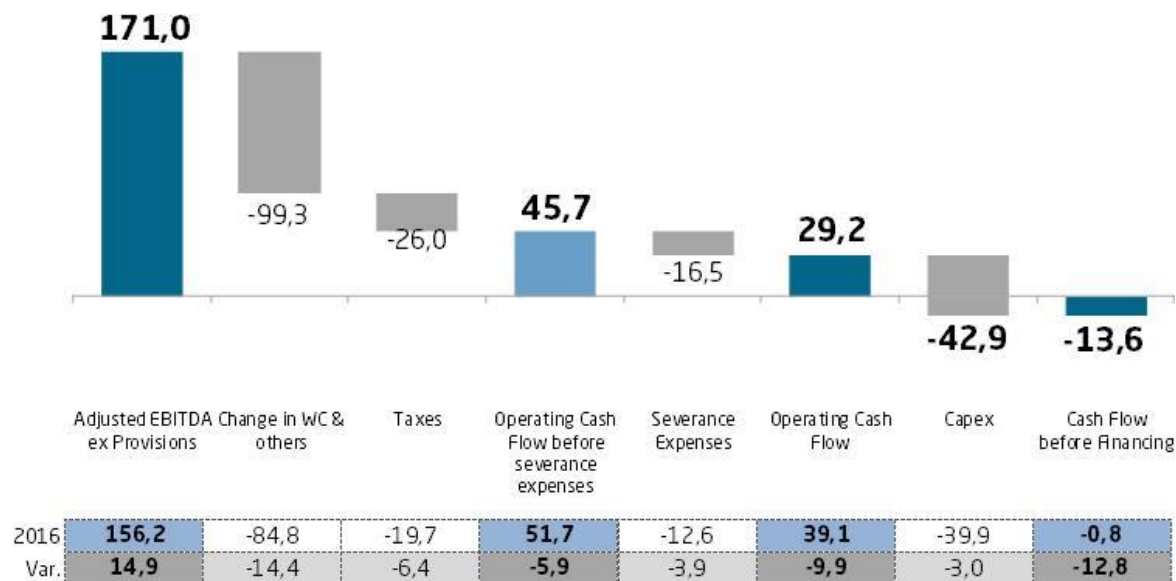


Spain Audience (PC+mobile)

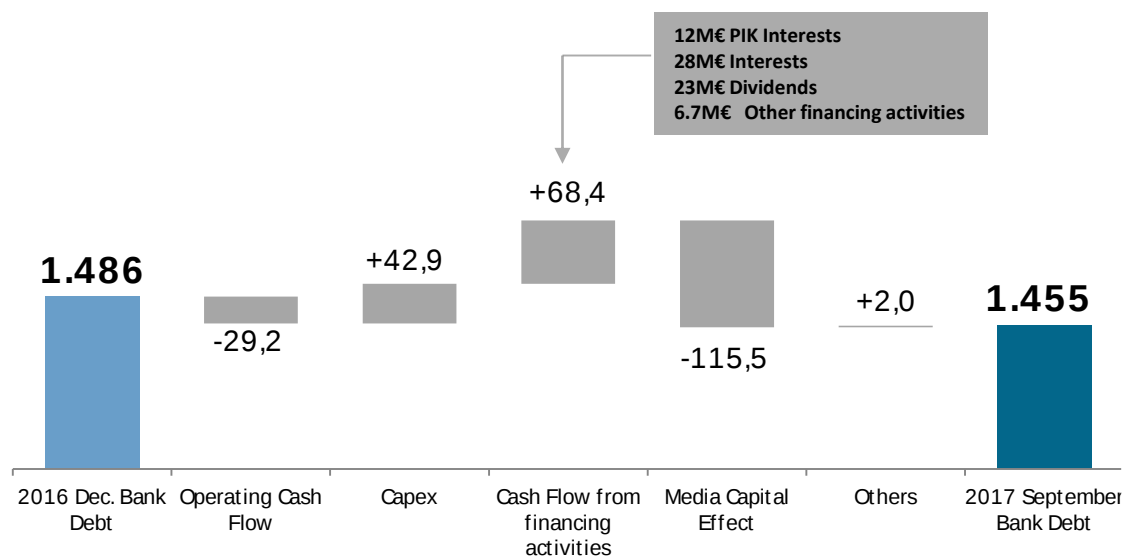
Ranking	PC+Mobile Spain (August '17)	Unique Users (M)	YoY
1	GOOGLE	25,9	2%
2	YOUTUBE	25,3	4%
3	FACEBOOK	22,3	0%
4	EL PAÍS	19,8	41%
5	ELMUNDO	18,1	35%

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

	JANUARY - SEPTEMBER		
	2017	2016	% Chg.
EBIT	102,5	89,8	14,1
<i>EBIT Margin</i>	<i>11,5%</i>	<i>10,0%</i>	
Financial Result	(37,0)	(41,7)	11,3
Interests on debt	(37,2)	(42,4)	12,2
Other financial results	0,3	0,7	(64,3)
Result from associates	1,6	2,9	(43,4)
Profit before tax	67,1	51,0	31,7
Income tax expense	36,6	26,2	39,9
Results from discontinued activities	65,4	(9,6)	---
Minority interest	(20,1)	(20,5)	2,0
Net Profit	(55,0)	14,0	---
Net profit excluding discontinued activities	10,4	4,3	142,1



Net Bank Debt Evolution



- The GSM held yesterday approved a **capital increase of €450 million + €100 million of voluntary PPL capitalization**
- **A majority of core shareholders has already committed or expressed their intention to participate.** Additional underwriting coming from financial institutions and/or new investors would complement the one given by existing shareholders.
- Capital increase is subjected to
 - reaching **an agreement with the totality or part of the creditors holding financial debt of the Company**, which, in the opinion of the Board of Directors, may enable a restructuring or refinancing of the debt,
 - **the approval and filing of the corresponding Prospectus by the Spanish CNMV**
- Currently, the **Company is negotiating with main creditors the refinancing of current bank debt** in order to achieve a more flexible structure in line with expected cash flow evolution.
- **Capital increase could be executed during Q1 2018.**

- **Binding offer for MediaCapital accepted by the board on July 14th 2017:**
Enterprise value: **€440Mn**
- The waiver from certain lenders of Prisa and the approval by the General Shareholders Meeting of Prisa have already been achieved
- **As of today, the execution of the transaction is subject to** the required authorization of Antitrust in Portugal
- **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** already registered in 9M results

- 1 **Santillana remains** solid and it is expected to end the year with robust results on the back of good perspectives for both institutional and regular sales in Brazil.
- 2 **Radio will follow market trends in Spain. In LatAm, focus in Colombia** to improve its performance.
- 3 **Press will continue improving in digital** with strong cost control focus. Legacy business continues challenging.
- 4 The **Company is focused** in successfully executing Capital increase and global refinancing **to achieve a long term and sustainable capital structure.**

