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Financial Report 2014

Deloitte.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Vocento, S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Vocento, S.A., which comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

Directors' Responsibility for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of Vocento, S.A. in accordance with the regulatory financial reporting framework applicable to the Company in Spain (identified in Note 2-a to the accompanying financial statements) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of Vocento, S.A. as at 31 December 2014, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Emphasis of Matter

We draw attention to Note 2-b to the accompanying financial statements, which indicates that the separate financial statements are presented in compliance with current Spanish corporate law. However, the transactions of Vocento, S.A. and of the Group companies are managed on a consolidated basis, irrespective of the recognition in the separate financial statements of the related effect on equity and of the results of such transactions. Consequently, the accompanying financial statements of Vocento, S.A. do not reflect the financial and equity changes resulting from the application of consolidation methods to the investments in Group companies and associates or to the transactions performed by Vocento, S.A. and by those companies. These changes are reflected in the consolidated financial statements for 2014, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, on which we have issued our auditor's report on this same date, in which we expressed an unmodified opinion. The balances of the main consolidated line items determined in accordance with International Financial Reporting Standards are detailed in Note 2-b to the accompanying financial statements.

Report on Other Legal and Regulatory Requirements

The accompanying directors' report for 2014 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2014. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.

Registered in ROAC under no. S0692

Luis Jiménez Guerrero
25 February 2015

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DECLARATION OF THE ACCURACY OF THE ANNUAL FINANCIAL REPORT

The Directors of VOCENTO, S.A. formulated on 25 February 2015 the annual accounts of VOCENTO, S.A. and the corresponding management report, resulting in the following documents: (i) balance sheet, (ii) profit and loss account, (iii), statement of recognised revenues, expenses and changes to consolidated shareholder equity, (iv) statement of cash flows, each on one page, an annual report of 43 pages numbered from 1 to 40 and an appendix of 3 pages, and a management report of 23 pages including the annual corporate governance report and the annual report of activities of the Audit and Compliance Committee. These documents can be found on paper with the letterhead of the company, numbered and written on one side only, as well as the current appendix, signed by each and every one of the members of the Board of Directors who have formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Madrid, 25 February 2015

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

LIMA, S.L. (represented by D. Juan Ramón Urrutia Ybarra) (Deputy Chairman)

D. Luis Enríquez Nistal
(Chief Executive Officer)

D. Fernando Azaola Arteche
(Director)

D. Miguel Antoñanzas Alvear
(Director)

CASGO, S.A. (represented by D. Jaime Castellanos Borrego)

ENERGAY DE INVERSIONES, S.L.
(represented by D. Enrique Ybarra Ybarra)

MEZOUNA, S.L. (represented by D. Santiago Ybarra Churruca)

ONCHENA, S.L.
(represented by D. Álvaro Ybarra Zubiría)

VALJARAFE, S.L. (represented by Dña. Soledad Luca de Tena García-Conde)

D. Carlos Pazos Campos
(Secretary to the Board)

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DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of VOCENTO, S.A. state that, to the best of their knowledge, the annual individual accounts of VOCENTO, S.A., prepared in accordance with applicable accounting principles, offer a fair view of the shareholder equity, financial situation and results of VOCENTO, S.A, , and that the Management Report includes an accurate analysis of the performance, results and position of VOCENTO, S.A. as well as the description of the main risks and uncertainties that they face.

Madrid, 25 February 2015

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

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(represented by D. Álvaro Ybarra Zubiría)

VALJARAFE, S.L. (represented by Dña. Soledad Luca de Tena García-Conde)

Vocento, S.A.

Financial Statements and Directors' Report
for 2014, together with
Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

Pintor Losada, 7. 48004 Bilbao (Bizkaia).

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 19).
In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A.

BALANCE SHEET AS AT 31 DECEMBER 2014 (Notes 1, 2 and 4)
(Thousands of euros)

ASSETS	Notes	31/12/14	31/12/13 (*)	EQUITY AND LIABILITIES	Notes	31/12/14	31/12/13 (*)
NON-CURRENT ASSETS		**677.698**	**779.029**	**EQUITY**	**10**	**312.776**	**324.806**
Intangible assets	**5**	**120**	**339**	***Shareholders' equity-***		***314.850***	***324.806***
Computer software		120	339	**Share capital**		**24.994**	**24.994**
Property, plant and equipment	**6**	**1.176**	**1.336**	Registered share capital		24.994	24.994
Land and buildings		1.136	1.225	**Reserves**		**413.011**	**414.605**
Plant and other items of property, plant and equipment		40	111	Legal		4.999	4.999
Non-current investments in Group companies and associates		**641.837**	**727.362**	Other reserves		408.012	409.606
Equity instruments	**7**	594.655	721.681	**Treasury shares**		**(29.874)**	**(31.474)**
Non-current loans to Group companies and associates	**8**	47.182	5.681	**Retained losses**		**(83.319)**	**(66.136)**
Non-current financial assets		**2**	**2**	**Loss for the year**		**(9.962)**	**(17.183)**
Other financial assets		2	2	***Valuation adjustments-***		***(2.074)***	**-**
Deferred tax assets	**13**	**34.563**	**49.990**	**Hedges**		**(2.074)**	**-**
CURRENT ASSETS		**16.000**	**12.052**	**NON-CURRENT LIABILITIES**		**366.621**	**388.344**
Inventories		**32**	**32**	**Non-current payables**	**11**	**107.948**	**12.500**
Advances to suppliers		32	32	Bank borrowings		105.558	12.500
Trade and other receivables		**3.324**	**1.909**	Derivatives	**12**	2.390	-
Trade receivables for sales and services		269	579	**Non-current payables to Group companies and associates**	**8**	**227.469**	**344.640**
Trade receivables from Group companies and associates	**8**	156	202	**Deferred tax liabilities**	**13**	**31.204**	**31.204**
Sundry accounts receivable		-	302				
Current tax assets	**13**	2.213	578	**CURRENT LIABILITIES**		**14.301**	**77.931**
Other accounts receivable from public authorities	**13**	686	248	**Current payables**	**11**	**8.939**	**72.639**
Current investments in Group companies and associates	**8**	**12.429**	**9.528**	Bank borrowings		8.437	72.624
Loans to Group companies		12.429	9.528	Derivatives	**12**	491	-
Current prepayments and accrued income		**2**	**42**	Other financial liabilities		11	15
Cash and cash equivalents	**9**	**213**	**541**	**Current payables to Group companies and associates**	**8**	**335**	**628**
Cash		213	541	**Trade and other payables**		**5.027**	**4.664**
				Payable to suppliers		197	119
				Payable to suppliers - Group companies and associates	**8**	73	392
				Sundry accounts payable		849	1.364
				Remuneration payable		883	93
				Other accounts payable to public authorities	**13**	3.025	2.696
TOTAL ASSETS		**693.698**	**791.081**	**TOTAL EQUITY AND LIABILITIES**		**693.698**	**791.081**

(*) Presented for comparison purposes only (see Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the balance sheet as at 31 December 2014.

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable

VOCENTO, S.A.

INCOME STATEMENT FOR 2014 (Notes 1, 2 and 4)
(Thousands of euros)

	Notes	2014	2013 (*)
Continuing operations:			
Revenue	**8 & 15-a**	**151.296**	**1.091**
Services		1.646	1.091
Dividend income from investees		149.650	-
Staff costs	**15-b**	**(3.566)**	**(2.712)**
Wages, salaries and similar expenses		(2.715)	(1.798)
Employee benefit costs		(851)	(914)
Other operating expenses	**8 & 15-c**	**(4.105)**	**(4.427)**
Outside services		(4.094)	(4.404)
Taxes other than income tax		(11)	(23)
Depreciation and amortisation charge	**5 & 6**	**(344)**	**(371)**
PROFIT (LOSS) FROM OPERATIONS		**143.281**	**(6.419)**
Finance income	**8**	**2.540**	**52**
From marketable securities and other financial instruments		2.540	52
- Group companies and associates		2.540	-
- Third parties		-	52
Finance and similar costs		**(21.234)**	**(15.882)**
On debts to Group companies and associates	**8**	(12.904)	(12.306)
On debts to third parties	**11 & 12**	(8.322)	(3.576)
Exchange differences		(8)	-
Impairment and gains or losses on disposals of financial instruments	**7**	**(127.026)**	**(1.100)**
FINANCIAL LOSS		**(145.720)**	**(16.930)**
LOSS BEFORE TAX		**(2.439)**	**(23.349)**
Income tax	**13**	**(7.523)**	**6.166**
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(9.962)**	**(17.183)**
LOSS FOR THE YEAR		**(9.962)**	**(17.183)**

(*) Presented for comparison purposes only (see Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the income statement for 2014.

Pintor Losada, 7. 48004 Bilbao (Bizkaia).

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2014 (Notes 1, 2 and 4)
(Thousands of euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2014	2013 (*)
LOSS PER INCOME STATEMENT (I)	**(9.962)**	**(17.183)**
Income and expense recognised directly in equity		
Arising from cash flow hedges (Notes 10 and 12)	(3.087)	-
Tax effect (Note 13)	864	-
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	**(2.223)**	-
Transfers to profit or loss		
Arising from cash flow hedges (Notes 10 and 12)	206	-
Tax effect (Note 13)	(57)	-
TOTAL TRANSFERS TO PROFIT OR LOSS (III)	**149**	-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	**(12.036)**	**(17.183)**

B) STATEMENT OF CHANGES IN TOTAL EQUITY

	Share capital	Legal reserve	Treasury shares	Reserve for treasury shares	Merger reserve	Other reserves	Retained losses	Loss for the year	Valuation adjustments	TOTAL
2012 ENDING BALANCE (*)	**24.994**	**4.999**	**(32.572)**	**32.572**	**69.395**	**308.737**	**(20.582)**	**(45.554)**	-	**341.989**
Total recognised income and expense	-	-	-	-	-	-	-	(17.183)		**(17.183)**
Allocation of 2012 loss										
To retained losses	-	-	-	-	-	-	(45.554)	45.554	-	-
Treasury share transactions	-	-	1.098	(1.098)	-	-	-	-	-	-
2013 ENDING BALANCE (*)	**24.994**	**4.999**	**(31.474)**	**31.474**	**69.395**	**308.737**	**(66.136)**	**(17.183)**	-	**324.806**
Total recognised income and expense (Notes 10 and 12)	-	-	-	-	-	-	-	(9.962)	(2.074)	**(12.036)**
Allocation of 2013 loss										
To retained losses	-	-	-	-	-	-	(17.183)	17.183	-	-
Treasury share transactions (Note 10)	-	-	1.600	(1.594)	-	-	-	-	-	**6**
2014 ENDING BALANCE	**24.994**	**4.999**	**(29.874)**	**29.880**	**69.395**	**308.737**	**(83.319)**	**(9.962)**	**(2.074)**	**312.776**

(*) Presented for comparison purposes only (see Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the statement of changes in equity for 2014.

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable

VOCENTO, S.A.

STATEMENT OF CASH FLOWS FOR 2014 (Notes 1, 2 and 4)
(Thousands of euros)

	Notes	2014	2013 (*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**130.672**	**(12.989)**
Loss for the year before tax		**(2.439)**	**(23.349)**
Adjustments for:		**(3.586)**	**17.301**
- Depreciation and amortisation charge	5 & 6	344	371
- Impairment losses	7	127.026	1.100
- Finance income and dividends	8 & 15-a	(152.190)	(52)
- Finance costs	8 & 11	21.234	15.882
Changes in working capital		**623**	**(2.253)**
- Inventories		-	(16)
- Trade and other receivables		220	(135)
- Other current assets		40	(11)
- Trade and other payables		363	(2.092)
- Other non-current assets and liabilities		-	1
Other cash flows from operating activities		**136.074**	**(4.688)**
- Interest paid	8 & 11	(24.929)	(15.766)
- Interest and dividends received		152.190	52
- Income tax (paid)/recovered	13	8.813	11.026
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**10.300**	**(328)**
Payments due to investment		**(3)**	**(328)**
- Group companies and associates		-	(300)
- Intangible assets		-	(26)
- Property, plant and equipment	6	(3)	(2)
Proceeds from disposal		**10.303**	-
- Group companies and associates	8	10.265	-
- Intangible assets	5 & 6	38	-
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(141.300)**	**12.982**
Proceeds and payments relating to equity instruments	10	**4**	**-**
- Purchase of treasury shares		(261)	(200)
- Disposal of treasury shares		265	200
Proceeds and payments relating to financial liability instruments		**(141.304)**	**12.982**
- Proceeds from issue of bank borrowings	11	24.587	31.673
- Proceeds from issue of borrowings from Group companies and associates		-	300
- Repayment of bank borrowings	11	(47.487)	
- Repayment of borrowings from Group companies and associates	8	(118.400)	(18.992)
- Repayment of other borrowings		(4)	1
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		**(328)**	**(335)**
Cash and cash equivalents at beginning of year		**541**	**876**
Cash and cash equivalents at end of year		**213**	**541**

(*) Presented for comparison purposes only (see Note 2-e).

The accompanying Notes 1 to 19 are an integral part of the statement of cash flows for 2014.

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

Vocento, S.A.

Notes to the Financial Statements for 2014

1. Company activities

Vocento, S.A. ("Vocento") was incorporated as a public limited liability company for an indefinite period of time on 28 June 1945. Its company objects, per its bylaws, are the publication, distribution and sale of unitary publications, whether periodical or otherwise, dealing with general, cultural, sports, artistic and any other information, the printing of such publications and the operation of printing workshops and, in general, any other activity related to the publishing and graphic arts industry; the setting-up, use and operation of radio and television stations and any other facilities for the broadcasting, production and promotion of audiovisual media, as well as the production, publishing and distribution of disks, cassettes, recorded tapes, films, programmes and any other devices or means of communication of any type; the ownership, acquisition, sale and performance of acts of administration and disposal by any means of shares, interests, securities and investments in companies engaging in any of the aforementioned business activities, and, in general, in any other activity directly or indirectly related to the aforementioned business activities which is not prohibited by the legislation currently in force.

All the activities making up the aforementioned company objects can be carried on both in Spain and abroad, and may be carried on, either totally or partially, indirectly through the ownership of shares or other equity interests in companies with identical or similar company objects (see Note 7).

At the Annual General Meeting held on 17 March 2001, the shareholders resolved to change the Company's name from Bilbao Editorial, S.A. to Grupo Correo de Comunicación, S.A.

On 26 November 2001, as a result of the merger by absorption of Prensa Española, S.A., the shareholders at the Extraordinary General Meeting resolved to change the Company's name to Grupo Correo Prensa Española, S.A. On 17 December 2002, it was resolved to transfer the assets and liabilities of Prensa Española de Locales, S.L.U. en bloc to the sole shareholder, Grupo Correo Prensa Española, S.A., with the subsequent dissolution of the former. Lastly, at the Annual General Meeting held on 29 May 2003, the shareholders resolved to change the Company's name to Vocento, S.A. (the "Company").

The business activity of the Company is the control of the ownership interests held by it as the Parent of a group of companies ("the Group") (see Note 7 and the Appendix) and it is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements of the Vocento Group for 2014 were formally prepared by its directors at the Board of Directors Meeting held on 25 February 2015. The consolidated financial statements for 2013 were approved by the shareholders at the Annual General Meeting of Vocento, S.A. on 29 April 2014, and were filed at the Bilbao Mercantile Registry.

On 29 April 2014, the Company's Annual General Meeting resolved to change the registered office from Calle Juan Ignacio Luca de Tena, nº 7, Madrid to Calle Pintor Losada, nº 7, Bilbao. The Company's tax domicile is at calle Pintor Losada, nº 7, Bilbao.

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In view of the activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

2. Basis of presentation of the financial statements

a) Regulatory financial reporting framework applicable to the Company-

These financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of the Spanish Commercial Code and all other Spanish corporate law, the Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, the mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, and all other applicable Spanish accounting legislation.

b) Fair presentation-

The financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2014. These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2013 were approved by the shareholders at the Annual General Meeting held on 29 April 2014.

The 2014 financial statements refer only to the Company taken individually. As head of the Group, Vocento, S.A. files consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). According to the consolidated financial statements prepared in accordance with EU-IFRSs, consolidated equity amounted to EUR 322,572 thousand, the loss for the year attributable to the Parent was EUR 22,345 thousand and total assets in the consolidated balance sheet as at 31 December 2014 amounted to EUR 652,759 thousand.

c) Non-obligatory accounting principles applied-

No non-obligatory accounting principles were applied. Also, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

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d) Key issues in relation to the measurement and estimation of operative and financial uncertainty-

In preparing the financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The useful life of intangible assets and property, plant and equipment (see Notes 4-a, 4-b, 5 and 6).
- The assessment of possible impairment losses on certain assets, such as investments in Group companies and associates (see Notes 4-e and 7).
- The fair value of certain financial instruments (see Note 12).
- The calculation of provisions (Note 4-i).
- The recoverability of tax losses and tax credits from prior years (see Notes 4-f and 13).

In addition, each year, whenever there are indications of impairment (see Notes 4-c, 4-e, 5, 6 and 7), the Company tests the related assets for impairment and consequently estimates their recoverable amount.

Although these estimates were made on the basis of the best information available at 2014 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

e) Comparative information-

The information relating to 2013 contained in these notes to the financial statements is presented for comparison purposes with the information for 2014.

f) Changes in accounting policies-

In 2014 there were no significant changes in accounting policies with respect to those applied in 2013.

g) Correction of errors-

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2013.

3. Allocation of loss

The proposed allocation of loss for the year that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows (in thousands of euros):

Pintor Losada, 7. 48004 Bilbao (Bizkaia).

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	2014
Basis of allocation: Loss for the year	(9,962)
Allocation of loss: To retained losses	(9,962)
Total	**(9,962)**

4. Accounting policies

The principal accounting policies used by the Company in preparing its financial statements, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Intangible assets-

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Computer software:

The Company recognises under "Computer Software" the costs incurred in the acquisition and development of computer programs. Computer software maintenance costs are recognised with a charge to the income statement for the year in which they are incurred. Computer software is amortised on a straight-line basis over four years.

b) Property, plant and equipment-

Property, plant and equipment are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in Note 4-c.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

For non-current assets that necessarily take a period of more than twelve months to get ready for their intended use, the capitalised costs include such borrowing costs as might have been incurred before the assets are ready for their intended use and which have been charged by the supplier or relate to loans or other specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the assets, wherever the amount is material. At 31 December 2014, no amount had been recognised in this connection.

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The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Average estimated useful life (years)
Buildings	30
Plant and machinery	6.6
Other fixtures, tools and furniture	10
Other items of property, plant and equipment	5

At 31 December 2014, the Company did not have any land, buildings or other structures held either to earn rentals or for capital appreciation.

c) Impairment of intangible assets and property, plant and equipment-

At the end of each reporting period (for goodwill and intangible assets with indefinite useful lives) or whenever there are indications of impairment (for other assets), the Company tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

The recoverable amounts are calculated for each cash-generating unit, although in the case of property, plant and equipment, wherever possible, the impairment tests are performed individually for each asset.

Each year management prepares for each cash-generating unit a business plan by market and line of business, generally covering a period of five years. The main components of this plan are as follows:

- Earnings projections
- Investment and working capital projections

Other variables affecting the calculation of the recoverable amount are:

- The discount rate to be used, which is taken to be the weighted average cost of capital, the main variables with an effect on its calculation being borrowing costs and the risks specific to the assets.

- The cash flow growth rate used to extrapolate the cash flow projections to beyond the period covered by the budgets or forecasts.

The projections are prepared on the basis of past experience and of the best estimates available, which are consistent with the information obtained from external sources.

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If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs to sell; value in use; and zero.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

d) Leases-

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. The only leases held by the Company are operating leases.

Lease income and expenses from operating leases are recognised in income on an accrual basis.

Also, the acquisition cost of the leased asset is presented in the balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

e) Financial instruments-

Financial assets

Classification -

The financial assets held by the Company are classified in the following categories:

a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

b) Equity investments in Group companies and associates: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence (see Note 7).

c) Available-for-sale financial assets: these include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial recognition -

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

In the case of equity investments in Group companies affording control over the subsidiary, since 1 January 2010 the fees paid to legal advisers and other professionals relating to the acquisition of the investment have been recognised directly in profit or loss.

Subsequent measurement -

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Investments in Group companies and associates are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the estimated future cash flows from the investment, based on the budgets most recently approved by the directors. These budgets include the best estimates available of the income and costs of the cash-generating units based on industry projections and future expectations.

These projections cover at least the following five years and include a residual value that is appropriate for each business. Taking into account their past experience and know-how regarding the various businesses, the directors consider that, in view of the performance of certain businesses' key variables, the use of five-year projections may distort the analysis performed and, in certain cases, they have used projections which they deem more reliable and suited to the analysis to be performed since the last year of these projections reflects a normal year for these businesses (see Note 7). These cash flows are discounted at a given pre-tax rate in order to calculate their present value. This rate reflects the weighted average cost of the capital used, adjusted for the business risk relating to each line of business, and ranges from 11.19% to 13.57% (7.83% to 9.5% after tax), considering growth rates of between 0% and 3% for periods subsequent to those covered by the projections. In general, the discount rates decreased by 0.5% with respect to 2013, primarily as a consequence of the current market situation. If the recoverable amount is lower than the asset's carrying amount, the related impairment loss is recognised for the difference in the consolidated income statement.

Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

Lastly, available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become (permanently) impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the net profit or loss for the year. In this regard, (permanent) impairment is deemed to exist if the market value of the asset has fallen by more than 40%, or if there has been a prolonged fall in market value over a period of 18 months without the value having recovered.

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement.

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Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments. Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost. The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

Disclosures on the payment periods to suppliers.
Additional Provision Three. "Disclosure obligation"
provided for in Law 15/2010, of 5 July:

With respect to the disclosures required by Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July, the detail of the payments made to suppliers in 2014, the weighted average period of late payment and the balances payable to suppliers past due by more than the maximum payment period at 31 December 2014 is as follows:

	Amounts paid and payable at the 2014 year-end		Amounts paid and payable at the 2013 year-end	
	Amount (Thousands of euros)	Percentage (*)	Amount (Thousands of euros)	Percentage (*)
Within the maximum payment period	3,505	58%	2,423	46%
Remainder	2,496	42%	2,843	54%
Total payments for the year	6,001	100%	5,266	100%
Weighted average period of late payment (days)	62	-	66	-
Payments at year-end not made in the maximum payment period	132	11.81%	305	16.27%

(*) Percentage of total balance at year-end.

These amounts relate to suppliers that because of their nature are trade creditors for the supply of goods and services and, therefore, they include the figures relating to "Trade and Other Payables - Payable to Suppliers", "Trade and Other Payables - Sundry Accounts Payable" and "Trade and Other Payables - Payable to Suppliers - Group Companies and Associates" under "Current Liabilities" in the balance sheet.

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

Article 33 of Law 11/2013, of 26 July, on measures to support entrepreneurs and stimulate growth and create employment, amended Law 3/2004, of 29 December, on combating late payment in commercial transactions.

Article 4 (Calculation of payment period) of Law 3/2004, of 29 December, established that the payment period with which the debtor must comply, if no payment date or period are established in the agreement, shall be 30 calendar days from the date of receipt of the goods or the provision of the services, including where the debtor receives the invoice or equivalent request for payment beforehand (introduced by Royal Decree-Law 4/2013, compared to the period of 60 days established by Law 15/2010). Payment periods may be extended where the parties agree to do so, although in no case may they exceed 60 calendar days.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

Hedge accounting

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Specifically, the Company took out interest rate swaps (see Notes 11 and 12) to hedge the risk exposure to changing interest rates relating to the floating-rate syndicated loan.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

As described above, the Company uses cash flow hedges. In hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the income statement in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain (or loss) on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Information on the nature and level of risk of financial instruments

The Company's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

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a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit ratings. Additionally, most of its accounts receivable are from companies controlled by the Company.

b) Liquidity risk:

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet and amounts drawn down on the credit line granted by certain banks under the syndicated financing agreement detailed in Note 11.

c) Market risk (includes interest rate risk, foreign currency risk and other price risks):

The Company's bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows since the borrowings are tied to floating interest rates. The Company partially mitigates the interest rate risk by using financial derivatives (amounting to EUR 77,525 thousand of the total bank borrowings at 31 December 2014) (see Notes 11 and 12).

However the Company considers that there are no significant risks in this connection.

The Company does not carry out significant transactions in foreign currency and at 31 December 2014 did not have any significant balances in foreign currency.

f) Income tax-

Since 1997, the Company has filed consolidated tax returns with certain Group companies specified in the Appendix, which entails the joint calculation of the taxable profit (tax loss) of the Group and the tax credits and tax relief (see Note 13).

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss). Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised. Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

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The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

g) Revenue and expense recognition-

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

h) Long-term employee benefits payable-

The contributions to be made to defined contribution plans give rise to a liability for long-term employee benefits payable when unpaid contributions are accrued at the reporting date. The liability will be measured at year-end at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party.

In this respect, and in addition to the incentive plans described in Note 4-k, in 2013 the Company's Board of Directors resolved to approve a long-term incentive plan for the CEO and certain senior executives of the Company and the Group.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 25% and 50% and be paid entirely in cash. This remuneration is conditional upon achievement of the estimated profit from operations for 2015. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved, with a limit of EUR 1.3 million.

On the basis of the valuation and estimated non-fulfilment of the objective established in the aforementioned plan, the Company has not recognised any provision in this connection in the balance sheet at 31 December 2014.

Lastly, in 2014 the Board of Directors of the Parent approved the implementation of a new long-term incentive plan for the CEO and certain senior executives of the Parent and the Group.

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This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 30% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for 2016. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved.

i) Provisions and contingencies-

When preparing the financial statements the directors of Vocento, S.A. made a distinction between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

j) Termination benefits-

Under current labour legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken (see Note 15-b).

The benefits payable for terminations which were agreed upon and/or took place at the Company in 2014 amounted to EUR 130 thousand, which were recognised with a charge to “Staff Costs - Wages, Salaries and Similar Expenses” in the accompanying income statement (see Note 15-b) and were paid in full in the year.

k) Share-based payment-

The Company accrues these future payments, recognising the expense under “Staff Costs” in the income statement, as described below (see Note 15-b):

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- For the portion to be settled in cash, the Company recognises the present value of the obligations, which is calculated by applying an actuarial method in the vesting period of the plan, and credits this amount to "Long-Term Provisions – Other Provisions" in the accompanying balance sheet.

- For the portion to be settled through the delivery of the Company's treasury shares, the Group recognises the amount of the share-based remuneration in the vesting period on the value of the plan at the grant date thereof, and credits this amount to "Reserves – Reserves for Share-Based Payments".

The shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve an incentive plan for the CEO and senior executives of Vocento, consisting of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO.

Since the plan targets were assessed as not being met, the Company had not recognised any provision in that connection at 31 December 2014 and, accordingly, there was no impact on the income statement or on equity for 2014 and 2013.

l) Transactions with Group companies and associates-

The Company performs all its transactions with Group companies and associates on an arm's length basis (see Note 8). Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

m) Current/Non-current classification-

In the balance sheet the Company classifies assets and liabilities as current and non-current. In this connection, current assets and liabilities are those that meet the following conditions:

- An entity shall classify an asset as current when it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; it holds the asset primarily for the purpose of trading; it expects to realise the asset within twelve months after the reporting period; or the asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

- An entity shall classify a liability as current when it expects to settle the liability in its normal operating cycle, it holds the liability primarily for the purpose of trading; the liability is due to be settled within twelve months after the reporting period; or it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

5. Intangible assets

The transactions recognised under "Intangible Assets" in the years ended 31 December 2014 and 2013 are summarised as follows:

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	Thousands of euros							
	Balance as at 31/12/12	Additions/ (Charge for the year)	Transfers	(Disposals)	Balance at 31/12/13	Additions/ (Charge for the year)	(Disposals)	Balance at 31/12/14
Cost:								
Computer software	2,837	26	21	(1,204)	1,680	-	(219)	1,461
Advances and other intangible assets in progress	21	-	(21)	-	-	-	-	-
Total cost	**2,858**	**26**	**-**	**(1,204)**	**1,680**	**-**	**(219)**	**1,461**
Accumulated amortisation:								
Computer software	(2,352)	(193)	-	1,204	(1,341)	(183)	183	(1,341)
Total accumulated amortisation	**(2,352)**	**(193)**	**-**	**1,204**	**(1,341)**	**(183)**	**(183)**	**(1,341)**
Total, net	**506**	**(167)**	**-**	**-**	**339**	**(183)**	**(36)**	**120**

At 31 December 2014, the cost of the Company's fully amortised intangible assets in use amounted to EUR 1,034 thousand.

The Company had not entered into any commitments to acquire intangible assets at 2014 year-end.

6. Property, plant and equipment

The transactions recognised at 31 December 2014 and 2013 in the various property, plant and equipment accounts and the related accumulated depreciation are summarised as follows:

	Thousands of euros						
	Balance as at 31/12/12	Additions/ (Charge for the year)	(Disposals)	Balance at 31/12/13	Additions/ (Charge for the year)	(Disposals)	Balance at 31/12/14
Cost:							
Land and buildings	2,492	-	-	2,492	-	-	2,492
Plant and machinery	540	-	-	540	-	-	540
Other fixtures, tools and furniture	1,927	1	-	1,928	-	(1)	1,927
Other non-current assets-							
Transport equipment and other items of property, plant and equipment	398	-	(275)	123	-	-	123
Computer hardware	255	1	(185)	71	3	(36)	38
Total cost	**5,612**	2	**(460)**	**5,154**	**3**	**(37)**	**5,120**
Accumulated depreciation:							
Buildings	(1,171)	(96)	-	(1,267)	(88)	-	(1,355)
Plant and machinery	(540)	-	-	(540)	-	-	(540)
Other fixtures, tools and furniture	(1,746)	(77)	-	(1,823)	(70)	1	(1,892)
Other non-current assets-							
Transport equipment and other items of property, plant and equipment	(398)	(1)	275	(124)	-	-	(124)
Computer hardware	(245)	(4)	185	(64)	(3)	34	(33)
Total accumulated depreciation	**(4,100)**	**(178)**	**460**	**(3,818)**	**(161)**	**35**	**(3,944)**
Total, net	**1,512**	**(176)**	-	**1,336**	**(159)**	**(2)**	**1,176**

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The building in Zamudio in which the Company's offices are situated, whose cost is recognised under "Property, Plant and Equipment – Land and Buildings", was built on land owned by Bilbao Editorial Producciones, S.L.U. (Group company – see Note 8), pursuant to a surface rights agreement in exchange for a consideration that can be reviewed annually. This consideration amounted to EUR 23 thousand in 2014 and the term of the agreement is 99 years from 1 June 1998, the date on which the building was delivered. On termination of the agreement, the buildings within the plot will become the property of Bilbao Editorial Producciones, S.L.U. for no consideration. At 31 December 2014, the carrying amount of this item of property, plant and equipment was EUR 1,137 thousand.

At 31 December 2014, the cost of the Company's fully depreciated items of property plant and equipment in use amounted to EUR 2,074 thousand (31 December 2013: EUR 1,964 thousand).

At 31 December 2014, the Company's property, plant and equipment were adequately covered by the related insurance policies.

The Company had not entered into any commitments to acquire property, plant and equipment at 2014 year-end.

7. Non-current investments in Group companies and associates

The detail of and the transactions recognised under "Non-Current Investments in Group Companies and Associates" on the asset side of the accompanying balance sheets as at 31 December 2014 and 2013 are as follows:

	Thousands of euros				
	Balance as at 31/12/12	Additions/ (Charge for the year)	Balance as at 31/12/13	Additions/ (Charge for the year)	Balance as at 31/12/14
Equity investments in Group companies and associates	722,781	(1,100)	721,681	(127,026)	594,655

In 2014 no transactions with equity instruments were performed with Group companies.

In 2014 Corporación de Medios Internacionales de Prensa, S.A.U. paid a dividend of EUR 65 million out of reserves which the Company recognised under "Revenue - Dividend Income from Investees" in the accompanying income statement. As a result of this transaction, the Company recognised impairment losses of EUR 60,447 thousand on its investment in Corporación de Medios Internacionales de Prensa, S.A.U., and the related effect was charged to "Impairment and Gains or Losses on Disposals of Financial Instruments".

The Company also recognised an impairment loss of EUR 66,579 thousand on its equity investment in Comeresa Prensa, S.L.U. with a charge to "Impairment and Gains or Losses on Disposals of Financial Instruments" in the income statement for 2014, considering that the carrying amount of the investee exceeded its recoverable amount (see Note 4-e).

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The detail of the most important information relating to investments in Group companies and associates at 31 December 2014 and 2013 is summarised as follows (see Appendix):

2014:

	Thousands of euros						
	Carrying amount						
	Cost	Impairment loss recognised in the year	Accumulated impairment losses	Share capital (*)	Other equity items (*)	2014 profit (loss) (*)	Dividends received (Note 15-a)
Group companies (Note 10 and Appendix)-							
Corporación de Medios Internacionales de Prensa, S.A.U.	95,725	(60,447)	(93,395)	60	841	2,431	65,000
Corporación de Medios de Comunicación, S.L.U. (**)	49,192	-	-	12,064	22,363	16,634	32,000
Factoría de Información, S.A.U. (**)	170,491	-	(170,491)	301	250	49	-
Corporación de Medios Radiofónicos Digitales, S.A.U. (***)	5,409	-	(2,452)	5,560	(2,544)	105	-
Comeresa Prensa, S.L.U. (**)	597,069	(66,579)	(66,579)	403,069	127,404	(94,302)	-
Comeresa País Vasco, S.L.U. (**)	9,686	-	-	9,686	60,382	18,306	52,650
	927,572	**(127,026)**	**(332,917)**				**149,650**

(*) This information refers to the separate unconsolidated financial statements of the respective companies as at 31 December 2014. The profit or loss has not yet been approved by the Annual General Meeting.
(**) Companies audited by Deloitte.
(***) Companies reviewed by Deloitte.

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2013:

	Thousands of euros					
	Carrying amount					
	Cost	Impairment loss recognised in the year	Accumulated impairment losses	Share capital (*)	Other equity items (*)	2013 profit (loss) (*)
Group companies -						
Corporación de Medios Internacionales de Prensa, S.A.U.	95,725	-	(32,948)	60	63,574	2,267
Corporación de Medios de Comunicación, S.L.U. (**)	49,192	-	-	12,064	51,779	2,446
Factoría de Información, S.A.U. (**)	170,491	-	(170,491)	301	172	43
Corporación de Medios Radiofónicos Digitales, S.A.U. (***)	5,409	(1,100)	(2,452)	5,560	(2,629)	85
Comeresa Prensa, S.L.U. (**)	597,069	-	-	403,069	187,114	(59,710)
Comeresa País Vasco, S.L.U. (**)	9,686	-	-	9,686	88,774	24,258
	927,572	**(1,100)**	**(205,891)**			

(*) This information refers to the separate unconsolidated financial statements of the respective companies as at 31 December 2013.
(**) Companies audited by Deloitte.
(***) Companies reviewed by Deloitte.

8. Related party balances and transactions

The detail of the transactions with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are performed on an arm's length basis (see Note 4-l) and are recognised under the related headings in the accompanying income statements for 2014 and 2013, and of the balances with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are recognised under the related headings in the accompanying balance sheets as at 31 December 2014 and 2013, is as follows:

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2014:

Company	Thousands of euros									
	Balances						Transactions			
	Non-current		Current							
	Loans to Group companies and associates	Payables to Group companies and associates	Trade receivables from Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Payable to suppliers - Group companies and associates	Revenue from services (Note 15-a)	Other operating expenses (Note 15-c)	Finance income from Group companies and associates	Finance costs on debts to Group companies and associates
Comeresa Prensa, S.L.U.	1,149	226,038	138	89	-	-	1,192	933	66	12,904
Veralia Corporación Producciones de Cine y Televisión, S.L.	13,019	-	4	1,008	-	-	1	-	743	-
Veralia Contenidos Audiovisuales, S.L.	2,026	-	1	157	-	-	-	-	116	-
Diario El Correo, S.A.U.	-	386	-	4,201	-	15	-	69	-	-
Comeresa País Vasco, S.L.U.	-	-	-	1,154	-	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	3,318	-	-	-	-	-	-
Bilbao Editorial Producciones, S.L.U.	4,125	427	-	-	180	-	66	26	-	-
Diario ABC, S.L.	21,668	-	-	1,677	-	55	-	314	1,236	-
ABC Sevilla, S.L.	1,435	-	-	111	-	-	-	-	82	-
Radio Publi, S.L.	1,657	-	-	128	-	-	-	-	95	-
Corporación de Medios de Extremadura, S.A.	1,003	-	-	78	-	-	-	-	57	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	41	-	-	-	-	-	-
Corporación de Medios Internacionales de Prensa, S.A.	-	476	-	-	-	-	-	-	-	-
Other Group companies	-	142	13	467	155	3	167	30	145	-
Total	**47,182**	**227,469**	**156**	**12,429**	**335**	**73**	**1,426**	**1,372**	**2,540**	**12,904**

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2013:

	Thousands of euros								
	Balances						Transactions		
	Non-current		Current						
Company	Loans to Group companies and associates	Payables to Group companies and associates	Trade receivables from Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Payable to suppliers - Group companies and associates	Revenue from services	Other operating expenses	Finance costs on debts to Group companies and associates
Comeresa Prensa, S.L.U.	-	344,138	113	-	-	17	515	261	12,306
Diario El Correo, S.A.U.	-	135	-	4,350	-	61	-	137	-
Comeresa País Vasco, S.L.U.	-	-	-	876	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	2,948	-	59	2	-	-
Sarenet, S.A.	456	-	-	735	-	-	-	9	-
Bilbao Editorial Producciones, S.L.U.	4,125	115	-	-	316	1	11	23	-
Diario ABC, S.L.	-	-	-	-	-	93	-	688	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	33	300	-	-	-	-
Other companies	-	252	89	586	12	161	338	55	-
Total	**5,681**	**344,640**	**202**	**9,528**	**628**	**392**	**866**	**1,173**	**12,306**

Pintor Losada, 7. 48004 Bilbao (Bizkaia).

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The current accounts payable to Group companies and associates included under “Current Payables to Group Companies and Associates”, a balance of EUR 1,431 thousand recognised under "Non-current Payables to Group Companies and Associates", the accounts receivable included under "Current Investments in Group Companies and Associates - Loans to Group Companies" amounting to EUR 9,182 thousand and an amount of EUR 4,126 thousand relating to non-current accounts receivable recognised under "Non-Current Investments in Group Companies and Associates - Non-Current Loans to Group Companies and Associates" in the accompanying balance sheet as at 31 December 2014 arose basically as a result of the amounts allocated by the Parent, Vocento, S.A., to its subsidiaries in connection with the settlement of the consolidated income tax return (see Note 13). These balances were classified in the balance sheet as current or non-current based on their expected maturity date.

Also, “Non-Current Payables to Group Companies and Associates” includes a payable of EUR 226,038 thousand at 31 December 2014 relating to the current account held with Comeresa Prensa, S.L.U. The commercial current account agreement is tacitly renewed each year unless expressly waived by the parties. The Company’s directors consider that the balance will not be called in the short term. The accounts receivable generate a return calculated on the basis of average 3-month Euribor for each calendar quarter plus a spread of the weighted average of the spreads received from third parties by the companies from time to time considered to be Group holding companies as the return on their financial instruments; whereas the accounts payable incur interest costs of average 3-month Euribor for each calendar quarter plus a spread equal to the spreads applied by third parties to financing instruments of companies from time to time considered to be Group holding companies.

The expenses incurred on the aforementioned current account amounted to EUR 12,904 thousand in 2014 and are recognised under “Finance and Similar Costs – On Debts to Group Companies and Associates” in the accompanying income statement for 2014.

Lastly, in 2014 the Company entered into credit facility agreements with the companies which repaid bilateral credit lines, as part of the syndicated financing agreement totalling EUR 55,467 thousand (see Note 11). Subsequently, Editorial Cantabria, S.A., Federico Domenech, S.A. and Habitatsoft, S.L.U. repaid their respective credit facilities in full, for an aggregate total of EUR 5,393 thousand. At 31 December 2014, the outstanding amount of the credit facilities to be repaid by the other companies amounted to EUR 41,956 thousand and EUR 3,247 thousand, recognised under "Non-Current Investments in Group Companies and Associates" and “Current Investments in Group Companies and Associates", respectively. The aforementioned credit facilities earn interest calculated under the same conditions as in the syndicated financing facility (see Note 11). The Company recognised the interest earned in 2014, amounting to EUR 2,540 thousand, under “Finance Income - From Marketable Securities and Other Financial Instruments - Group Companies and Associates” in the accompanying income statement.

9. Cash and cash equivalents

“Cash and Cash Equivalents” includes the Company's cash and short-term bank deposits with an initial maturity of three months or less. The bank demand deposits earn interest at market rates. There are no restrictions on the use of these balances, except in the case of any excess cash which must be allocated to the mandatory early repayment of the syndicated loan (see Note 11). In accordance with the estimate of the Company's directors, there is no excess cash at 31 December 2014. The carrying amount of these assets approximates their fair value.

10. Equity and shareholders’ equity

Registered share capital-

At 31 December 2014, the share capital of Vocento, S.A. amounted to EUR 24,994 thousand and consisted of 124,970,306 fully subscribed and paid book-entry shares of EUR 0.2 par value each. The Company has been listed on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges and on the Spanish computerised trading system (Spanish stock market interconnection system) since 8 November 2006.

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The shareholders' exact ownership interest in the share capital is unknown since Vocento's shares are represented by book entries. However, on the basis of information in the public domain available to the Company, at 31 December 2014, the only shareholders with ownership interests of 10% or more were Mezouna, S.A. and Valjarafe, S.L., which owned 11.077% and 10.090%, respectively, of the share capital.

Legal reserve-

Under Article 224 of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve had reached the stipulated level at 31 December 2013. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. At 31 December 2014, this reserve had reached the legally required minimum.

Treasury shares-

The Company holds 3,867,298 treasury shares, equivalent to 3.09% of its share capital, which may be freely transferred.

The transactions carried out with treasury shares in 2014 were as follows:

	No. of shares	Cost (Thousands of euros)
Shares at 31/12/12	**3,870,101**	**32,572**
Purchases	157,499	205
Disposals (*)	(156,099)	(1,303)
Shares at 31/12/13	**3,871,501**	**31,474**
Purchases	260,940	502
Disposals (*)	(265,143)	(2,131)
Shares at 31/12/14	**3,867,298**	**29,874**

(*) Sales recognised at weighted average cost.

The loss resulting from the sales of treasury shares in 2014 was recognised with a charge of EUR 1,595 thousand to "Reserves".

Pursuant to the Spanish Limited Liability Companies Law, a restricted reserve was recognised for an amount equal to the cost of the treasury shares held. The balance of this reserve will become unrestricted when the circumstances making such recognition necessary cease to exist.

At the date of preparation of these financial statements, the Board of Directors had not taken any decision regarding the ultimate use of the aforementioned treasury shares.

The average number of treasury shares in 2014 was 3,866,006 shares.

Other valuation adjustments-

The detail and nature of the other valuation adjustments are as follows (in euros):

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	31/12/14
Hedges (Notes 12 and 13)	(2,074)
Total	**(2,074)**

11. Bank borrowings and other financial liabilities

The detail of "Non-Current Payables" and "Current Payables" on the liability side of the balance sheets as at 31 December 2014 and 2013 is as follows:

Categories	Thousands of euros					
	Current		Non-current		Total	
	2014	2013	2014	2013	2014	2013
Bank borrowings	8,437	72,624	105,558	12,500	113,995	85,124
Derivatives (Note 12)	491	-	2,390	-	2,881	-
Other financial liabilities	11	15	-	-	11	15
Total	**8,939**	**72,639**	**107,948**	**12,500**	**116,887**	**85,139**

The detail, by maturity, of "Non-Current Payables" and "Current Payables" is as follows:

	Thousands of euros					
		Maturity				
		Current	Non-current			
	Balance as at 31/12/14	2015	2016	2017	2018 and subsequent years	Total non-current
Payable on loans and credit facilities	113,978	8,420	18,420	13,026	74,112	105,558
Amounts payable under derivative financial instruments (Note 12)	2,881	491	722	815	853	2,390
Accrued interest and fees payable	17	17	-	-	-	-
TOTAL	116,876	8,928	19,142	13,841	74,965	107,948

The amounts in the foregoing table reflect the amortised cost of bank borrowings at 31 December 2014, the total nominal value of which amounted to EUR 120,170 thousand at that date.

Also, the detail of the bank borrowings and other financial liabilities at 31 December 2013 and the repayment schedules are as follows:

	Thousands of euros				
		Maturity			
		Current	Non-current		
	Balance as at 31/12/13	2014	2015	2016	Total non-current
Bank borrowings	84,706	72,206	-	12,500	12,500
Other financial liabilities	15	15	-	-	-
Interest payable	418	418	-	-	-
	105,000	**72,639**	**-**	**12,500**	**12,500**

At 31 December 2014 and 2013, the limit of the Company's credit facilities and the amounts drawn down or undrawn were as follows:

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	Thousands of euros	
	2014	2013
Drawn down	10,000	84,707
Undrawn	35,275	20,293
Total credit line limit	**45,275**	**105,000**

Syndicated loan-

On 21 February 2014, the Company arranged a long-term syndicated financing transaction for EUR 175,275 thousand, the funds from which were to be used to repay bilateral credit lines existing in the Group, extend the related maturities and unify management thereof, and to meet the Group's general cash requirements. This agreement consists of two tranches, with the following amounts and maturities:

a) Tranche A is divided into:

   (i) Sub tranche A1: commercial loan of EUR 75,000 thousand maturing in October 2018 and

   (ii) Sub tranche A2: five-year bullet commercial loan of EUR 55,000 thousand.

b) Tranche B: four-year revolving credit line of up to EUR 45,275 thousand.

As at 31 December 2014, the Company had drawn down all of the financing relating to "Tranche A", the amount outstanding at that date being EUR 107,272 thousand, and EUR 10,000 thousand relating to the financing of "Tranche B".

In 2014 the Group, of which the Company is the Parent, disposed of various assets giving rise to the early repayment of EUR 7,728 thousand, as provided for in the financing agreement. Also in 2014, the Company repaid EUR 15 million of Tranche A1, by the maturity date envisaged in the agreement.

The syndicated financing agreement bears interest at a rate tied to EURIBOR plus a spread negotiated with the banks which is settled quarterly. The applicable spread shall be determined every six months depending on the achievement of certain financial ratios under the aforementioned agreement.

The financing agreement provides certain grounds for obligatory early repayment and acceleration of maturity of the drawn-down amounts including, inter alia, the disposal of assets, the existence of excess cash (see Note 9) or a change of control in the Group.

The aforementioned agreement also stipulates the obligation to achieve certain financial ratios at consolidated level. As at 31 December 2014, the Company's directors consider the financial ratios stipulated in this agreement to have been achieved.

In addition, upon execution of the syndicated financing agreement the following guarantees (secured and unsecured) and promises to arrange security interests were provided to, and maintained for, the banks to secure the obligations arising from the agreement:

- A first-demand guarantee provided by those Group companies which may from time to time be considered Guarantors. As at 31 December 2014, these companies are listed in the attached Appendix.

- A security interest on any shares of those Group companies which are owned directly or indirectly by the Parent. As at 31 December 2014, these companies are listed in the attached Appendix.

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- A maximum-amount first mortgage on the properties indicated in the aforementioned syndicated financing agreement, the carrying amount of which per the Group's consolidated financial statements totals EUR 32,434 thousand as at 31 December 2014.

- A promise of maximum-amount first mortgage on certain properties free of encumbrances, the carrying amount of which per the Group's consolidated financial statements totals EUR 22,336 thousand as at 31 December 2014.

The Company's directors consider that the conditions under which the promise would become a mortgage have not been met as at 31 December 2014.

Finally, under the terms of the aforementioned agreement, the Parent has arranged certain interest rate hedging transactions for at least 50% of the principal outstanding from time to time (see Note 12).

At 31 December 2014, the interest borne on the syndicated loan and the debt arrangement expenses and commitment fees allocated amounted to EUR 7,460 thousand and are recognised under "Finance and Similar Costs - On Debts to Third Parties" in the accompanying income statement.

12. Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. As part of these transactions, the Company arranged certain hedging financial instruments.

The purpose of the interest rate derivatives arranged by the Company is to mitigate the effect that interest rate fluctuations may have on any future cash flows from the loans tied to floating interest rates. The detail and maturity of these hedging transactions is as follows:

Bank	Instrument	Average interest rate arranged	Nominal amount (Thousands of euros)	Expiry date
BBVA	Interest rate swap	1.34%	26,444	2019
Banco Santander	Interest rate swap	1.34%	21,794	2019
Kutxabank	Interest rate swap	1.34%	10,012	2019
Bankia	Interest rate swap	1.34%	12,891	2019
La Caixa	Interest rate swap	1.34%	2,166	2019
Banco Popular	Interest rate swap	1.34%	4,218	2019
	Total		**77,525**	

The effect of the changes in hedging derivatives in 2014 was recognised with a charge to "Valuation Adjustments - Hedges" in equity amounting to EUR 2,074 thousand and a transfer of EUR 206 thousand to the income statement in 2014.

The interest rate swap derivatives in force as at 31 December 2014 relate to hedging transactions arranged by the Group under the syndicated financing agreement (see Note 11).

The Company met the requirements described in Note 4-e on measurement bases in order to classify the financial instruments detailed above as hedges. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective. No ineffective portions were detected in the hedges designated by the Company as such.

The sensitivity of the fair value of the interest rate hedges to interest rate fluctuations which the Company considers reasonably possible, and the related impact on profit (loss) for the year and equity at 31 December 2014, is reflected in the following table:

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	Thousands of euros	
	Change in interest rates (basis points)	
	+ 0.25%	- 0.25%
Fair value	518	(662)
Profit (Loss) Equity	518	(662)

The liquidity analysis of the derivative instruments, using net undiscounted flows, is as follows:

Bank	Instrument	2015	2016	2017	2018 and subsequent years
BBVA	Swap de tipo de interés	182	254	280	296
Banco Santander	Swap de tipo de interés	150	209	231	244
Kutxabank	Swap de tipo de interés	69	96	106	112
Bankia	Swap de tipo de interés	89	124	137	144
La Caixa	Swap de tipo de interés	15	21	23	24
Banco Popular	Swap de tipo de interés	29	41	45	47
	Total	**534**	**745**	**822**	**867**

13. Tax matters

Since 1997 Vocento, S.A. and certain of its subsidiaries subject to the Bizkaia Income Tax Regulation pay income tax under the Special Consolidated Tax Regime. Vocento, S.A. is the Parent of the Group. Notification of the composition of the Tax Group for 2014 was filed at the Bizkaia Provincial Department of Economy and Finance on 29 January 2015 (see Appendix).

On 1 January 2014, (Bizkaia) Income Tax Provincial Regulation 11/2013, of 5 December, entered into force, which includes, inter alia, a time limit on the offset of tax losses and use of tax credits, establishing a maximum period of fifteen years for offset or use.

Although Vocento, S.A., the Parent of Tax Group 03/97/B, will file the consolidated income tax return for the Tax Group, the various companies forming the Group will also file individual income tax returns for information purposes.

As a result of the Company's taxation under the Special Consolidated Tax Regime, in order to calculate the individual income tax expense, the eliminations of the gains or losses from transactions performed in 2014 among the companies forming part of Tax Group 03/97/B, and, as applicable, the items eliminated in prior years, have to be taken into consideration. The limits and requirements of Tax Group 03/97/B are taken into consideration when calculating the tax assets and credits.

As a result of filing consolidated income tax returns, the debit or credit positions arising from the estimate of the tax charge in 2014 are recognised in group accounts.

Current tax receivables and payables

The detail of Vocento, S.A.'s current tax receivables from and payables to public authorities recognised on the asset and liability sides, respectively, of the balance sheets as at 31 December 2014 and 2013 is as follows:

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	Thousands of euros			
	31/12/14		31/12/13	
	Current assets	Current liabilities	Current assets	Current liabilities
VAT	219	160	248	-
Current tax assets	2,213	-	578	-
Accrued social security taxes payable	-	12	-	14
Tax withholdings payable	467	2,853	-	2,682
	2,899	**3,025**	**826**	**2,696**

Deferred tax assets and liabilities

The detail of and changes in income tax assets and deferred tax assets and liabilities is as follows:

<u>2014:</u>

	Thousands of euros					
	Balance at 31/12/13	Adjustment to prior year's income tax settlement	Additions	Reversals	Reductions	Balance at 31/12/14
Unused tax credits and tax relief	30,706	(323)	-	-	(18,388)	11,995
Tax loss carryforwards	16,174	(132)	12,092	-	(14,767)	13,367
Deferred tax assets	3,110	612	4,672	-	-	8,394
Derivatives (Notes 10 and 12)	-	-	807	-	-	807
Total deferred tax assets	**49,990**	**157**	**17,571**	**-**	**(33,155)**	**34,563**
Deferred tax liabilities	(31,204)	-	-	-	-	(31,204)
Total deferred tax liabilities	**(31,204)**	**-**	**-**	**-**	**-**	**(31,204)**

<u>2013:</u>

	Thousands of euros					
	Balance as at 31/12/12	Adjustment to prior year's income tax settlement	Reversals	Amounts taken	Other changes	Balance as at 31/12/13
Unused tax credits and tax relief	31,703	33	(1,030)	-	-	30,706
Tax loss carryforwards	19,428	(85)	(2,449)	(442)	(278)	16,174
Deferred tax assets	2,870	240	-	-	-	3,110
Total deferred tax assets	**54,001**	**188**	**(3,479)**	**(442)**	**(278)**	**49,990**
Deferred tax liabilities	(31,482)	-	-	-	(278)	(31,204)
Total deferred tax liabilities	**(31,482)**	**-**	**-**	**-**	**(278)**	**(31,204)**

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The detail of the tax loss and tax credit carryforwards recognised in the balance sheet and the related time limits for deduction as at 31 December 2014 is as follows:

Last year for deduction	Amount
Tax losses-	
2028	47,739
Tax credits-	
2028	11,995

The deferred tax assets indicated above were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered. Conversely, the Company derecognised tax credit and tax loss carryforwards amounting to EUR 33,155 thousand generated by the Tax Group, of which the Company is the parent, considering that they will not be recoverable within the established accounting periods.

Therefore, the Company has unrecognised tax credit and tax loss carryforwards amounting to EUR 18,388 thousand and EUR 52,738 thousand, respectively.

Reconciliation of the accounting profit (loss) to the tax loss

The reconciliation of the accounting profit (loss) to the tax loss for income tax purposes is as follows:

	Thousands of euros	
	2014	2013
Accounting profit (loss) (before tax)	**2,439**	**(23,349)**
Permanent differences:		
Eliminations due to tax consolidation-		
- Impairment losses on Tax Group equity instruments (Note 7)	60,447	1,100
Other permanent differences-		
- Non-deductible representation costs	152	347
- Dividends (Note 7)	(149,650)	-
- Other	22	-
Temporary differences:		
- Impairment losses on equity instruments	16,504	-
- Other	182	-
Tax loss prior to offset	**(74,781)**	**(21,902)**
Offset of Tax Group prior years' tax losses	-	**(8,745)**
Taxable profit	**(74,781)**	**(30,647)**

In respect of the gains (EUR 74,264 thousand in 2009, EUR 3,837 thousand in 2010 and EUR 1 thousand in 2011) obtained on certain sales (mainly on the transfer of the ownership interest in Gestevisión Telecinco, S.A.) the Company availed itself of the extraordinary income reinvestment regime stipulated in Article 22 of the Bizkaia Income Tax Regulation 3/1996, of 26 June (as amended by Bizkaia Income Tax Regulation 5/2009, of 23 June). Pursuant to this regime, 60% of the gains obtained on the transfer of the ownership interests (2009) and also 100% of the gain obtained on the transfer of intangible assets or property, plant and equipment (2010 and 2011) is not included in the tax base provided that the income obtained is reinvested. In accordance with current legislation, the amount obtained on the aforementioned transfers must be reinvested within the period between one year prior to the date of delivery of the items transferred and the three following years.

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At 31 December 2014 and 2013, the Company and the Tax Group of which it is the Parent had complied with the reinvestment obligation assumed in the aforementioned transactions through the increase of the cost of the investment in Factoría de Información, S.A.U. (performed in 2010 and 2012), the subscription of a capital increase of Comeresa Prensa, S.L.U. (performed in 2012) and the investments made in other companies in which the Company holds an ownership interest and in other non-current assets (mainly machinery acquired in 2010).

Also, as the Parent of the Tax Group, the Company recognises receivables and payables relating to the income tax generated by the various companies in the Tax Group which at 31 December 2014 amounted to EUR 9,182 thousand and EUR 335 thousand, respectively (see Note 8).

Reconciliation of the accounting loss to the income tax expense

The reconciliation of the accounting loss to the income tax expense for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Accounting loss (before tax)	**(2,439)**	**(23,349)**
Permanent differences	(89,029)	1,447
Adjusted accounting loss	**(91,468)**	**(21,902)**
Tax charge at 28%	**(25,611)**	**(6,133)**
Settlement of previous year's income tax	(21)	(33)
Reversal of unrecovered tax assets	33,155	-
Total income tax expense (benefit)	**7,523**	**(6,166)**

Tax recognised in equity

The detail of the tax recognised directly in equity is as follows:

	Thousands of euros
	2014
Deferred taxes:	
Measurement of derivatives (Notes 10 and 12)	807
Total tax recognised directly in equity	**807**

Breakdown of income tax expense (income)

The detail of the income tax expense (benefit) for 2014 and 2013 is as follows (for continuing operations):

	Thousands of euros	
	2014	2013
Current tax	(20,939)	(6,133)
Deferred tax	(4,672)	-
Adjustment to prior year's settlement	(21)	(33)
Reversal of unrecovered tax assets	33,155	
Total tax expense (benefit)	**7,523**	**(6,166)**

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Years open for review and other disclosures

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired, unless such period is interrupted by a tax inspection. At 2014 year-end the Company had all years since 2010 open for review for income tax and all years since 2011 open for review, in general, for the other taxes applicable to it.

Lastly, due to the different interpretations afforded to the tax legislation applicable to the transactions carried out by Vocento, S.A., there may be contingent tax liabilities that cannot be objectively quantified. However, the Company's directors consider that the likelihood of such contingent liabilities arising is remote and, in any event, the tax liability that might arise would not have a material effect on the financial statements.

14. Guarantees and sureties

The detail of the guarantees and sureties provided by the Company is as follows:

	Thousands of euros	
	2014	2013
Guarantees to other Group companies	6,887	4,648
Other	283	113
Total	**7,170**	**4,761**

In addition, under the syndicated financing agreement entered into on 21 February 2014, the Company provided the guarantees described in the Appendix.

The Company's directors estimate that any liabilities additional to the provisions recognised at 31 December 2014 for such purpose which might arise as a result of the guarantees received would not be material.

15. Income and expenses

a) Revenue

The detail of "Revenue" in the accompanying income statements for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Dividend income (Note 7)	149,650	-
Income from other services (Note 8)	1,372	236
Other sundry income	222	235
Income from expenses passed on (Note 8)	52	620
Total	**151,296**	**1,091**

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b) Staff costs

The detail of “Staff Costs” in the accompanying income statements for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Wages and salaries	2,585	2,130
Termination benefits (Note 4-j)	130	(332)
Employer social security costs	123	157
Incentive plan (Note 4-k)	-	-
Other employee benefit costs	728	757
Total	**3,566**	**2,712**

In 2014 no contributions were made to the pension plan since the Company decided to suspend them and tie this benefit to the meeting of certain targets.

The average number of employees at the Company in 2014 and 2013, by professional category, was as follows:

Professional category	2014	2013
Chief Executive Officer	1	1
Executives	5	6
Other employees	3	6
Total	**9**	**13**

Also, the headcount at the end of 2014 and 2013, by gender and category, was as follows:

Professional category	2014		2013	
	Men	Women	Men	Women
Chief Executive Officer	1	-	1	-
Executives	5	-	5	-
Other	3	-	4	1
Total	**9**	**-**	**10**	**1**

At 31 December 2014, the number of independent directors was 11, 1 of whom was a woman and 10 of whom were men. At the date of preparing these financial statements, the Board of Directors is composed of ten directors.

c) Other operating expenses

The breakdown, by type, of “Other Operating Expenses” at the end of 2014 and 2013 is as follows:

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	Thousands of euros	
	2014	2013
Editorial services	107	69
Print shops	1	17
Administrative services	3,141	3,329
Sundry	634	909
Marketing	222	103
Total	**4,105**	**4,427**

16. Remuneration of senior executives

In 2014 the staff costs (cash remuneration, remuneration in kind, employer social security costs, etc.) of the general managers and deputy general managers making up the Company's Management Committee, which at 2014 year-end consisted of 9 persons - excluding those who are also members of the Board of Directors (whose remuneration is detailed in Note 18) - amounted to EUR 1,797 thousand. In 2014 no termination benefits were recognised for the Company's senior executives.

Senior management contracts include a clause establishing the termination benefit to be paid in the event of unjustified dismissal, which varies from the amount set in employment law to up to two years' gross annual salary. The contracts of lower level executives only exceptionally include clauses of this type and provide for a termination benefit of one year's gross salary.

17. Other disclosures

a) Fees paid to auditors

In 2014 and 2013 the fees for financial audit and other services provided by the Company's principal auditors, Deloitte, S.L., or by a firm in the same group or related to the auditors, and other auditors or companies related thereto, were as follows (in thousands of euros):

2014:

Professional category	Audit services (*)	Other attest services	Other services
Deloitte, S.L.	174	214	7
Total	**174**	**214**	**7**

(*) This amount includes EUR 11 thousand in connection with auditing expenses for 2014 that were rebilled by Deloitte, S.L.

2013:

Professional category	Audit services (*)	Other attest services	Other services
Deloitte, S.L.	174	214	138
Total	**174**	**214**	**138**

(*) This amount includes EUR 11 thousand in connection with auditing expenses for 2013 that were rebilled by Deloitte, S.L.

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b) Financial structure

As indicated in Note 1, the Company is the Parent of the Vocento Group. The brands of Vocento, one of Spain’s leading multimedia communications groups, have a significant presence in all spheres of information and entertainment, such as the press, supplements, magazines, television, radio, audiovisual productions, film distribution and the internet. For the purposes of assessing the Company's risks and returns, the Group organises management information according to the following lines of business: Newspapers, Audiovisual, Classified Advertisements and Other Businesses.

As indicated in Note 4-e, the Company determines its financial structure on the basis of its financing needs, although these needs are always managed in accordance with the general financing policies issued by the Group

At 31 December 2014, as described in the Vocento Group's consolidated financial statements (prepared in accordance with International Financial Reporting Standards as adopted by the European Union), the Group's total assets amounted to EUR 652,759 thousand, its equity amounted to EUR 322,572 thousand and total revenue amounted to EUR 494,841 thousand.

18. Remuneration and other disclosures concerning the directors

The remuneration, including salaries and other expenses, earned by the members of the Board of Directors in 2014 amounted to EUR 1,803 thousand. The detail, by Board member, of the directors' remuneration in 2014 and 2013 is as follows:

REMUNERATION OF DIRECTORS
(Thousands of euros)

2014	Attendance fees – Vocento, S.A. – Board of Direct.	Attendance fees – Vocento, S.A. – Committees	Attendance fees – Subsidiaries	Profit-sharing payment – Vocento, S.A.	Profit-sharing payment – Subsidiaries	Contributions to pension plans, life insurance and other – Vocento, S.A.	Contributions to pension plans, life insurance and other – Subsidiaries	Other remuneration – Vocento, S.A.	Other remuneration of directors – Subsidiaries	Remuneration of directors for senior executive functions – Fixed – Vocento, S.A.	Remuneration of directors for senior executive functions – Variable – Vocento, S.A.	TOTAL
DIRECTORS AS AT 31 DECEMBER 2014												
Mezouna (Santiago de Ybarra y Churruca)	28	16	-	-	-	-	-	-	-	-	-	44
Valjarafe, S.L. (Soledad Luca de Tena García Conde)	28	60	-	-	-	-	-	-	-	-	-	88
Energay de Inversiones, S.L.. (Enrique Ybarra Ybarra)	40	44	-	-	-	-	-	40	-	-	-	124
Onchena, S.L. (Alvaro Ybarra Zubiría)	28	28	-	-	-	-	-	-	-	-	-	56
Casgo, S.A. (Jaime Castellanos Borrego)	28	-	-	-	-	-	-	-	-	-	-	28
Miguel Antoñanzas Alvear	28	64	-	-	-	-	-	-	-	-	-	92
Fernando Azaola Arteche	28	16	-	-	-	-	-	-	-	-	-	44
Rodrigo Echenique Gordillo	36	60	-	-	-	-	-	81	-	-	-	177
Lima, S.L. (Juan Ramón Urrutia Ybarra)	28	44	-	-	-	-	-	-	-	-	-	72
Gonzalo Soto Aguirre	28	44	-	-	-	-	-	-	-	-	-	72
Santiago Bergareche Busquet	28	16	-	-	-	-	-	-	-	-	-	44
Luis Enríquez Nistal	-	-	-	-	-	5	-	-	-	510	447	962
Total directors as at 31 December 2014	**328**	**392**	**-**	**-**	**-**	**5**	**-**	**121**	**-**	**510**	**447**	**1.803**
TOTAL REMUNERATION OF DIRECTORS	**328**	**392**	**-**	**-**	**-**	**5**	**-**	**121**	**-**	**510**	**447**	**1.803**

REMUNERATION OF DIRECTORS
(Thousands of euros)

2013	Attendance fees – Vocento, S.A. – Board of Direct.	Attendance fees – Vocento, S.A. – Committees	Attendance fees – Subsidiaries	Profit-sharing payment – Vocento, S.A.	Profit-sharing payment – Subsidiaries	Contributions to pension plans, life insurance and other – Vocento, S.A.	Contributions to pension plans, life insurance and other – Subsidiaries	Other remuneration – Vocento, S.A.	Other remuneration of directors – Subsidiaries	Remuneration of directors for senior executive functions – Fixed – Vocento, S.A.	Remuneration of directors for senior executive functions – Variable – Vocento, S.A.	TOTAL
DIRECTORS AS AT 31 December 2013												
Mezouna (Santiago de Ybarra y Churruca)	28	24	-	-	-	-	-	-	-	-	-	52
Valjarafe, S.L. (Soledad Luca de Tena García Conde)	28	56	-	-	-	-	-	-	-	-	-	84
Energay de Inversiones, S.L.. (Enrique Ybarra Ybarra)	56	64	-	-	-	-	-	120	-	-	-	240
Onchena, S.L. (Alvaro Ybarra Zubiría)	28	32	-	-	-	-	-	-	-	-	-	60
Casgo, S.A. (Jaime Castellanos Borrego)	24	-	-	-	-	-	-	-	-	-	-	24
Miguel Antoñanzas Alvear	24	56	-	-	-	-	-	-	-	-	-	80
Fernando Azaola Arteche	28	24	-	-	-	-	-	-	-	-	-	52
Rodrigo Echenique Gordillo	20	52	-	-	-	-	-	-	-	-	-	72
Lima, S.L. (Juan Ramón Urrutia Ybarra)	28	48	-	-	-	-	-	-	-	-	-	76
Gonzalo Soto Aguirre	28	48	-	-	-	-	-	-	-	-	-	76
Santiago Bergareche Busquet	-	4	-	-	-	-	-	-	-	-	-	4
Luis Enríquez Nistal	-	-	-	-	-	5	-	-	-	505	-	510
Total directors as at 31 December 2013	**292**	**408**	**-**	**-**	**-**	**5**	**-**	**120**	**-**	**505**	**-**	**1.330**
DIRECTORS REMOVED DURING THE YEAR												
Bycomels Prensa, S.L. (Santiago Bergareche Busquet)	24	28	-	-	-	-	-	-	-	-	-	52
Total directors removed during the year	**24**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**52**
TOTAL REMUNERATION OF DIRECTORS	**316**	**436**	**-**	**-**	**-**	**5**	**-**	**120**	**-**	**505**	**-**	**1.382**

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Information regarding situations of conflict of interest involving the directors -

In accordance with corporate and commercial law in force, at the end of 2014 neither the members of the Board of Directors of the Parent nor the persons related to them as defined in the Spanish Limited Liability Companies Law had notified the other members of the Board of Directors of any direct or indirect conflict of interest they might have with respect to the Company, except for those described below:

Details of investments and activities performed by the directors and related parties, as independent professionals or as employees, in companies engaging in similar activities-

Significant ownership interests of the members of the Board of Directors of the Parent in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of both the Parent and the Group, of which the Parent was notified, indicating the positions or functions discharged thereat:

Directors:

Owner	Investee	Line of business	Percentage of ownership	Functions
Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.21%	-
Gonzalo Soto Aguirre	Media Smart Mobile, S.L.	Advertising	0.34%	Director
Santiago Bergareche Busquet	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.2042%	-

Related parties:

Related parties	Relationship with director	Investee	Percentage of ownership	Functions
Jorge Bergareche Busquet	Santiago Bergareche Busquet's sibling	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
José María Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2780%	Deputy Chairman
Eduardo Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2042%	Director
Juan Luis Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2780%	-
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.6084%	Chairman
		Diario ABC, S.L.	0.0002%	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's sibling	Sociedad Vascongada de Publicaciones, S.A.	0.64%	-
Alvaro Ybarra Zubiría	Representative of Onchena, S.L.	Mediaset	0.00499%	-
		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Mariano Angel Ybarra Zubiria	Alvaro Ybarra Zubiría's sibling (representative of Onchena, S.L.)	Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Luis Maria Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	Director
Maria Dolores Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Flora Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Soledad Luca de Tena García-Conde	Representative and joint director of Valjarafe, S.L.	Diario ABC, S.L.	0.0002%	Deputy Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.0841%	-
		Estudios de Política Exterior, S.A.	5.93%	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sibling	Diario ABC, S.L.	0.0002%	Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.1076%	-
		Ediciones Luca de Tena, S.L.	95%	Sole Director

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Detail of activities performed by the directors and related parties, as independent professionals or as employees, in companies engaging in similar activities-

Also, set forth below are the activities additional to those stated in the foregoing table performed by the directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of the Parent:

Directors:

Name	Activity performed	Type of arrangement	Company through which the activity is performed	Position or function at the company concerned
Luis Enríquez Nistal				
Diario ABC, S.L.	Newspaper publishing	Independent professional	-	Director
Sociedad Gestora de Televisión NET TV, S.A.	Television	Independent professional	-	Chairman
Diario El Correo, S.A.U.	Newspaper publishing	Independent professional	-	Director
Federico Domenech, S.A.	Newspaper publishing	Independent professional	-	Director
Comeresa Prensa, S.L.U.	Holding company	Independent professional	-	Joint director
Corporación de Nuevos Medios Digitales, S.L.U.	Holding company	Independent professional	-	Joint director
Corporación de Medios de Comunicación, S.L.U.	Holding company	Independent professional	-	Joint director
Comeresa País Vasco, S.L.U.	Holding company	Independent professional	-	Joint director
Radio Publi, S.L.	Radio	Independent professional	-	Chairman and CEO

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Related parties:

Related parties	Relationship with director	Company at which the positions or functions are exercised	Positions or functions at the company concerned
Enrique de Ybarra	Representative of Energay de Inversiones, S.L.	Diario El Correo, S.A.	Director
		Sociedad Vascongada de Publicaciones, S.A.	Director
		Editorial Cantabria, S.A.	Director
		Diario ABC. S.L.	Director
Víctor Urrutia Ybarra	Lima, S.L. representative's sibling	Nueva Rioja, S.A.	Director
Juan Urrutia Ybarra	Representative of Lima, S.L.	Diario El Correo, S.A.U.	Director
Jorge Bergareche Busquet	Santiago Bergareche Busquet's sibling	Diario El Correo, S.A.U.	Director
		Corporación de Medios de Andalucía, S.A.	Director
José María Bergareche Busquet		Diario El Correo, S.A.U.	Director
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Diario El Correo, S.A.U.	Chairman
		El Norte de Castilla, S.A.	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's sibling	Diario El Correo, S.A.U.	Director
		Estudios de Política Exterior, S.A.	Director
Soledad Luca de Tena García-Conde	Representative and joint director of Valjarafe, S.L.	Radio Publi, S.L.	Director
		Diario El Correo, S.A.U.	Director
		Federico Doménech, S.A.	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sibling	ABC Sevilla, S.L.U.	Joint director

19. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

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SUBSIDIARIES OF THE GROUP OF COMPANIES OF WHICH VOCENTO, S.A. IS THE PARENT

Company	(2)	(3)	(4)	(5)	(6)	(7)	Location/ Registered Office	Line of business	Percentage – Of direct Ownership	Percentage – Indirect	Percentage – Control	Thousands of euros – Paid-in capital	Thousands of euros – Reserves and other equity items	Profit (Loss) for the period (1) – Profit (Loss) from operations	Profit (Loss) for the period (1) – Profit (Loss) before income tax of continuing	Profit (Loss) for the period (1) – Profit (Loss) for the year	Other equity items	Interim dividend
GROUP:																		
Newspapers																		
Diario El Correo, S.A.U.	✓		✓		✓		Bilbao	Daily press, local press website and online press edition	-	100,00%	100,00%	8.000	39.684	13.039	15.003	10.712	-	(8.687)
Sociedad Vascongada de Publicaciones, S.A.	✓		✓			✓	San Sebastián	Daily press, local press website and online press edition	-	75,81%	75,81%	4.799	38.055	10.147	11.823	8.480	-	(6.015)
Editorial Cantabria, S.A.				✓		✓	Santander	Daily press, local press website and online press edition	-	90,70%	90,70%	2.308	4.823	2.669	2.728	1.876	-	-
Nueva Rioja, S.A.						✓	Logroño	Daily press, local press website and online press edition	-	58,98%	58,98%	1.000	5.955	-	256	163	-	-
La Verdad Multimedia, S.A.				✓		✓	Murcia	Daily press, local press website and online press edition	-	97,88%	97,88%	3.333	10.220	(936)	(791)	(639)	-	-
Corporación de Medios de Andalucía, S.A.				✓		✓	Granada	Daily press, local press website and online press edition	-	98,74%	98,74%	3.333	11.254	638	990	517	-	-
Corporación de Medios de Extremadura, S.A.				✓	✓		Badajoz	Daily press	-	97,96%	97,96%	408	(619)	(835)	(1.025)	(1.047)	-	-
Prensa Malagueña, S.A.				✓		✓	Málaga	Daily press	-	88,11%	88,11%	4.950	15.621	(1.026)	(593)	(529)	-	-
El Norte de Castilla, S.A.				✓		✓	Valladolid	Daily press, local press website and online press edition	-	77,60%	77,60%	2.168	14.477	607	1.116	763	-	-
El Comercio, S.A.						✓	Gijón	Daily press, local press website and online press edition	-	51,46%	51,46%	105	6.780	(126)	(133)	(176)	-	-
Corporación de Medios de Cádiz, S.L.U.				✓	✓		Cádiz	Daily press, local press website and online press edition	-	100,00%	100,00%	650	1.284	(588)	(649)	(907)	-	-
Federico Domenech, S.A.				✓	✓		Valencia	Daily press, local press website and online press edition	-	78,26%	78,26%	458	17.375	(423)	3.170	2.822	-	-
Diario ABC, S.L.				✓	✓		Madrid	Daily press, local press website and online press edition	-	99,99%	99,99%	6.276	2.278	(5.833)	(7.106)	(28.851)	-	-
ABC Sevilla, S.L.U.				✓	✓		Seville	Publishing house	-	99,99%	100,00%	600	3.300	200	(1.932)	(4.216)	-	-
Ediciones Digitales Hoy, S.L.U.				✓	✓		Badajoz	Local press website and online press edition	-	97,96%	100,00%	100	59	(16)	(16)	(17)	-	-
Bilbao Editorial Producciones, S.L.U.	✓		✓		✓		Bizkaia	Graphic arts	-	100,00%	100,00%	12.000	10.415	(398)	(372)	(272)	-	-
Sociedad Vascongada de Producciones, S.L.U.	✓		✓		✓		San Sebastián	Graphic arts	-	100,00%	100,00%	3.000	4.861	241	354	254	-	-
Printolid, S.L.U.					✓		Valladolid	Graphic arts	-	100,00%	100,00%	3.009	6.989	(60)	(157)	(124)	(104)	-
Guadalprint Impresión, S.L.							Málaga	Graphic arts	-	65,00%	65,00%	1.500	(264)	(19)	(180)	(180)	-	-
Localprint, S.L.						✓	Alicante	Graphic arts	-	50,00%	50,00%	10.000	1.700	208	36	120	-	-
Rotomadrid, S.L.						✓	Madrid	Graphic arts	-	61,23%	61,23%	1.000	20.321	2.203	2.055	1.365	-	-
Andaluprint, S.L.U.				✓	✓		Seville	Graphic arts	-	99,99%	100,00%	411	4.519	(728)	(726)	(703)	-	-
Beralan, S.L.	✓					✓	Gipuzkoa	Distribution	-	50,49%	50,49%	218	2.899	544	819	590	-	-
Banatu, S.L.	✓						Gipuzkoa	Distribution	-	50,49%	99,99%	5	1.133	61	68	49	-	-
CM Norte, S.L.U.	✓		✓		✓		Bilbao	Advertising	-	100,00%	100,00%	88	(74)	26	68	51	-	-
CM Gipuzkoa, S.L.U.	✓		✓				San Sebastián	Advertising	-	75,81%	100,00%	100	161	3	1	-	-	-
Comercializadora Multimedia de Cantabria, S.L.				✓			Santander	Advertising	-	90,70%	100,00%	60	(1)	16	17	(4)	-	-
Rioja Medios, Compra de Medios de Publicidad, S.A.U.							Logroño	Advertising	-	58,98%	100,00%	61	44	33	34	22	-	-
Comercializadora de Medios Andalucía, S.L.U.				✓			Granada	Advertising	-	98,74%	100,00%	300	127	35	45	29	-	-
CM Extremadura Publicidad Multimedia, S.L.U.				✓	✓		Badajoz	Advertising	-	97,96%	100,00%	150	8	-	-	(22)	-	-
Corporación de Medios del Sur, S.L.				✓			Málaga	Advertising	-	88,11%	100,00%	5	72	-	-	(41)	-	-
Comercializadora de Medios de Castilla y León, S.L.U.				✓			Valladolid	Advertising	-	77,60%	100,00%	60	15	-	-	(2)	-	-
Comercializadora de Medios de Asturias, S.L.							Gijón	Advertising	-	51,45%	99,99%	30	(1)	(15)	(10)	(11)	-	-
La Voz de Avilés, S.L.							Avilés	Daily press	-	43,70%	84,92%	52	(4)	(20)	(20)	(17)	-	-
Zabalik 2.000, S.L.U.	✓		✓				San Sebastián	Content exploitation and marketing	-	75,81%	100,00%	3	146	(4)	(1)	(2)	-	-
Fiesta Alegre, S.L.U.				✓	✓		Valencia	Property development and rental	-	78,26%	100,00%	8.489	1.055	(8)	199	139	-	-
El Norte de Castilla Multimedia, S.L.U.				✓			Valladolid	Holding company	-	77,60%	100,00%	1.987	(472)	(62)	(1)	(4)	-	-
Servicios Redaccionales Bilbaínos, S.L.U.	✓		✓		✓		Bilbao	Free press	-	100,00%	100,00%	550	4	51	65	47	-	-
Corporación de Medios de Alicante, S.L.				✓			Alicante	Editorial and sales support services	-	86,83%	100,00%	4	-	-	-	-	-	-
Taller de Editores, S.A.				✓		✓	Madrid	Supplement editing	-	79,39%	79,39%	1.763	10.513	1.475	1.691	926	-	-
Inversor Ediciones, S.L.							Madrid	Economic magazine publishing	-	60,26%	75,91%	96	856	154	173	120	-	-
Desde León al mundo, S.L.							León	Local press website and online press edition	-	80,00%	80,00%	23	18	48	47	33	-	-
Audiovisual																		
Teledonosti, S.L.	✓						San Sebastián	Local television	-	50,06%	66,04%	1.250	39	(30)	(3)	(7)	-	-
Rioja Televisión, S.A.							Logroño	Regional radio broadcasting and television	-	54,41%	92,26%	1.204	(508)	9	12	6	-	-
La Verdad Radio y Televisión, S.A.				✓			Murcia	Local radio broadcasting and television	-	79,50%	81,22%	1.040	(487)	81	81	(12)	-	-
Canal Cultural Badajoz, S.A.U.				✓	✓		Badajoz	Local television	-	97,96%	100,00%	67	271	9	9	12	-	-
El Comercio Televisión, Servicios Audiovisuales, S.L.							Gijón	Local television	-	51,46%	100,00%	357	2	(46)	(46)	(61)	-	-
Las Provincias Televisión, S.A.U.				✓	✓		Valencia	Local television	-	78,26%	100,00%	1.500	(438)	(61)	(36)	(52)	-	-
Sociedad Gestora de Televisión Onda 6, S.A.U.				✓	✓		Madrid	Digital television	-	100,00%	100,00%	7.710	(3.583)	98	300	300	-	-

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Company	(2)	(3)	(4)	(5)	(7)	(8)	Location/ Registered Office	Line of business	Percentage: Of direct Ownership	Percentage: Indirect	Percentage: Control	Thousands of euros: Paid-in capital	Reserves and other equity items	Profit (Loss) for the period (1): Profit (Loss) from operations	Profit (Loss) for the period (1): Profit (Loss) before income tax of continuing	Profit (Loss) for the period (1): Profit (Loss) for the year	Other equity items	Interim dividend
Sociedad Gestora de Televisión NET TV, S.A.						✓	Madrid	Digital television	-	55,00%	55,00%	6.030	6.558	3.797	4.183	2.635	-	-
Avista Televisión de Andalucía, S.A.U.				✓	✓		Seville	Digital television	-	100,00%	100,00%	1.800	(1.710)	(271)	(233)	(231)	-	-
La 10 Canal de Televisión, S.L.U.				✓	✓		Madrid	Digital television	-	100,00%	100,00%	1.000	18.802	(41)	(127)	(993)	-	-
Radio Publi, S.L.				✓		✓	Madrid	National radio broadcasting	-	84,20%	84,20%	32.671	(9.897)	1.963	(8.437)	(3.660)	-	-
Onda Ramblas, S.A.U.				✓			Barcelona	National radio broadcasting	-	84,20%	100,00%	60	1.994	(169)	(99)	(218)	-	-
Radio El Correo, S.L.U.	✓	✓	✓		✓		Bilbao	Local radio broadcasting	-	100,00%	100,00%	6	6	17	11	8	-	-
Cartera de Medios, S.A.U.				✓	✓		Badajoz	Local radio broadcasting	-	97,96%	100,00%	550	(111)	43	43	14	-	-
Radio Gaditana 2005, S.L.U.				✓	✓		Cádiz	Local radio broadcasting	-	100,00%	100,00%	13	78	22	22	-	-	-
Veralia Corporación de Productoras de Cine y Televisión, S.L.					✓		Madrid	Holding company	-	69,99%	69,99%	58.282	(17.961)	(27)	(9.885)	(10.635)	-	-
Proviradio, S.L.U.				✓			Valencia	Local radio broadcasting	-	78,26%	100,00%	270	235	-	-	(1)	-	-
Radio LP, S.L.U.				✓	✓		Valencia	Local radio broadcasting	-	78,26%	100,00%	243	23	29	40	16	-	-
E-Media Punto Radio, S.A.U.				✓	✓		Madrid	Digital radio	-	100,00%	100,00%	60	33	72	72	66	-	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	✓		✓		✓		Bizkaia	Digital radio	100,00%	-	100,00%	5.560	(2.544)	(10)	146	105	-	-
Europroduzione, S.R.L.					✓		Italy	Film and TV programme production	-	69,99%	100,00%	810	(258)	495	441	349	-	-
Veralia Contenidos Audiovisuales, S.L.U.					✓		Madrid	Film and TV programme production	-	69,99%	100,00%	1.000	5.197	(1.214)	(1.378)	(1.166)	-	-
Veralia Distribución de Cine, S.A.U.					✓		Madrid	Motion picture distribution	-	69,99%	100,00%	1.082	1.251	2.781	3.009	2.094	-	-
Editorial Cantabria de Radiotelevisión, S.A.U.				✓			Santander	Radio broadcasting	-	90,70%	100,00%	650	(168)	25	25	(62)	-	-
Classified advertisements																		
Desarrollo de Clasificados, S.L.U.				✓	✓		Madrid	Holding company for classified advertisements	-	100,00%	100,00%	1.500	18.435	(530)	(2.729)	(3.850)	-	-
Infoempleo, S.L.							Madrid	Employment search services and consulting	-	51,00%	51,00%	1.269	-	(195)	(204)	(278)	-	-
Autocasión Hoy, S.A.							Madrid	Online magazine and car sales classified advertisements	-	60,00%	60,00%	77	2.102	243	249	147	-	-
Habitatsoft, S.L.U.				✓	✓		Barcelona	Property listings and classified advertisements for services	-	100,00%	100,00%	3	1.134	(1.260)	(1.345)	(1.228)	-	-
Contact Center Venta Interactiva, S.L.U.				✓	✓		Madrid	Sale of classified advertisements		100,00%	100,00%	4	296	(88)	(88)	(88)	-	-
Other																		
Factoría de Información, S.A.U.					✓		Madrid	Free press	100,00%	-	100,00%	301	250	33	49	49	-	-
Structure																		
Comercial Multimedia Vocento, S.A.U.				✓	✓		Madrid	Advertising	-	100,00%	100,00%	600	(959)	(466)	(422)	(535)	-	-
Distribuciones COMECOSA, S.L.U.	✓		✓		✓		Bizkaia	Holding company	-	100,00%	100,00%	451	16.260	(47)	1.263	1.174	-	-
Comeresa Prensa, S.L.U.				✓	✓		Madrid	Holding company	100,00%	-	100,00%	403.069	127.404	(5.876)	(62.066)	(94.302)	-	-
Comeresa País Vasco, S.L.U.	✓		✓		✓		Bizkaia	Holding company	100,00%	-	100,00%	9.686	60.382	(5)	14.422	18.306	-	-
Corporación de Medios Internacionales de Prensa, S.A.U.	✓		✓		✓		Bizkaia	Holding company	100,00%	-	100,00%	60	841	(1)	2.431	2.431	-	-
Corporación de Medios de Comunicación, S.L.U.	✓		✓		✓		Bizkaia	Holding company	100,00%	-	100,00%	12.064	22.363	(11)	16.807	16.634	-	-
Comeco Impresión, S.L.U.	✓		✓		✓		Bizkaia	Holding company	-	100,00%	100,00%	9.249	43.092	(196)	(6.401)	(5.351)	-	-
CSC Madrid, S.L.U.				✓	✓		Madrid	Corporate administrative services	-	100,00%	100,00%	66	357	(30)	(30)	(46)	-	-
Corporación de Nuevos Medios Digitales, S.L.U.				✓	✓		Madrid	Holding company	-	100,00%	100,00%	1.500	44.206	(20)	528	(4.031)	-	-
Agencia Colpisa, S.L.U.				✓	✓		Madrid	News agency	-	100,00%	100,00%	92	170	(19)	-	(7)	-	-

Pintor Losada, 7. 48004 Bilbao (Bizkaia).

APPENDIX
Page 3

ASSOCIATES OF THE GROUP OF COMPANIES OF WHICH VOCENTO, S.A. IS THE PARENT

Company							Location/ Registered Office	Line of business	% of ownership		Thousands of euros				
	(2)	(3)	(4)	(5)	(7)	(8)			Direct	Indirect	Share capital	Reserves and other equity items	Profit (Loss) for the period (1)	Other equity items	Interim dividend
ASSOCIATES:															
Classified advertisements															
11870 Información en General, S.L.							Madrid	Classified advertisements	-	35,15%	23	(6)	(137)	-	-
Newspapers															
Distribuciones Papiro, S.L.							Salamanca	Distribution	-	26,35%	37	1.496	281	-	-
Cirpress, S.L.							Asturias	Distribution	-	27,88%	12	1.959	265	-	-
Distrimedios, S.L.							Cádiz	Distribution	-	22,50%	100	4.329	77	22	-
Val Disme, S.L.							Valencia	Distribution	-	22,75%	144	8.552	356	-	-
Servicios de impresión del Oeste, S.L. (Corp. de Medios de Extremadura, S.A. UTE, Ley 18/1982, de 26 de Mayo)							Badajoz	Preparation of editorial supplements	-	48,98%	-	-	-	-	-
Structure															
Kioskoymas, sociedad gestora de la plataforma tercnológica, S.L.							Madrid	Digital kiosk	-	50,00%	53	(277)	(275)	-	-
Roi Media, S.L.							Madrid	Advertising	-	50,00%	155	92	(221)	-	-

(1) Estimated and/or pending approval by the shareholders at the respective Annual General Meetings and before the distribution of dividends. None of the companies have profit or losses from discontinued operations.

(2) Subsidiaries subject to provincial income tax legislation.

(3) Inactive at the present date.

(4) Companies composing the Basque Country Consolidated Tax Group.

(5) Companies composing the Consolidated Tax Group whose parent is Comeresa Prensa, S.L.U.

(6) Guarantor under the syndicated loan transaction (Note 11)

(7) Pledgor under the syndicated loan transaction (Note 11)

Pintor Losada, 7. 48004 Bilbao (Bizkaia).

vocento

VOCENTO, S.A.

Management report 2014

I. INTRODUCTION: VOCENTO AND THE ECONOMIC ENVIRONMENT

In 2014, Spanish GDP expanded by 1.4% according to the INE, after three years of decreasing activity, and the recovery gathered pace over the course of the year (with GDP rising +2.0% year-on-year in 4Q14 according to the advance indicator from the INE). This performance was driven by a rise in household consumption, a consequence of improvements to the labour market and to household confidence. This recovery was reflected in the advertising market, which expanded by 5.0% in 2014 according to i2p and by 7.2% in the fourth quarter. The press market decreased by 1.1% in 2014 while the Internet market grew by 5.0%.

For 2015, a higher rate of growth is expected in the economy and in the advertising market. According to the Funcas panel, GDP will expand by 2.1% driven by internal demand and in particular household consumption (2015e +2.5%). i2p is estimating 5.8% growth in the advertising market (with press up 1.9% and Internet rising by 7.0%).

Since the beginning of the economic crisis, VOCENTO has based its performance on three main elements that differentiate it from the rest of the market: its leading brands, its profitability and effectiveness, and its operating cash flows. 2015 is an opportunity to achieve growth in advertising revenues, supported by proactive commercial strategies, and to increase market share as a result of new circulation strategies, especially in the national press, while also continuing to consolidate the growth of the digital business in recent years.

This consolidation of the digital business is focused on three areas: understanding users (using databases and optimizing the user experience, unifying and assessing audiences, and launching loyalty programmes), improving our existing platforms and vehicles (such as a *Mobile First* strategy and second screen experiences), and developing new products and services (in areas such as e-commerce, social networks and video).

II. PERFORMANCE OF VOCENTO'S BUSINESSES

VOCENTO is a multimedia group, whose parent company is VOCENTO, S.A., and it is dedicated to the various different areas that comprise the media business.

After the changes made in 2013 to the organization of management information, the new lines of activity are Newspapers, Audiovisual, Classifieds and Others. Reports to the market are based on this organization of information, which covers all the newspapers, digital editions, radio stations, digital television channels etc., in which VOCENTO is present, assigned to their respective business segments. The comments and comparisons included in this Management Report are based on this segmentation of the information.

The next page summarises the new segments. The "Others" area includes the B2B business Sarenet which was sold at the end of 2014 (see Relevant Fact of 15 December 2014) and Qué!, whose offline business was closed in June 2012 (Relevant Fact of 28 June 2012) and whose online business was sold in September 2013. All these businesses are outside the perimeter for 2015.

Detail of VOCENTO's areas of activity

NEWSPAPERS			
REGIONALS		ABC	SUPPLEMENTS & MAGAZINES
▪ El Correo ▪ La Verdad ▪ El Diario Vasco ▪ El Norte de Castilla ▪ El Diario Montañés ▪ Ideal ▪ Sur	▪ Las Provincias ▪ El Comercio ▪ Hoy ▪ La Rioja ▪ Regional printing plants ▪ Regional sales companies ▪ Other regional companies	▪ ABC ▪ National printing plants ▪ Sales company	▪ XL Semanal ▪ Mujer Hoy ▪ Hoy Corazón ▪ Inversión y Finanzas ▪ Mujerhoy.com ▪ Finanzas.com

AUDIOVISUAL			
DIGITAL TERRESTRIAL TELEVISION		RADIO	CONTENT
▪ National DTT – Net TV	▪ Regional DTT	▪ Analog radio licenses ▪ Digital radio licenses	▪ Veralia Production: ▪ Veralia Contenidos (Boca Boca, Europroducciones, Europroduzione and Hill Valley) Distribution: ▪ Veralia Cinema

CLASSIFIEDS	OTHERS
▪ Pisos.com ▪ Infoempleo ▪ Autocasión	▪ Sarenet (out of perimeter in 2015)

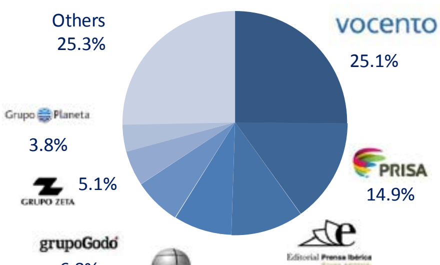
IMPORTANT NOTE: To facilitate the analysis of the information and understand the organic performance of the Company, it is always indicated in this report when operating expenses, EBITDA and/or EBIT and the Net Result are affected by non-recurring or extraordinary items. These items are mentioned and explained as appropriate throughout the report, including in the tables and appendices.

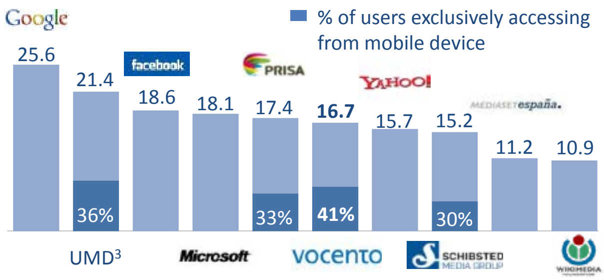
The financial information contained in this report has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

Newspapers (including offline + online activity)

VOCENTO has consolidated its undisputed leadership of the general press sector with a market share of circulation of 25.1% (35.9% including the circulation of newspapers which form part of Tarifa Comercial Única 3.0), almost 10 p.p. more than the number two media group. It is also the leader in readership, with more than 2.5 million readers, according to the 3rd EGM survey of 2014. It is a leader on the Internet with almost 17 million unique monthly users according to comScore (December 2014).

Share of ordinary circulation[1](%) Ranking of Internet audiences[2] (thousand u.m.u.)





Note 1: Source [illegible]. Note 2: source comScore. Note 3:UMD= Unidad de Medios Digitales including Unidad Editorial, Zeta and Prensa Ibérica.

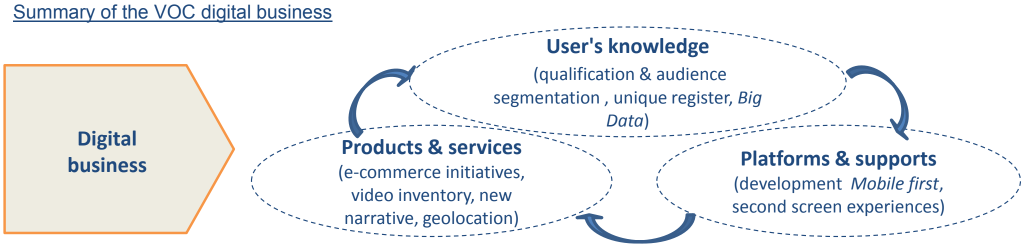
The increased consumption of news on mobile devices is an opportunity for VOCENTO, not only to attract new readers but also to understand them and register them so that the Group can improve its offering and add new businesses that are complementary (such as e-commerce), as well as giving advertisers new ways for reaching their users. The penetration of smartphones in Spain has reached 84% and 41% of households have a tablet, according to the 2014 Digital Consumer Survey España from Accenture. In December 2014, 66% of the combined readership of the 11 local portals and ABC.es came from mobile devices and 53% of users only used these devices.

As the previous chart shows (ranking of Internet audiences), in the profile of unique users in the media sector there is an increasing proportion of users from mobile devices such as tablets and mobile telephones. VOCENTO, as well as being in the top 10 companies in Spain for unique users, is also ahead of its peers in terms of exclusively mobile users, both at the group level and in particular at ABC.

VOCENTO is working on a number of strategic digital initiatives that aim, i) to deepen the understanding of users and their behaviour, based on Big Data, which enables the capture, storage, mining, sharing and analysis of large volumes of data, which will steadily build up single view of users and enable their segmentation; ii) to develop platforms and technologies which enable multi-screen publishing, with 'mobile first' as the main driver, and iii) to develop new products and services that respond to this social reality, such as e-commerce services (including Oferplan), a presence on social media, and greater use of video content.

As an internal mechanism for accelerating this process of transformation, VOCENTO has created VOCENTO Media Lab, which has the aim of researching, experimenting and providing training in interesting and innovative trends for the press sector. VOCENTO Media Lab is working on areas ranging from data-driven journalism to new digital narratives, as well as training journalists internally and the dynamics of sharing know-how between technical areas and editorial and business areas. As a result, VOCENTO is reinforcing its focus on new technologies for current journalistic trends with a venture that will contribute to the profitability of the business.

Summary of the VOC digital business

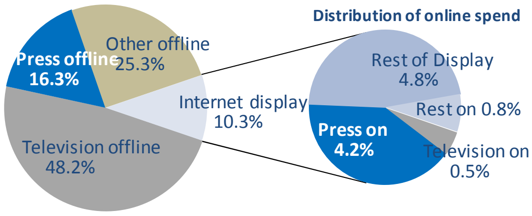


Advertisers are also responding to digital transformation. According to i2p, in 2014 the advertising spend on the Internet was 10.3% of the total, or 386.9 million euros. It should be noted that:

i. The press absorbs part of the online advertising spend: of the 386.9 million euros, 40.4% was spent on the press.
ii. The total share of advertising spend of the press in 2014 was 20.4%, of which 16.3% was offline and 4.2% online.
iii. There was a 14.7% rise in advertising spend on the online press in 2014.

Press maintains its share of online advertising[1]

Breakdown of advertising spend (%), offline and online



Share on+off	2013	2014	Var p.p.
TV	46.9%	48.7%	1.8 pp
Press	21.1%	20.4%	(0.7 pp)
Radio, cinema, other	26.9%	26.1%	(0.8 pp)
Rest of display	5.2%	4.8%	(0.4 pp)

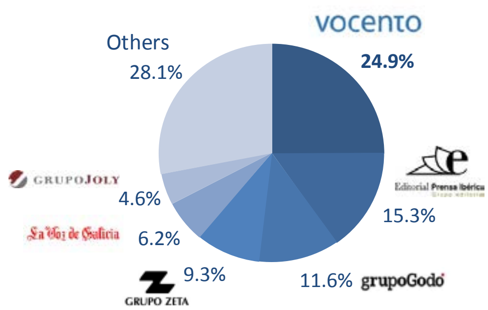
Note 1: source i2p.

Regional Newspapers

VOCENTO is the undisputed leader of the regional press markets of Spain due to the deep roots and excellent positioning of its 11 regional newspapers: El Correo, El Diario Vasco, El Diario Montañés, El Norte de Castilla, La Verdad, Ideal, Las Provincias, Sur, El Comercio, Hoy and La Rioja. The strength of these titles, some of which are over 100 hundred years old, their high level of local recognition and their strong links to their regions have turned them into clear references in their markets. Our newspapers are committed to journalism which is dedicated to accuracy, independence and freedom of expression.

VOCENTO's regional newspapers maintained their leadership in terms of circulation in 2014, with market share in the regional press of 24.9%, with the number two group on 15.3%.

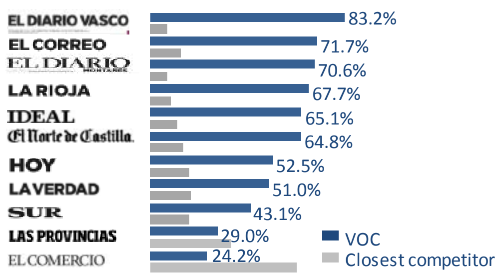
Share of circulation of the regional press 2014 (%)[1]



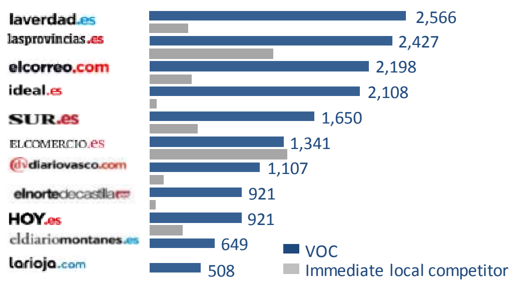
Note 1: source OJD.

In terms of the readership for regional newspapers, VOCENTO remains the leader both in the offline market (with over 2[1] million readers, 0.7 million readers more than the number two regional press group), and also online, with a readership of close to 16[2] million unique monthly users. Every one of the eleven portals is the audience leader in their markets, except for El Comercio Digital.

Circulation share in region of newspaper[1] (%)



Readership of local portals (thousand u.m.u)[2]



Note 1: source OJD.Note 2: source comScore.

In 2014, the main focus has been on reinforcing the leadership of the newspapers, regardless of the device used to read them, and on optimizing processes and resources, while continuing to invest in the quality of the editorial product.

For 2015, the various newspapers are focused on maintaining their leadership and their profitability. The steady evolution of journalism calls for continued investment in high quality content to differentiate from third parties, and for the development of new revenue sources, which will maintain current readers and attract new audiences. In addition, non-organic growth continues to be an option, as illustrated by the

[1] *Source EGM 3rd survey 2014.*
[2] *Source comScore MMX Multiplataforma December 2014. Total audience as an aggregation of the eleven Local Portals audiences.*

acquisition in 2014 of León Noticias, a digital portal that has a readership that complements el Norte de Castilla.

There are three main lines of work in this effort to develop and maintain revenues:

- **Strengthening e-commerce ventures: more resources, investment and technology.** Oferplan, Ticketing and Guapabox are being reinforced and extended, both in terms of the product and also in improving the platform for readers and advertisers.
- **Local commercial initiatives**: increasing revenues from digital advertising inventories and offline commercial initiatives, which will increase regional and local advertising spends, such as special events, microeditions in some markets, or new hyper-local editions.
- **Consolidating the digital business,** to improve the positioning and perception of our newspapers: enhancing our understanding of users and analyzing and unifying readerships, to develop new mobile products and continuously improve the digital editions. In 2015, the company is also working on ways to introduce paid-for premium content.

National Newspaper - ABC

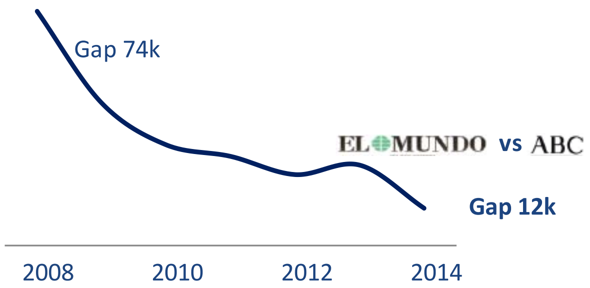
ABC is VOCENTO's national newspaper, with over 110 years of history. It is one of the country's leading newspapers, with a vocation to maintain this leadership in a profitable way.

To achieve this, ABC has developed a **multi-media presence:** ABC in press + ABC on Kiosco y Más + ABC.es + ABC mobile (with applications for different multi-screen environments), as well as benefitting on the radio from the support of the agreement with COPE (see Radio section). This combination of different media types enables the development of editorial synergies and the capture of new audiences, mainly digital audiences.

In its print edition, ABC is focusing part of its efforts on **ordinary circulation** (sales including individual subscriptions and kiosk sales), which are the most profitable, while voluntarily reducing non-ordinary circulation (block and collective sales) in a controlled way. According to data for 2014, it is the national newspaper which has the highest quality basic sales, with a proportion of ordinary sales to total circulation of 89.6% at ABC compared to an average of 81.3% at its peers (El País 87.2%, El Mundo 85.0% and La Razón 71.6%).

(i) ABC is gaining market share[3], 0.5 p.p., in ordinary circulation in Spain: ABC continues to narrow the gap to the number two player in Spain, El Mundo, to 12 thousand copies, from 26 thousand copies in January-December 2013.

Performance of ordinary circulation ABC vs El Mundo (thousand copies[1])

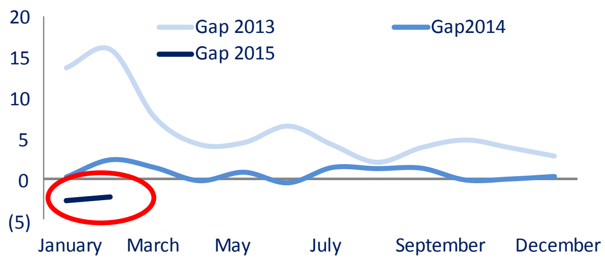


[3] Source: OJD. Share of national press (sum of El País, El Mundo, La Razón and ABC).

Note 1: source OJD. Includes kiosk sales and individual subscriptions.

(ii) ABC is the number two national newspaper for **kiosk sales** in Madrid, the main market for the national press, ahead of El Mundo. As the following chart shows, the gap has fallen over recent years, to almost nothing in 2014, and then in January and February 2015 outselling El Mundo.

Performance of ABC kiosk sales vs El Mundo in Madrid (thousand copies[1])

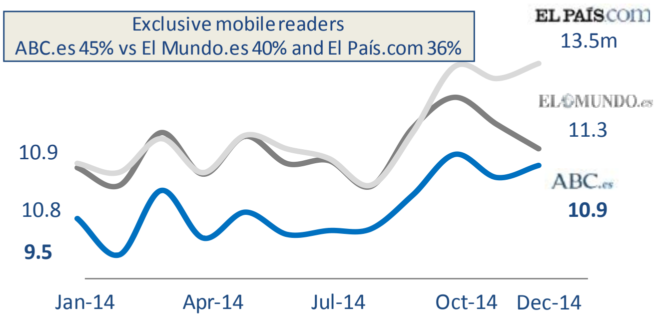


Note 1: source internal data.

(iii) ABC is also the number two newspaper nationwide, for **ordinary circulation on Sundays**, the day with the highest sales: ABC sells 10,165 copies more than El Mundo (177,850 copies of ABC vs 167,685 copies of El Mundo), while at the end of 2013 El Mundo led by 11,789 copies.

In digital terms, abc.es continues to increase market share and to strengthen its position. According to data for December 2014, it has 11 million unique monthly users. Of these, 5 million or 45% of the total come exclusively from mobile, reflecting the high value of ABC users and its leading position in this segment. ABC now competes almost on an equal footing with the other national digital editions.

Performance of unique monthly users ABC.es vs competitors (u.m.u.[1])



Note 1: source comScore.

In 2014, in order to **improve market share and profitability,** various actions were undertaken: i) compensating for the fall in circulation by increasing cover prices (carried out in January 2014, with a cover price increase on Monday-Friday from €1.3 to €1.4, and on Sundays from €2.5 to €2.8), ii) maintaining the focus on high quality circulation while optimizing promotions, iii) continuing to develop new lines of revenues, such as ABC on Kiosko y Más, targeting the profitable growth of user numbers on the digital platform, iv) improving the offering for mobile devices, including both editorial content and products such as Oferplan, and finally v) continuing with savings measures, enabling current levels of positive EBITDA to be maintained.

For 2015, ABC has defined three priorities, which reflect its aim to **continue strengthening its current position**:

1) Digital business:
   a. **Redesign the ABC portal** to strengthen online leadership, and optimize the user experience on mobile devices.
   b. **Improve the overall offering** of services to the client: Oferplan, Ticketing, ABC Foto.
   c. Continue working on improving **user understanding,** assessing readers and using this information to improve services and advertising results.

2) A new strategy for circulation:
   a. **Increase market share**, both in ordinary circulation and in terms of users of the Kiosco y Más platform. We will formally request the OJD to carry out a combined survey of the ABC circulation.
   b. **Increasing the loyalty of kiosk buyers**: ABC Oro card. Pilot carried out in Toledo (with an increase in circulation of +3%). Extension to the rest of Spain in 1Q15.
   c. **Cover price increases** on Monday-Friday (from €1.4 to €1.5) and on Saturday (from €1,8 to €2.00) in January 2015.

3) Improving profitability, as follows:
   a. **Logistical restructuring of ABC in the Balearic Islands and Canary Isles** from 1/1/2015: eliminating the print version and becoming a 100% digital newspaper on Kiosko y Más.
   b. **Optimizing the print centres.**

Supplements and Magazines

VOCENTO publishes the two most read supplements in the ranking of supplements in Spain: XL Semanal and Mujer Hoy. Their success is due to the quality of the contributors and the overall commitment to accuracy, differentiating them from their main competitors. The supplements are distributed with all VOCENTO newspapers during the weekends and with other leading regional newspapers.

XL Semanal is the most read Sunday supplement in Spain, with journalists including Carlos Herrera, Arturo Pérez-Reverte, Juan Manuel de Prada, Carmen Posadas and others.

Mujer Hoy is the second most widely read supplement in Spain and is the leading women's supplement in its category in an increasingly competitive market. To celebrate its fifteenth anniversary, the supplement has undergone a major redesign and its editorial offering has been strengthened, with more pages and more content.

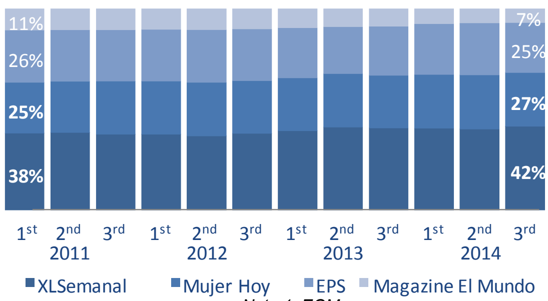
Hoy Corazón, a magazine which covers celebrity news and which has been well received by readers, has no competition in the weekend supplements market.

In the financial information segment, Inversión y Finanzas is the leading weekly finance magazine by kiosk sales (with 53,000 readers according to the 3rd EGM survey of 2014), and covers stock market and financial news with accuracy and professionalism.

The Magazines and Supplements of VOCENTO have a combined readership of 4 million readers, with XL Semanal the clear leader in its sector (2.3 million readers, around 1 million readers more than its most immediate competitor according to the third EGM survey of 2014), while Mujer Hoy has 1.4 million readers.

In recent years, the supplements of VOCENTO have improved their position notably, in both terms of readers and in their share of the advertising market. According to internal data, both supplements continue to increase their share of the advertising market. For the Sunday publications, and in a weakened advertising market, XL Semanal has a share of 53.4%; in the women's market, where advertising has stabilized, Mujer Hoy improved its share by 4.8 p.p. in 2014.

Readership share of the main supplements in Spain[1]



Note 1: EGM.

In the digital business, Mujerhoy.com with 1.1[4] million unique users is in the number five position in its category.

In 2014, as well as maintaining its leadership position, the Group was focused on increasing its sources of revenues, maintaining a rational approach to costs, without reducing the editorial quality of the area. Reflecting this, various initiatives were carried out, including encouraging e-commerce ventures, such as Guapabox, increasing the events business, and editing various corporate magazines.

In 2015, the Group will continue to invest in its differentiated products to attract both readers and advertisers. **A key part of the business** will be to increase activity in events and special actions, and to drive forward **digital initiatives.**

Printing and Distribution

The Print Media activity is supported by Printing and Distribution businesses.

In the Printing area, the company remains focused on improving profitability by making the most of its technical resources, enabling it to improve print quality while reducing unit costs.

In the Distribution business, again to improve processes and margins, VOCENTO is looking to achieve savings by automating manual tasks, implementing point-to-point control of the distribution of newspapers and optimizing the structure and points of sale based on financial criteria.

[4] *Source: MMX Multiplataforma December 2014.*

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Audiovisual

VOCENTO has a presence in the audiovisual market, with a national DTT license, regional DTT licenses, a network of radio licences, shareholdings in content producers and the management of a catalogue of film rights.

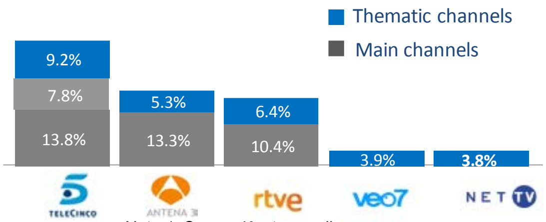
Television

VOCENTO via its 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV") is one of four private companies to have a national free-to-air DTT license.

Following the Government's decision to close nine DTT channels in 2014, NET TV continues to broadcast Disney Channel and Paramount Channel. This means that VOCENTO remains present in the niche television market with international partners who are global leaders in entertainment, guaranteeing the medium and long term future of NET TV.

The broadcast channels had combined market share of 3.8%[5] in December 2014. This positioning in the television sector enables VOCENTO to reduce its exposure to the economic cycle, while contributing to its overall goal of profitability.

Audience share by channels, December 2014 (%)[1]



Note 1: Source Kantar media.

Radio

The radio business is based on the alliance with Cadena COPE that was authorized by the Comisión Nacional de Competencia (CNC) on 15 March 2013. This is a strategic agreement that aims to reinforce a shared editorial line, especially with ABC, and to defend the same values.

Following the agreement, the broadcasters owned by various subsidiaries of COPE transmit channels including COPE, Cadena 100, Rock FM and Mega Star and close links have been created between the COPE and ABC brands. As well as working together, ABC also highlights the programmes, presenters and contents of COPE in its pages.

Likewise, the two groups have integrated the radio portals COPE, Cadena 100 and Rock FM on the ABC website to strengthen both media in the competitive online market for information and news.

Audiovisual Production and Distribution -Veralia

The presence of VOCENTO in the audiovisual production sector (the production of entertainment and drama programmes and the distribution of films) is based on: i) Veralia Contenidos, a holding company for

[5] *Source: Kantar Media December 2014. Not including DTT pay channels.*

audiovisual production companies, which includes BocaBoca Producciones, Europroducciones (with a presence in Italy through its subsidiary Europroduzione Italia), and Hill Valley and ii) Veralia Distribución de Cine, which has a catalogue of rights for 220 films.

2014 has been a year of repositioning for the area, with significant improvements in results. 2015 should be a year of consolidating these trends. In the cinema segment, the aim is to continue to maximise the revenues of the catalogue, while in the production area, the target is to focus on international markets and on successful formats for the main TV channels.

- The Veralia production companies currently have various formats in development, preproduction, production, and broadcasting, including the sixth series of "Conexión Samanta," "A Tu Vera" (Castilla la Mancha TV) and "Guinness World Records" (Canale5, Italy). Other successful shows include "Hit, la canción," the end-of-year gala "Parte de tu vida" and "!qué noche la de Reyes!" for Epiphany, both on TVE, the latter featuring los Morancos.

  Veralia is also internationalizing its output. The "21 días" format has been successfully adapted in the Netherlands, Italy, France, Canada and Chile. In addition, Grand Prix has been sold to Mexico. Agreements have also been reached with various international companies to introduce new formats into the Spanish market.

- In the film distribution segment, Veralia Cine, the agreement in 2013 with some minority partners of Veralia has reduced the risk of the impact of the business's volatility and improved its prospects of profitability.

Classifieds

The nationwide Classifieds network of VOCENTO is unique in the Spanish media sector, thanks to its specialist team and its customer-focused service culture. These characteristics are supported by ABC.es and the 11 regional digital editions of VOCENTO, providing a nationwide service that is characterised by its content as well as by its understanding of the segment.

The portals are present in the three main markets for Internet classified advertising: in real estate with pisos.com (top#3 in its category), employment with Infoempleo.com (top#3) and automotive with autocasion.com (top#7).

In 2014, the company continued to focus on optimizing revenue generation from advertising and on implementing its sales strategy, while maintaining its cost structure. In addition, it reached an agreement with Schibsted for the commercial operation of the automotive business from the Mil Anuncios portal, a very attractive opportunity.

For 2015, VOCENTO aims to focus on the development of each vertical, especially on the B2B sector, to strengthen and improve the customer base. As with its others business area, VOCENTO will be committed to developing high added value products and services that are based on its deeper understanding of clients and users and its use of new technologies. The Classifieds Area will make selective investments, while controlling costs, in each segment depending on the maturity of the business, in both commercial operations and technology in order to guarantee sustained growth rates.

Others

Includes the B2B business Sarenet, which was sold at the end of 2014 (see Relevant Fact of 15 December 2014) and Qué!, where offline activity ended in June 2012 (see Relevant Fact of 28 June 2012).

III. **Highlights of the financial performance of the business**

- **Targets met: stable advertising, higher profitability, lower debt**
- **Advertising in 2014: +0.9%, with digital contributing 25.2% of advertising revenues**
- **Comparable EBITDA 2014 improves to €44.1m, with a margin of 8.9%**
- **Reduction in Net Financial Debt to €125.9m and NFD/EBITDA 2.9x**

Annual advertising revenues stabilize for the first time since the start of the recession

i. VOC advertising revenues increased by 0.9% in 2014, thanks to rising advertising spend at VOCENTO's newspapers[6] (offline and online): 2014 +0.9% and 4Q14 +4.2%.
ii. Advertising spend in the online press offsets the lower share of the offline press: 40.4% of the market's advertising spend online goes towards the press, according to i2p. The combined advertising market share of the offline and online press was 20.4% in 2014. A highlight was the rise in advertising on VOCENTO's digital editions, up 17.0% vs 5.0%[7] for the market.
iii. VOCENTO's revenue profile continues to migrate towards digital: Internet and e-commerce advertising revenues represent 25.2% of total advertising revenues (+3.2 p.p. vs 2013).
iv. ABC improves market share, consolidates its number two position in ordinary circulation in Madrid[8].

Comparable EBITDA +19.3%, profitability improves based on rise in advertising and cost savings

i. The Comparable EBITDA margin was 8.9% in 2014, up 1.9 p.p. Total comparable costs decreased by -8.5%[9] from 2013 and personnel expenses were down -1.7%[4].
ii. Newspapers: increase in Comparable EBITDA at ABC by +1,930 thousand euros.
iii. Audiovisual: measures implemented in all businesses enabled a 6,003 thousand euros improvement in Comparable EBITDA.

	Comparable EBITDA			Advertising
IFRS thousand euros	**2014**	**2013**	**Var Abs**	**Var Abs**
Newspapers	41,696	40,939	756	1,019
Audiovisual	11,214	5,212	6,003	(120)
Classified	(708)	(1,268)	560	1,011
Other	2,663	3,474	(811)	(151)
Corporate	(10,795)	(11,406)	611	(304)
Total	**44,070**	**36,951**	**7,119**	**1,455**

Operating profit doubles in 2014 as a result of increased EBITDA and lower depreciation

Consolidated net result excluding one-offs (tax reforms and goodwill writedown) reaches a positive 4,279 thousand euros

Reduction of net financial debt 2014 to 125,869 thousand euros: NFD/Comparable EBITDA 2.9x

i. Cash flow of 14,863 thousand euros generated, excluding non-recurring items.
ii. There was a net non-recurring cash inflow of 8,552 thousand euros, mainly because of the sale of 0.36% of ONO and 80% of Sarenet (see Relevant Fact of 15 December 2014), and payments for restructuring totalling 6,255 thousand euros
iii. VOCENTO has cash and cash equivalents of 23,451 thousand euros and has credit lines that it has not drawn down of 36,941 thousand euros.
iv. The NFD/Comparable EBITDA ratio has fallen to below 2.9x vs 4.0x in 2013.

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[6] *Sum of ABC and the regional newspapers.*
[7] *Source i2p.*
[8] *Internal sources.*
[9] *Excluding restructuring costs 2014 -6,520 thousand euros and 2013 -596 thousand euros.*

IV. RIESGOS E INCERTIDUMBRES

The Financial Department is responsible for the management of the financial risks faced by the Company. It has established the mechanisms needed to monitor the exposure to credit risks and liquidity risks. The management of the financial structure of the Company is also coordinated with the financial policies of the Group of which it is a part. The main financial risks with an impact on the Company are described in the following section:

Strategic and operational risks-

In general, as for any company in a market there is the possibility of a loss of value or earnings because of changes to the business environment, competition and market conditions, strategic uncertainty, or possible customer defaults. Specifically for the company, revenues and advertising sales may be affected by macroeconomic conditions and their effect on consumption, and it may be harder to retain the talent needed for internal transformation. In particular, credit risk materializes for receivables from clients, including receivables that are pending and transactions that have been agreed. The Company assesses the credit quality of its clients, based on their financial position, past experience and other factors. Individual credit limits are established according to internal assessments and following the procedures of the Department. The use of credit lines is monitored on a regular basis.

A major part of this credit risk corresponds to sales to the Group. The Company assumes the credit risk for advertising sales made by Comercial Multimedia Vocento, S.A.U. (a subsidiary of Grupo Vocento), which is only an intermediary and does not assume the risk of the insolvency of the end client. However, this company applies the same criteria and procedures for assessing clients. Generally, the Company maintains its cash and equivalent liquid assets in financial institutions with a high credit rating.

The Department monitors the estimated liquid reserves of the Company (which consist of the credit available to it and its cash and cash equivalents) and their relation to expected cash flows.

Market risk-

Certain items are exposed to interest rate risks, as increases or decreases in interest rates can impact financial expenses and cash flows. However, this does not have a major impact on the Company. The interest rate on the syndicated debt of the parent company is hedged, and this substantially mitigates the effect of possible interest rate rises.

Others-

The risks of compliance, especially tax compliance, are associated with the possibility of a different interpretation of the tax norms by the competent tax authorities, as well as with the generation of positive taxable bases that would lead to any tax credits used to be recovered, and new regulations about these areas. Moreover, publishing activities also imply a risk of lawsuits, which depending on their materiality and any provision made are detailed in the annual report.

There is also the risk of attacks on information systems, and the risk of technological changes which would require the media in general to invest in these areas.

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V. EVOLUCIÓN PERIODO MEDIO DE PAGO

In accordance with the information about the delays to payments made to suppliers which is detailed in note 19 of the annual accounts, the company, in order to comply with the maximum legal deadline for payment according to the legislation on late payments, will work to reduce its average payment period as its average period for receivables also diminishes. The Optimization Plans for costs that have been implemented in recent years have improved our financial situation and point to a promising outlook for the future.

The Directors understand that in 2015 the Management of the Company expects to reduce the average payment period and to reach agreements with creditors and customers.

VI. SHAREHOLDER REMUNERATION

In 2014 and 2013 the Parent did not distribute any dividends and at 31 December 2014 and 2013 the Parent did not have any amounts payable in this connection.

VII. TREASURY SHARES

The Parent holds 3,867,298 treasury shares, equivalent to 3.09% of its share capital, which may be freely transferred.

The changes in treasury shares in 2014 and 2013 were as follows:

	No. of shares	Cost (Thousands of euros)
Shares at 31/12/12	**3,870,101**	**32,572**
Acquisitions	157,499	205
Sales (*)	(156,099)	(1,303)
Shares at 31/12/13	**3,871,501**	**31,474**
Acquisitions	260,940	531
Sales (*)	(265,143)	(2,131)
Shares at 31/12/14	**3,867,298**	**29,874**

(*) Sales recognised at weighted average cost.

The loss resulting from the sales of treasury shares in 2014 was recognised with a charge of EUR 1,595 thousand to "Reserves".

Pursuant to the Spanish Limited Liability Companies Law, a restricted reserve was recognised for an amount equal to the cost of the treasury shares held. The balance of this reserve will become unrestricted when the circumstances that made it necessary to record it cease to exist.

The average number of treasury shares in 2014 was 3,866,006

VIII. SHARE PRICE PERFORMANCE

VOCENTO shares ended 2014 at 1.75 euros, corresponding to market capitalization of 218.7 million euros on 31 December 2014. The average traded volume in the year was 72,313 shares per day. VOCENTO shares are listed on the stock markets of Barcelona, Bilbao and Valencia.

IX. SHARE-BASED PAYMENT

The shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve an incentive plan addressed to the CEO and senior executives of Vocento, consisting of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO.

Since the plan targets were assessed as not being met, the Group had not recognised any provision in that connection at 31 December 2014 and, accordingly, there was no impact on the consolidated statement of profit or loss or on consolidated equity for 2014 and 2013.

In addition to the share-based incentive plans, in 2013 the Board of Directors of the Parent approved the implementation of a long-term incentive plan addressed to the CEO and certain senior executives of the Parent and the Group.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 20% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for 2015. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved, with a limit of EUR 1.3 million.

In accordance with the assessment and estimated non-achievement of the aforementioned plan, the Group has not recognised any provision in this connection in the consolidated balance sheet at 31 December 2014.

Lastly, in 2014 the Board of Directors of the Parent approved the implementation of a long-term incentive plan addressed to the CEO and certain senior executives of the Parent and Group.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 20% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for 2016. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved, with a limit of EUR 1.3 million.

In accordance with the assessment of the plan and the estimate that the plan target will be met, the Group has recognised a provision for EUR 150 thousand in this connection with a charge to "Staff Costs" in the accompanying consolidated statement of profit or loss for 2014

X. RESEARCH AND DEVELOPMENT ACTIVITIES

In 2014, the Group did not make any significant investments in Research and Development activities.

XI. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. As part of these transactions, the Company arranged certain hedging financial instruments.

The purpose of the interest rate derivatives arranged by the Company is to mitigate the effect that interest rate fluctuations may have on any future cash flows from the loans tied to floating interest rates. The detail and maturity of these hedging transactions is as follows:

Bank	Instrument	Average interest rate arranged	Nominal amount (Thousands of euros)	Expiry date
BBVA	Interest rate swap	1.34%	26,444	2019
Banco Santander	Interest rate swap	1.34%	21,794	2019
Kutxabank	Interest rate swap	1.34%	10,012	2019
Bankia	Interest rate swap	1.34%	12,891	2019
La Caixa	Interest rate swap	1.34%	2,166	2019
Banco Popular	Interest rate swap	1.34%	4,218	2019
	Total		**77,525**	

The effect of the changes in hedging derivatives in 2014 was recognised with a charge to "Valuation Adjustments - Hedges" in equity amounting to EUR 2,074 thousand and a transfer of EUR 206 thousand to the income statement in 2014.

The interest rate swap derivatives in force as at 31 December 2014 relate to hedging transactions arranged by the Group under the syndicated financing agreement (see Note 11).

The Company met the requirements described in Note 4-e on measurement bases in order to classify the financial instruments detailed above as hedges. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective. No ineffective portions were detected in the hedges designated by the Company as such.

The sensitivity of the fair value of the interest rate hedges to interest rate fluctuations which the Company considers reasonably possible, and the related impact on profit (loss) for the year and equity at 31 December 2014, is reflected in the following table:

	Thousands of euros

	Change in interest rates (basis points)	
	+ 0.25%	- 0.25%
Fair value	518	(662)
Profit (Loss) Equity	518	(662)

The liquidity analysis of the derivative instruments, using net undiscounted flows, is as follows:

Bank	Instrument	2015	2016	2017	2018 and subsequent years
BBVA	Swap de tipo de interés	182	254	280	296
Banco Santander	Swap de tipo de interés	150	209	231	244
Kutxabank	Swap de tipo de interés	69	96	106	112
Bankia	Swap de tipo de interés	89	124	137	144
La Caixa	Swap de tipo de interés	15	21	23	24
Banco Popular	Swap de tipo de interés	29	41	45	47
	Total	**534**	**745**	**822**	**867**

XII. BALANCES AND TRANSACTIONS WITH OTHER RELATED PARTIES

The detail of the transactions with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are performed on an arm's length basis (see Note 4-l) and are recognised under the related headings in the accompanying income statements for 2014 and 2013, and of the balances with Group companies and associates in which Vocento has a majority holding or exercises effective control, which are recognised under the related headings in the accompanying balance sheets as at 31 December 2014 and 2013, is as follows:

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2014:

Company	Balances: Non-current: Loans to Group companies and associates	Balances: Non-current: Payables to Group companies and associates	Balances: Current: Trade receivables from Group companies and associates	Balances: Current: Loans to Group companies	Balances: Current: Payables to Group companies and associates	Balances: Current: Payable to suppliers - Group companies and associates	Transactions: Revenue from services (Note 15-a)	Transactions: Other operating expenses (Note 15-c)	Transactions: Finance income from Group companies and associates	Transactions: Finance costs on debts to Group companies and associates
	Thousands of euros									
Comeresa Prensa, S.L.U.	1,149	226,038	138	89	-	-	1,192	933	66	12,904
Veralia Corporación Producciones de Cine y Televisión, S.L.	13,019	-	4	1,008	-	-	1	-	743	-
Veralia Contenidos Audiovisuales, S.L.	2,026	-	1	157	-	-	-	-	116	-
Diario El Correo, S.A.U.	-	386	-	4,201	-	15	-	69	-	-
Comeresa País Vasco, S.L.U.	-	-	-	1,154	-	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	3,318	-	-	-	-	-	-
Bilbao Editorial Producciones, S.L.U.	4,125	427	-	-	180	-	66	26	-	-
Diario ABC, S.L.	21,668	-	-	1,677	-	55	-	314	1,236	-
ABC Sevilla, S.L.	1,435	-	-	111	-	-	-	-	82	-
Radio Publi, S.L.	1,657	-	-	128	-	-	-	-	95	-
Corporación de Medios de Extremadura, S.A.	1,003	-	-	78	-	-	-	-	57	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	41	-	-	-	-	-	-
Corporación de Medios Internacionales de Prensa, S.A.	-	476	-	-	-	-	-	-	-	-
Other Group companies	-	142	13	467	155	3	167	30	145	-
Total	**47,182**	**227,469**	**156**	**12,429**	**335**	**73**	**1,426**	**1,372**	**2,540**	**12,904**

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2013:

Company	Thousands of euros								
	Balances						Transactions		
	Non-current		Current						
	Loans to Group companies and associates	Payables to Group companies and associates	Trade receivables from Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Payable to suppliers - Group companies and associates	Revenue from services	Other operating expenses	Finance costs on debts to Group companies and associates
Comeresa Prensa, S.L.U.	-	344,138	113	-	-	17	515	261	12,306
Diario El Correo, S.A.U.	-	135	-	4,350	-	61	-	137	-
Comeresa País Vasco, S.L.U.	-	-	-	876	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	2,948	-	59	2	-	-
Sarenet, S.A.	456	-	-	735	-	-	-	9	-
Bilbao Editorial Producciones, S.L.U.	4,125	115	-	-	316	1	11	23	-
Diario ABC, S.L.	-	-	-	-	-	93	-	688	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	33	300	-	-	-	-
Other companies	-	252	89	586	12	161	338	55	-
Total	**5,681**	**344,640**	**202**	**9,528**	**628**	**392**	**866**	**1,173**	**12,306**

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The current accounts payable to Group companies and associates included under “Current Payables to Group Companies and Associates”, a balance of EUR 1,431 thousand recognised under "Non-current Payables to Group Companies and Associates", the accounts receivable included under "Current Investments in Group Companies and Associates - Loans to Group Companies" amounting to EUR 9,182 thousand and an amount of EUR 4,126 thousand relating to non-current accounts receivable recognised under "Non-Current Investments in Group Companies and Associates - Non-Current Loans to Group Companies and Associates" in the accompanying balance sheet as at 31 December 2014 arose basically as a result of the amounts allocated by the Parent, Vocento, S.A., to its subsidiaries in connection with the settlement of the consolidated income tax return (see Note 13). These balances were classified in the balance sheet as current or non-current based on their expected maturity date.

Also, “Non-Current Payables to Group Companies and Associates” includes a payable of EUR 226,038 thousand at 31 December 2014 relating to the current account held with Comeresa Prensa, S.L.U. The commercial current account agreement is tacitly renewed each year unless expressly waived by the parties. The Company’s directors consider that the balance will not be called in the short term. The accounts receivable generate a return calculated on the basis of average 3-month Euribor for each calendar quarter plus a spread of the weighted average of the spreads received from third parties by the companies from time to time considered to be Group holding companies as the return on their financial instruments; whereas the accounts payable incur interest costs of average 3-month Euribor for each calendar quarter plus a spread equal to the spreads applied by third parties to financing instruments of companies from time to time considered to be Group holding companies.

The expenses incurred on the aforementioned current account amounted to EUR 12,904 thousand in 2014 and are recognised under “Finance and Similar Costs – On Debts to Group Companies and Associates” in the accompanying income statement for 2014.

Lastly, in 2014 the Company entered into credit facility agreements with the companies which repaid bilateral credit lines, as part of the syndicated financing agreement totalling EUR 55,467 thousand (see Note 11). Subsequently, Editorial Cantabria, S.A., Federico Domenech, S.A. and Habitatsoft, S.L.U. repaid their respective credit facilities in full, for an aggregate total of EUR 5,393 thousand. At 31 December 2014, the outstanding amount of the credit facilities to be repaid by the other companies amounted to EUR 41,956 thousand and EUR 3,247 thousand, recognised under "Non-Current Investments in Group Companies and Associates" and “Current Investments in Group Companies and Associates", respectively. The aforementioned credit facilities earn interest calculated under the same conditions as in the syndicated financing facility (see Note 11). The Company recognised the interest earned in 2014, amounting to EUR 2,540 thousand, under “Finance Income - From Marketable Securities and Other Financial Instruments - Group Companies and Associates” in the accompanying income statement.

XIII. EVENTS AFTER THE REPORTING PERIOD

From 31 December 2014 to the date of formulation of these consolidated annual accounts, there has been no significant fact that may affect the fair and true view of the consolidated accounts for 2014.

XIV. OUTLOOK

Given current positive expectations for the economy and the advertising market, VOCENTO is focused on growth in 2015, in advertising revenues and also in total operating revenues, and it will compensate for the decrease in circulation with cost savings and increases to cover prices, enabling the company to improve its overall profitability.

Improving profitability will also increase cash generation and will reduce financial gearing. This will reinforce the trend of recent years, in which profitability has increased and financial debt has been reduced.

XV. ANNUAL REPORT ON CORPORATE GOVERNANCE

Annual Report on Corporate Governance consists of 51 pages. It is attached to the Consolidated Management Report in accordance with Article 538 of the Law on Corporations. In addition, the report is available on the website of the CNMV, www.cnmv.es.

XVI. ANNUAL REPORT OF ACTIVITIES

The Annual Report of Activities from the Audit and Compliance Committee consists of 18 pages and is attached to the Consolidated Management Report, in accordance with Article 18.9 of the Rules of the Board of Directors.

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APPENDIX

The Directors of VOCENTO, S.A. formulated on 25 February 2015 the annual accounts of VOCENTO, S.A. and the corresponding management report, resulting in the following documents: the balance sheet, profit and loss account, statement of changes to shareholder equity and the cash flow statement, each on one page numbered 1 to 4, an annual report of 37 pages numbered from 5 to 41 and an appendix of 3 pages, and a management report of 23 pages including as point xv the annual corporate governance report and point xvi the annual report of activities of the Audit and Compliance Committee. These documents can be found on paper with the letterhead of the company, numbered and written on one side only, as well as the current appendix, signed by each and every one of the members of the Board of Directors who have formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Madrid, 25 February 2015

D. Santiago Bergareche Busquet	D. Gonzalo Soto Aguirre
LIMA, S.L. (representada por D. Juan Ramón Urrutia Ybarra)	D. Luis Enríquez Nistal
D. Miguel Antoñanzas Alvear	D. Fernando Azaola Arteche
CASGO, S.A. (representada por D. Jaime Castellanos Borrego)	MEZOUNA, S.L. (representada por D. Santiago de Ybarra y Churruca)
ONCHENA, S.L. (representada por D. Alvaro Ybarra Zubiría)	VALJARAFE, S.L. (representada por Dña. Soledad Luca de Tena García Conde)
ENERGAY DE INVERSIONES, S.L. (Representada por D. Enrique Ybarra Ybarra)	D. Carlos Pazos Campos (Secretario no Consejero)

APPENDIX I

ANNUAL CORPORATE GOVERNANCE REPORT

DATE OF END OF YEAR: 31/12/2013

C.I.F.

A-48001655

COMPANY NAME

VOCENTO, S.A.

COMPANY RESIDENCE

PINTOR LOSADA, 7, 48004, BILBAO, BIZKAIA

A.- STRUCTURE OF SHARE OWNERSHIP

A.1 Complete the following table for the company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
31/12/2001	24,994,061,20	124,970,306	124,970,306

Indicate if there are different classes of shares with different rights associated to them:

NO

A.2 Detail the direct and indirect owners of significant stakes at the end of the year, excluding directors:

Via: name or company name of direct shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
LIMA, S.L.	12,672,313	0	10,14%
ENERGAY DE INVERSIONES, S.L.	8,167,106	0	6,54%
ONCHENA, S.L.	6,836,456	0	5,47%

Indicate the most significant shareholder movements in the year:

A.3 Fill in the following tables for members of the Board of Directors of the company with voting rights in company shares:

Name or company name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
DON SANTIAGO BERGARECHE BUSQUET	700	5,986,113	4.79%
DON FERNANDO AZAOLA ARTECHE	6,710	0	0.01%
DON MIGUEL ANTOÑANZAS ALVEAR	10,178	0	0.01%
DON LUIS ENRIQUEZ NISTAL	314	0	0.00%
DON GONZALO SOTO AGUIRRE	100	7,980,242	6.39%
CASGO, S.A.	4,993,201	0	4.00%
MEZOUNA, S.L.	13,843,275	0	11.08%
LIMA, S.L.	12,222,826	0	9.78%
ONCHENA, S.L.	6,836,456	0	5.47%
ENERGAY DE INVERSIONES, S.L.	8,167,106	0	6.54%
VALJARAFE, S.L.	12,609,314	0	10.09%

Name or company name of indirect owner of shares	Via: Name or company name of direct owner of shares	Number of voting rights
DON SANTIAGO BERGARECHE BUSQUET	OTHER COMPANY SHAREHOLDERS	5,986,113
DON GONZALO SOTO AGUIRRE	OTHER COMPANY SHAREHOLDERS	7,980,242

% total voting rights held by the Board of Directors: 53.60%

Fill in the following tables for members of the Board of Directors of the company with rights on company shares:

Name or company name of director	Number of direct rights	Number of indirect voting rights	Number of equivalent shares	% of total voting rights
DON LUIS ENRIQUEZ NISTAL	336,178	0	336,178	0.27%

A.4. State any relationships of a family, commercial, contractual or company nature between major shareholders, to the extent that the company is aware of this, unless of little relevance or derived from ordinary business:

A.5. State any relationships of a family, commercial, contractual or company nature between major shareholders, and the company and/or group, unless of little relevance or derived from ordinary business:

A.6. State if the company has been informed of the shareholder agreements which affect it, in accordance with Articles 530 and 531 of the Law on Corporations. Describe briefly the shareholders bound by the pact, if applicable:

YES

Participants in the shareholder agreement
EDULA, S.L.
BORATEPA, S.L.
MECAMUR, S.L.

Percentage of share capital involved: 4.79%

Brief description of the agreement:

On 17-2-2014, the shareholders of Vocento, S.A., Boratepa, S.L., and Edula, S.L., holders of 1,995,078 and 1,995,077 shares in Vocento respectively, representing 3.193% of share capital and linked to José María Bergareche Busquet and Jorge Bergareche Busquet, brothers of directors Santiago Bergareche Busquet, stated their irrevocable commitment to vote in the same way as Mecamur, S.L., a company linked to Santiago Bergareche Busquet and the holder of 1,995,078 shares representing 1.597% of share capital, or alternatively to delegate the exercise of their vote and other political rights of their shares or any other Vocento shares that may be acquired in the future to Mecamur, S.L., at all of the Shareholder Meetings of Vocento that are held during the period of this commitment.

Participants in the shareholder agreement
AMANDRERENA 1, S.L.
GOAGA 1, S.L.
MIRVA, S.L.
ALBORGA DOS, S.L.
ALBORGA UNO, S.L.
LIBASOLO, S.L.
BELIPPER, S.L.

Participants in the shareholder agreement
DON GONZALO SOTO AGUIRRE
DOÑA MARÍA ISABEL LIPPERHEIDE
DON GONZALO AGUIRRE ALONSO-ALLENDE
DON EDUARDO AGUIRRE ALONSO-ALLENDE
DOÑA PILAR AGUIRRE ALONSO-ALLENDE
DOÑA DOLORES AGUIRRE YBARRA Y OTROS

Percentage of share capital involved: 6.39%

Brief description of the agreement:

On 21/4/2014, shareholders connected to the Aguirre family owning 7,989,012 shares (6.393%) reached an agreement which ended the pact dating from 11/3/2009 and extendable automatically for one year, to appoint directors, recognising Gonzalo Soto Aguirre as the Director nominated by the participants to exercise their combined voting rights in the Shareholder Meeting. On 26/5/2014 Libasolo, S.L. assumed the place of Magdalena Aguirre Azaola and Carmen Aguirre Azaola. On 3/12/2014, Pilar Aguirre Alonso-Allende sold 8,670 shares in Vocento and the share capital covered decreased to 7,980,342 shares (6.386%).

State if the company is aware of the existence of concerted actions between its shareholders, and if so describe briefly:

NO

The only concerted actions that the company was aware of at the end of 2014 are the shareholder agreements described above.

The Shareholder Agreement signed by members of the Aguirre family, of 11 March 2009, was replaced by that of 21 April 2014 as explained previously.

A.7. State if there is any individual or legal entity who exercises or could exercise control of the company, in accordance with article 4 of the Securities Market Law, and indicate them.

NO
Observations

A.8. Fill in the following tables about the company's treasury stock:

At the end of the year:

Number of direct shares	Number of indirect shares (*)	% of total share capital
3,871,501	0	3.10%

(*) Via:

Detail any major variations in the year, in accordance with Royal Decree 1362/2007

A.9. Detail the conditions and the duration of the mandate in force from the General Shareholder Assembly to the Board to acquire or transfer treasury stock.

The Annual General Meeting of shareholders held on 14 April 2010 agreed, in the sixth point of the order of the day, the following:

In accordance with the terms of Articles 75 and following of the Law on Corporations, and leaving without effect the authorisation awarded in the same area by the shareholder meeting of 29 April 2009, authorise and award powers to the Board of Directors for the company to acquire shares in the company itself under the following conditions:

1.- Means of acquisition: by trade or any other inter vivos transaction of those shares in the company that the Board of Directors considers appropriate, in the limits established in the following sections.

2.- Maximum number of shares to acquire: a number of shares whose nominal value, in addition to those the acquiring company and its subsidiaries already possess, is not more than 10% of the total paid in share capital.

3.- Minimum and maximum acquisition price: the acquisition price will not be less than the nominal share price, or 20% more than the market price, on the working stock market day, the day before the acquisition.

4.- Duration of the authorisation: five years, from the adoption of this agreement.
The acquisition, including all the shares that the company has acquired before and holds in its portfolio, must in all events allow the company to establish the reserve stated in article 79.3 of the revised text of the Law on Corporations, without leading to shareholder equity, as defined in article 75 of the revised text of the Law on Corporations in the version of Law 3/2009 of 3 April, being less than the sum of share capital plus the reserves that are not available in law or in bylaws. The shares are not sold or amortized. The shares to be acquired must be fully paid in.

It is expressly authorised that the shares acquired by the company in the use of this authorisation may be used, partly or in full, to be sold or amortized and also to be delivered or sold to the workers, employees, directors or service providers of the company, when there is a recognised right, either directly or as a result of the exercise of options belonging to them, in accordance with the last paragraph of Article 75, section 1, of the Law on Corporations.

A.10. State any legal and statutory restrictions on the transfer of shares and/or the exercise of voting rights. In particular, state any restrictions that could obstruct the acquisition of control of the company by the acquisition of its shares in the market.

NO

A.11. Indicate if the Shareholder Meeting has agreed to adopt measures for neutralisation of a public takeover bid as described in Law 6/2007.

NO

If applicable, describe the measures approved and the terms in which the restrictions will become ineffective.

A.12. Indicate if the company has issued securities that are not traded in a regulated Community market.

NO

If applicable, indicate the different classes of shares and for each class, the rights and obligations they grant.

B.- SHAREHOLDER MEETING

B.1. Indicate and detail any differences from the minimum quorum regime of the Law on Corporations (LSC) in terms of the quorum for a Shareholder Meeting:

NO

B.2. Indicate and detail any differences with the minimum quorum regime of the Law on Corporations (LSC) for the adoption of shareholder agreements:

NO

Describe any differences from the LSC.

B.3. Indicate the norms applicable to the modification of company bylaws. In particular, indicate the majorities needed for the modification of the bylaws and any rules for protecting shareholder rights when bylaws are modified.

In accordance with Article 12 of Vocento's company bylaws and the Rules for the General Shareholder Meeting, for a valid agreement to modify the bylaws at an ordinary or extraordinary shareholder meeting, it will be necessary for shareholders present or represented at the meeting to own at least fifty per cent of paid in capital with voting rights, at the first call. At the second call, the level will be twenty five per cent. When shareholders representing less than fifty per cent of paid in capital with voting rights meet, the agreements covered by this paragraph can only be adopted with the favourable vote of two thirds of the capital present or represented at the meeting.

B.4. 4 Provide attendance data for the general shareholder meetings held in the year covered by this current report and previous years.

	Attendance data				
Fecha junta general	% present	% represented	% distance voting: Electronic votes	% distance voting: Others	Total
16/042013	28.16	50.77	0.00	0.00	78.93
29/04/2014	21.02	58.02	0.00	0.00	79.04

B.5. Indicate if there are any restrictions in the bylaws on the number of shares needed to attend the shareholder meeting:

YES.
Number of shares needed to attend the shareholder meeting: 50

B.6. Indicate if it has been agreed that decisions which consist of structural modification of the company ("subsidiarisation", sale of essential operating assets, transactions that are equivalent to winding up the company, etc.), must be submitted to the shareholder meeting, although not expressly required in corporate law.

NO

B.7. State the web site address for information on corporate governance and other information about general shareholder meetings that must be made available to shareholders on the Company's web site.

The web page http://www.vocento.com/accionistas_e_inversores.php provides access to the following sections for Vocento shareholders and investors:
• Vocento: Profile of the Company and Management Team.
• Shareholder Office: Shares, Share Capital, Calendar for the Investor, Links of Interest and Contact Data.
• Relevant Facts.
• Financial Information: Annual Reports, Regular Information, IPO Prospectus and Corporate Presentations.
• Corporate Governance: Company Bylaws, General Shareholder Meeting, Board and Committees, Rules and Organisation, Annual Report on Corporate Governance, Annual Report on Director Remuneration, and Shareholder Agreements.

The General Shareholder Meeting of Vocento held on 26 June 2012, in accordance with Article 11 bis of the revised text of the Law on Corporations, approved its corporate website at www.vocento.com

C.- ADMINISTRATIVE STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Detail the maximum and minimum number of directors established in the bylaws:

Maximum number of directors	18
Minimum number of directors	3

C.1.2 Complete the following table with members of the Board::

Name or company name of director	Representative	Position on board	Date of first appointment	Date of last appointment	Electoral procedure
DON RODRIGO ECHENIQUE GORDILLO	--	CHAIRMAN (*)	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON GONZALO SOTO AGUIRRE	--	DEPUTY CHAIRMAN	26/04/2012	26/04/2012	AGREEMENT AT AGM
LIMA, S.L.	JUAN RAMON URRUTIA YBARRA	DEPUTY CHAIRMAN	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON LUIS ENRIQUEZ NISTAL	--	CEO	18/07/2011	26/04/2012	AGREEMENT AT AGM
CASGO, S.A.	JAIME CASTELLANOS BORREGO	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON FERNANDO AZAOLA ARTECHE	--	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM

MEZOUNA, S.L.	SANTIAGO YBARRA CHURRUCA	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON MIGUEL ANTOÑANZAS ALVEAR	--	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
ONCHENA, S.L.	ALVARO DE YBARRA ZUBIRIA	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
ENERGAY DE INVERSIONES, S.L. (*)	ENRIQUE DE YBARRA E YBARRA	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
VALJARAFE, S.L.	SOLEDAD LUCA DE TENA GARCIA- CONDE	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON SANTIAGO BERGARECHE BUSQUET	--	DIRECTOR	12/11/2013	12/11/2013	COOPTATION

Total number of directors: TWELVE (12)

State any terminations which have occurred at the Board of Directors in the period

C.1.3 Complete the following tables for members of the board and their conditions:

EXECUTIVE DIRECTORS

Name or company name of director	Committee that proposed appointment	Role in company structure
DON LUIS ENRIQUEZ NISTAL	REMUNERATION AND APPOINTMENT	CHIEF EXECUTIVE

Total number of executive directors	1
% of total board	8.333

EXTERNAL NOMINEE DIRECTORS

Name or company name of director	Committee informing appointment	Name or company name of significant shareholder represented or proposing appointment
DON SANTIAGO BERGARECHE BUSQUET	REMUNERATION AND APPOINTMENT	DON SANTIAGO BERGARECHE BUSQUET
DON GONZALO SOTO AGUIRRE	REMUNERATION AND APPOINTMENT	DOÑA DOLORES AGUIRRE YBARRA Y OTROS
CASGO, S.A.	REMUNERATION AND APPOINTMENT	CASGO, S.A.
MEZOUNA, S.L.	REMUNERATION AND APPOINTMENT	MEZOUNA, S.L.
LIMA, S.L.	REMUNERATION AND APPOINTMENT	DON VICTOR URRUTIA VALLEJO

ONCHENA, S.L.	REMUNERATION AND APPOINTMENT	DOÑA MARIA DEL CARMEN CAREAGA SALAZAR
ENERGAY DE INVERSIONES, S.L.	REMUNERATION AND APPOINTMENT	DON ENRIQUE YBARRA YBARRA
VALJARAFE, S.L.	REMUNERATION AND APPOINTMENT	VALJARAFE, S.L.

Total number of nominee directors	8
% of total board	66.667

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
DON FERNANDO AZAOLA ARTECHE	BUSINESS
DON MIGUEL ANTOÑANZAS ALVEAR	BUSINESS
DON RODRIGO ECHENIQUE GORDILLO	BUSINESS

Total number of independent directors	3
% of total board	25.000

State if any director with the status of independent receives from the company or its group any amount or benefit other than a director's remuneration, or maintains or has maintained in the last year any business relationship with the company or any group company, in his own name, or as a significant shareholder, director or manager of any entity which has or has had such a relationship.

Don Rodrigo Echenique Gordillo, Chairman of the Board of Directors, has received since his appointment on 29 April, and until 31 December 2014 an additional remuneration for his representative duties, as did his predecessor as Chairman. This additional remuneration is proportionate to the period spent as Chairman in 2014, to the amount of 120,000 euros per year.

The Board of Directors, following a report from the Appointments and Remuneration Committee and after corresponding analysis, considers that this additional remunerations is not significant for Mr. Echenique and hence that he can continue to be considered as an independent directors

If applicable, include a statement from the board for the reasons why they believe this director can carry out his functions as an independent director.

OTHER EXTERNAL DIRECTORS

Indicate the reasons why they cannot be considered to be nominee or independent, and any ties to the company, its managers or shareholders:

Indicate any variations that may have occurred in the year in the status of each director:

C.1.4 Complete the following table with information about the number of female directors in the last 4 years, and the status of these directors:

	Number of female directors				% of total directors of each type			
	2014	2013	2012	2011	2014	2013	2012	2011
Executive	0	0	0	0	0%	0%	0%	0%
Nominee	1	1	1	2	12.25%	12.25%	12.25%	18.18%
Independent	0	0	0	0	0	0	0	0
Other External	0	0	0	0	0	0	0	0
Total:	1	1	1	2	8.33%	8.33%	8.33%	12.5%

C.1.5 Explain any measures taken to try to include on the board a number of women which allows for a balanced presence of men and women.

As a result of the mandate established by Article 75 of the Ley Orgánica 3/2007, of 22 March, for the equality of women and men, and recommendation 15 of the Unified Code on Good Governance, the Appointments and Remuneration Committee will try to achieve a balance between women and men on the Board of Directors as the mandates of current directors expire.

C.1.6 Explain any measures adopted by the appointments committee so that selection procedures do not suffer from the implicit biases that may prevent the selection of female directors, so that the company deliberately looks for women with the right professional profile and includes them in its potential candidates:

The Appointments and Remuneration Committee is committed to finding the best candidates for directors. In accordance with article 22.9 of the Rules for the Board of Directors, when the number of female directors is low or zero, the Board will explain the reasons for this and the measures taken to correct the situation. In particular, the Appointments Committee will ensure that when there are new vacancies: a) the selection procedures do not suffer from the implicit bias that are an obstacle to selecting women; b) the company deliberately looks for women with the right professional profile and includes them as potential candidates.

When despite any measures adopted, the number of female directors is low, explain the reasons for this:

Vocento has responded to the requests of significant shareholders to appoint nominee directors, all of whom have been ratified by the General Shareholder Meeting.

C.1.7 Explain the representation on the board of shareholders with significant stakes.

All shareholders with a stable shareholding considered by the Board of Directors as Vocento as significant, and who have requested a position, are represented on the Board of Directors.

C.1.8 Explain if applicable the reasons why nominee directors have been appointed by shareholders with a stake of under 5% of share capital.

Name or company name of shareholder:

DON SANTIAGO BERGARECHE BUSQUET

Explanation:
D. Santiago Bergareche Busquet was appointed a nominee director on Vocento, with the approval of the Appointments and Remuneration Committee, who considered his stake of 4.79% to be sufficient, in light of the explanation given in item A.6.

Name or company name of shareholder:

CASGO, S.A.

Explanation:

As mentioned in last year's corporate governance report, the company CASGO, S.A. was appointed a nominee director of Vocento with the approval of the Appointments and Remuneration Committee, with its stake of 3.996% considered to be sufficient.

Indicate if any formal requests for a position on the Board from shareholders with an equal or higher stake than others with nominee directors have been granted. If not, explain why

NO

C.1.9 Indicate if any director has abandoned his role before the expiry of the mandate, if the director has explained their reasons and in what medium to the Board, and if this has been in writing to the entire Board, explain the motives given:

C.1.10 State, if applicable the powers delegated to the executive director(s):

Name or company name of director

DON LUIS ENRIQUEZ NISTAL

Brief description:

DON LUIS ENRIQUEZ NISTAL, in carrying out his role as chief executive officer, can exercise all powers except for those which legally or statutorily cannot be delegated in accordance with Article 19 of the company bylaws and Article 14 of the Rules for the Board of Directors, with the limitation of the second paragraph of the last article of these rules, which says that any operation of over 3 million euros must be informed to the executive committee by the chief executive officer prior to being carried out.

C.1.11 Identify if applicable the members of the Board who have a director's or management role in other companies that form part of the group of the listed company:

Name or company name of director	Company name of group entity	Position
DON LUIS ENRIQUEZ NISTAL	FEDERICO DOMENECH, S.A.	DIRECTOR
DON LUIS ENRIQUEZ NISTAL	DIARIO EL CORREO, S.A.	DIRECTOR

DON LUIS ENRIQUEZ NISTAL	SOCIEDAD GESTORA DE TELEVISION NET TV, S.A.	CHAIRMAN
DON LUIS ENRIQUEZ NISTAL	RADIO PUBLI, S.L.	CHAIRMAN AND CEO
DON LUIS ENRIQUEZ NISTAL	COMERESA PRENSA, S.L.	JOIN ADMINSITRATOR
DON LUIS ENRIQUEZ NISTAL	CORPORACIÓN DE NUEVEOS MEDIOS DIGITALES, S.L.	JOIN ADMINSITRATOR
DON LUIS ENRIQUEZ NISTAL	DIARIO ABC, S.L.	DIRECTOR
DON LUIS ENRIQUEZ NISTAL	COMERESA PAIS VASCO, S.L.	JOIN ADMINSITRATOR
DON LUIS ENRIQUEZ NISTAL	CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.L.	JOIN ADMINSITRATOR

C.1.12 Detail if applicable the directors of the company who are members of the Board of Directors of other companies, distinct from the group, that are listed on Spanish stock markets and of which the company has been notified:

Name or company name of director	Company name of listed entity	Position
DON RODRIGO ECHENIQUE GORDILLO	NH HOTELES. S.A.	CHAIRMAN
DON RODRIGO ECHENIQUE GORDILLO	BANCO SANTANDER. S.A.	DIRECTOR
DON SANTIAGO BERGARECHE BUSQUET	DINAMIA CAPITAL PRIVADO, S.A., S.C.R.	CHAIRMAN
DON SANTIAGO BERGARECHE BUSQUET	FERROVIAL, S.A.	1st DEPUTY CHAIRMAN
DON FERNANDO AZAOLA ARTECHE	ELECNOR. S.A.	CHAIRMAN
DON RODRIGO ECHENIQUE GORDILLO	INDUSTRIA DE DISEÑO TEXTIL, S.A.	DIRECTOR

C.1.13 State and explain if the company has established rules on the number of boards which its directors may be part of:

YES

EXPLANATION OF THE RULES
In accordance with Article 30.3 of the Rules of the Board, the directors may not, except for express authorisation of the board, after a report from the appointments and remuneration committee, form part of more than 8 boards, excluding (i) companies which are part of the same group as the company, (ii) the boards of family companies of directors or their families, and (iii) the boards of which they form part because of professional relations.

C.1.14 Indicated the policies and general strategies for the company that the full board needs to approve:

Policies for investment and financing	YES
The definition of the structure of the group of companies	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
The strategic plan or business plan, and management targets and annual budgets	YES
Remunerations policy and the evaluation of the performance of senior management	YES
Risk control and risk management policy, and the regular monitoring of internal systems for information and control	YES
Dividend policy, and treasury stock policy and limitations	YES

C.1.15 State the total remuneration of the Board of Directors

Remuneration of the board of directors (thousand euros)	1,798
Amount of total remuneration corresponding to pension rights for directors (thousand euros)	0
Total remuneration of the board of directors (thousand euros)	1,798

C.1.16 Identify the members of senior management who are not executive directors and indicate the total remuneration paid them in the year:

Name or company name	Position
DON JUAN LUIS MORENO BALLESTEROS	DIRECTOR GENERAL OF DIGITAL STRATEGY
DON IÑAKI ARECHABALETA TORRONTEGUI	DIRECTOR GENERAL OF BUSINESS
DON EMILIO YBARRA AZNAR	DIRECTOR GENERAL OF COMMUNICATION AND INSTITUTIONAL RELATIONS
DON IÑIGO ARGAYA AMIGO	DIRECTOR GENERAL OF HR AND ORGANISATION
DOÑA ANA DELGADO GALÁN	DIRECTOR GENERAL ABC

DON FERNANDO GIL LÓPEZ	DIRECTOR GENERAL OF OPERATIONS AND QUALITY
DON JOSÉ LUIS PUIGDENGOLAS CARRERA	DIRECTOR GENERAL OF SALES
DON ENRIQUE MARZAL LÓPEZ	DIRECTOR OF INTERNAL AUDIT
DON JOAQUÍN VALENCIA VON KORFF	CHIEF FINANCIAL OFFICER
DON RAFAEL MARTÍNEZ DE VEGA	DIRECTOR GENERAL OF CM VOCENTO (FROM 1/3/2014)

Total remuneration of senior management (in thousand euros): 1,827

C.1.17 State the identity of any members of the board who are also members of the board of directors of companies who are significant shareholders and/or in group entities:

Detail any relevant relationships apart from those in the previous ítem, between members of the board and significant shareholders and/or group entities:

C.1.18 Indicate if there have been any modification to the rules of the board in the year:

NO

C.1.19 State the procedures for appointment, re-election, evaluation and removal of the directors. Detail the competent bodies, the procedures to be followed, and the criteria used in each procedure.

In accordance with Article 16 of the company bylaws, the designation of the directors corresponds to the AGM, the mandate will last for six years, and they may be re-elected one or more times.

According to Article 24 of the rules of procedure for the board, the directors will leave their position after the expiry of the period for which they were appointed, applying Article 145 of the rules of the mercantile registry, and when the shareholder meeting decides this in the use of the attributions it has been awarded.

Persons appointed as directors will have to meet the conditions demanded by law or by the bylaws.

The regulation of these procedures is found, in addition to the legislation, also in Article 16 of the company bylaws which establish the composition of the board of directors and the duration of the role, and in Articles 10, 11, 22, 23 and 24 and of the procedures of the board of directors, which establish the qualitative and quantitative composition of the board, and the procedures for appointment and re-election, and the duration and dismissal of directors.

C.1.20 Indicate if the board of directors has carried out in the year an assessment of its activity:

YES

If applicable, explain to what event the assessment led to major changes in internal organisation and to the procedures applicable to its activities:

NOT APPLICABLE

C.1.21 State the circumstances in which directors are obliged to resign

Article 24 of the Rules for the Procedure of the Board covers the circumstances in which a director must resign.

Mainly, directors must leave their position when the mandate for which they were nominated expires, upon application of Article 145 of the Rules of the Mercantile Registry and when the General Shareholder Meeting so decides in the use of the powers delegated to it.

In addition, a director must inform the board and resign in those cases which could damage the standing and reputation of the company, and in particular:

a) when the reasons for their appointment disappear, when there is a circumstance in which the entity or business group represented by a director no longer have a significant shareholding in the share capital of the company or reduces its holding to a level that requires the reduction of the number of its nominee directors, or when independent directors are no longer seen as such in accordance with the terms of the rules.

b) when there are found to be infractions of the criteria for compatibility and non-prohibition that have been legally established.

c) when they are seriously warned by the Audit and Compliance Committee or by the Appointments and Remuneration Committee for breaking one of their obligations as director.

C.1.22 State if the role of leading executive is also the position of Chairman of the Board. If applicable, state the measures taken to avoid the accumulation of powers in one person:

NO

State and explain if rules have been established which enable an independent director to request a meeting of the Board or the inclusion of new points in the order of the day, to coordinate and articulate the concerns of external directors and to direct their assessment by the Board of Directors.

YES

Article 20 of the Rules for the Board of Directors states that any director can propose other points in the order of the day which initially were not proposed, ahead of the board meeting, informing the secretary. In addition it establishes that the chairman will propose to the Board of Directors any business that is appropriate for the good performance of the company, regardless of whether they appear on the order of the day.

C.1.23 Are there greater majorities required for any sort of decision except for those in legislation?

NO

If so, describe the differences.

C.1.24 Indicate if there are specific requirements, different from those concerning directors, for appointments to the position of Chairman of the Board.

NO

C.1.25 Indicate if the Chairman has a casting vote:

YES

In accordance with Article 17 of the company bylaws and 12.3 of the Rules for the Board of Directors, in the event of a drawn vote the Chairman has the casting vote.

C.1.26 State whether the Bylaws or Rules for the Board establish an age limit on directors:

NO

C.1.27 State whether the Bylaws or Rules for the Board establish limits on the mandate for independent directors, which are different to those established in legislation:

NO

C.1.28 State whether there are specific rules in the bylaws or Rules for the Board for the delegation of votes in the Board of Directors, describe these procedures and in particular the maximum number of delegations that a director can award, and whether it is obligatory to delegate votes only to directors of the same class. If applicable, briefly detail these rules.

In accordance with Article 17 of the company bylaws the directors may only be represented in the board by another member of the Board. The representation must be awarded in writing to the Chairman of the Board, and must be specific for each meeting.

Article 21.1 of the Rules of the Board establishes that when representation of directors is indispensable, it must be awarded to another member of the board in writing to the Chairman, with instructions and of a specific nature for each meeting.

C.1.29 State the number of meetings of the Board of Directors in the year. Indicate any times that the board has met without the presence of the Chairman. Include as attendances any delegations established with specific instructions.

Number of Board Meetings	7
Number of Board Meetings without the presence of the Chairman.	0

State the number of meetings held in the year by the various committees of the Board:

APPOINTMENTS AND REMUNERATION COMMITTEE	4
AUDIT AND COMPLIANCE COMMITTEE	7
EXECUTIVE COMMITTEE	8

C.1.30 State the number of meetings held by the Board of Directors in the year without the full attendance of all members, including as attendances any proxies established with specific instructions.

Attendance of directors	7
Attendance as % of total votes in the period	100%

C.1.31: State if the annual individual and consolidated accounts that are presented for approval of the board are previously certified:

YES

Identify, if applicable, the person(s) who have certified the individual and consolidated annual accounts of the company, for their formulation by the board:

Name	Position
DON LUIS ENRIQUEZ NISTAL	CHIEF EXECUTIVE OFFICER
JOAQUÍN VALENCIA VON KORFF	CHIEF FINANCIAL OFFICER

C.1.32 Explain any mechanisms established by the Board of Directors to avoid the individual and consolidated accounts drawn up by it from being presented in the General Shareholder Meeting with qualifications in the audit report.

Article 18 of the Rules for the Board establish the functions of the Audit and Compliance Committee and specify that it is the task of the Committee to assist the Board of Directors in supervising the effectiveness of the company's internal controls and in the preparation and presentation of financial information, so that it complies with all regulations for both the company and the group. Likewise it must inform the board about the financial information that, as a listed company, the company must publish regularly.

C.1.33 Is the secretary of the Board also a director?

NO

C.1.34 Explain the procedures for the appointment and dismissal of the Secretary of the Board, indicating if these are informed by the Appointments Committee and approved by the full Board.

Although Article 16 of the bylaws only indicates that the Board of Directors will choose the person to carry out the functions of Secretary, Article 15.2 of the Rules for the Board, in order to protect the independence, impartiality and professionalism of the Secretary, establishes that his appointment and dismissal will be subject to a report by the Appointment and Remuneration Committee and approved by the Board of Directors in full.

Does the Appointments Committee report on the appointment?	**YES**
Does the Appointments Committee provide a report on the dismissal?	**YES**
Does the full Board approve the appointment?	**YES**
Does the full Board approve the dismissal?	**YES**

Does the Secretary of the Board have the function in particular of monitoring good governance recommendations?

YES

In accordance with Article 15.2 of the Rules for the Board, the Secretary of the board of directors must at all times ensure the formal and material legality of the actions of the Board and guarantee that its procedures and governance rules are respected and regularly reviewed. In addition, the Secretary of the Board will ensure in particular that the Board's actions: a) are in accordance with the letter and spirit of the Laws and regulations, b) are in accordance with the company Bylaws and Rules for the Shareholder Meeting, Board and any other company rules, and c) reflect the good governance recommendations accepted by the company.

C.1.35 State, if applicable any mechanisms established by the company to preserve the independence of the external auditor, of financial analysts, of investment banks and of rating agencies.

In accordance with Article 18.5.2.c of the Rules for the Board, the Audit and Compliance Committee has among its functions that of ensuring the independence of the external auditors, and to this end it is obliged to:

i) Make sure that the company informs the CNMV as a relevant fact of any change to the auditor, accompanied by a declaration about any eventual disagreements with the outgoing auditor and the substance of any disagreement.

ii) Ensure that the company and the auditor respect current legislation about the delivery of non-audit services, limits to the concentration of business with the auditor and in general those norms established to ensure the Independence of auditors. An annual report must be received from the external auditor confirming in writing their independence from the company and any company or entity linked directly or indirectly to it, as well as information on the additional services of any kind provided to these entities by the external auditor or people or entities related to the auditor in accordance with the legislation in force.

iii) Each year publish a report, prior to the report from the account auditors, in which it gives the Committee's opinion of the independence of the external auditor and the additional services apart from auditing provided, referred to in point ii).

iv) In the event of the resignation of the external auditor, examine the circumstances which have led to this.

C.1.36 State if during the year the Company has changed external auditor and if applicable identify both outgoing and incoming auditor:

NO

In the event of disagreements with the outgoing auditor, explain their substance.

C.1.37 State whether the audit firm carries out other work for the company and/or group apart from auditing, and if so declare the amount of fees and the percentage of these as a proportion of the fees billed to the company and/or group.

YES

The General Shareholder Meeting of Vocento on 16 April 2013 agreed to appoint DELOITTE, S.L., resident in Madrid, Edificio Torre Picasso, Plaza de Pablo Ruiz Picasso 1, inscribed in the Mercantile Registry of Madrid, volume 13,650, section 8, folio 188, page M-54414 and with CIF B-79104469, and number S0692 in the Official Register of Account Auditors, as the auditor of the individual and consolidated accounts of Vocento for one year, i.e. for 2013.

Deloitte, S.L., as well as auditing the individual and consolidated annual accounts, also carries out other activities for Vocento, including advice on employment issues, analysis of accounts, due diligence, etc.

	Company	Group	Total
Total received for work other than audit (thousand euros)	7	264	**271**
Total for non-audit work as a % of total billed by the audit firm	1.72%	36.22%	**24.11%**

C.1.38 State whether the Auditors Report on the Annual Accounts of the previous year has reservations or qualifications. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of these reservations or qualifications.

NO

C.1.39 State the number of years that the current audit firm has without interruption

audited the annual accounts of the company and/or group. Also indicate the percentage which this number of years audited by the firm is of the total number of years in which annual accounts have been audited:

	Company	Group
Number of consecutive years	25	25
Number of years audited by the current firm/years the firm has been audited (%)	100%	100%

C.1.40 State and detail if there is a procedure by which Directors may use external advice:

YES

In accordance with Articles 26.3 and 27 of the Rules for the Board of Directors, so that they can be supported in carrying out their functions, external directors may agree as a majority to hire at Vocento's expense legal, accounting, financial and other expert advice. This must be in connection with specific problems of a certain kind that are encountered in their work as director. The decision to hire these services must be informed to the Chairman and may be vetoed by the Board of Directors if a) it is no considered necessary for the performance of the functions of external Directors, b) the expense is not reasonable given the importance of the problem, c) the technical advice needed can be provided adequately by the Company's own experts and technicians, or d) it may result in risks to the confidentiality of the information that is to be handled.

C.1.41 Indicate and detail if there is a procedure by which Directors can have the information necessary for preparing the meetings of administrative bodies with sufficient time:

YES

In accordance with Articles 20 and 27 of the Rules for the Board of Directors, duly summarised and prepared information will be presented to the Board if enough notice is given before a Board meeting. When the Chairman believes this unadvisable for reasons of security, the information will not be sent and directors will be advised that they may examine it at the company headquarters. In addition, as indicated above, in order to be supported in carrying out their functions, external directors may agree by majority to hire the services of legal, accounting, financial and other experts at the Company's expense.

C.1.42 State and detail if the company has established rules which oblige directors to report on and resign in cases where the reputation of the company could be damaged:

YES

According to Article 24 of the Rules for the Procedure of the Board, directors must inform the board and resign in those cases which could damage the standing and reputation of the company, and in particular: a)when the reasons for their appointment disappear, i.e. when there is a circumstance in which the entity or business group represented by a director no longer has a significant shareholding in the share capital of Vocento or reduces its holding to a level that requires the reduction of the number of its nominee directors, or when independent directors are no longer seen as such in accordance with the terms of the Rules; b) when there are found to be infractions of the criteria for compatibility and non-prohibition that have been legally established; and c)when they are seriously warned by the Audit and Compliance Committee or by the Appointments and Remuneration Committee for breaking one of their obligations as director.

C.1.43 State if a member of the Board of Directors has informed the company if he has been tried or a trial will start against him for any of the crimes indicated in article 213 of the Law on Corporations:

NO

State if the Board of Directors has analysed the case. If so, explain the reasoning for the decision made about the appropriateness of the director continuing or not in the position, or if applicable detail the steps taken by the Board of Directors by the date of publication of this report or the steps planned.

NOT APPLICABLE

C.1.44 Detail any significant agreements that the company has reached that enter into force, are modified or are terminated in the event of a change in control of the company following a public takeover offer, and the effects of these agreements.

NOT APPLICABLE

C.1.45 Identify on an aggregate basis and detail the agreements between the company and directors, managers or employees that provide for compensation payments, protection clauses or guarantees in the event of their resignation or unfair dismissal or if the contractual relationship changes following a public takeover bid or other operation.

Number of beneficiaries: 8

Type of beneficiary

CEO, Senior Management and Other Managers

Description of the agreement

The Chief Executive Officer has in his contract the right to compensation of three times the amount received in the previous 12 month if the labour relationship is terminated by Vocento with no justified reason.

Algunos miembros del equipo de Alta Dirección cuentan con una cláusula en sus contratos que incluye una indemnización en caso de despido improcedente, con una cuantía que varía desde la establecida por la legislación laboral, hasta 2 años de salario bruto anual.

Some members of Senior Management have a clause in their contracts that includes compensation for unfair dismissal, with an amount that varies from that established in law to 2 years of gross annual salary.

On an exceptional basis, the contracts of managers at lower levels also include, in some cases, clauses of this nature, establishing 1 gross year's salary of compensation

Before being approved by the Board of Directors, these contracts must be analysed by the Appointments and Remuneration Committee.

State if these contracts must be informed to and/or approved by company or group bodies

	Board of Directors	Shareholder
Body authorising the clauses	**Yes**	**No**

Yes
Is the Shareholder Meeting informed about the clauses NO

C.2. Committees of the Board of Directors

C.2.1. Detail all the committees of the Board of Directors and their members and the proportion of nominee and independent directors on them:

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
DON MIGUEL ANTOÑANZAS ALVEAR	CHAIRMAN	INDEPENDENT
DON FERNANDO AZAOLA ARTECHE	MEMBER	INDEPENDENT
DON GONZALO SOTO AGUIRRE	MEMBER	NOMINEE
LIMA, S.L.	MEMBER	NOMINEE
MEZOUNA, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	0	0%
Nominee directors	3	60%
Independent directors	2	40%
Other external	0	0%

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Type
DON GONZALO SOTO AGUIRRE	CHAIRMAN	NOMINEE

DON MIGUEL ANTOÑANZAS ALVEAR	MEMBER	INDEPENDENT
LIMA, S.L.	MEMBER	NOMINEE
VALJARAFE, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	0	0%
Nominee directors	3	75%
Independent directors	1	25%
Other external	0	0%

EXECUTIVE COMMITTEE

Name	Position	Type
DON RODRIGO ECHENIQUE GORDILLO	CHAIRMAN	INDEPENDENT
DON SANTIAGO BERGARECHE BUSQUET	MEMBER	NOMINEE
DON LUIS ENRIQUEZ NISTAL	MEMBER	EXECUTIVE
DON MIGUEL ANTOÑANZAS ALVEAR	MEMBER	INDEPENDENT
ONCHENA, S.L.	MEMBER	NOMINEE
ENERGAY DE INVERSIONES, S.L.	MEMBER	NOMINEE
VALJARAFE, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	1	14.28%
Nominee directors	4	57.14%
Independent directors	2	28.57%
Other external	0	0%

C.2.2. In the following table provide information on the number of female directors on the committees of the board of directors in the last four years:

Number of female directors

	2014 Number - %	2013 Number - %	2012 Number - %	2011 Number - %
Executive Committee	1 (14.28%)	1(14.28%)	1(14.28%)	1(14.28%)
Audit and Compliance Committee	1(25%)	1(25%)	1(25%)	1(25%)
Appointments and Remuneration Committee	0 (0%)	0 (0%)	0 (0%)	0 (0%)

C.2.3. Indicate if the Audit Committee has the following functions:

Monitoring the process of preparing accurate financial information for the company and for the group, reviewing compliance with the legal requirements, the correct setting of the consolidation perimeter, and the correct application of accounting criteria.	YES
Regularly reviewing the systems for internal control and risk management, so that the main risks are identified, managed and fully understood.	YES
Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment, re-election and dismissal of the head of the internal audit service; proposing the budget for this service; receiving regular information on their activities; and verifying that senior management considers the conclusions and recommendations of its reports	YES
Establishing and supervising a mechanism which allows employees to report confidentially and if appropriate anonymously of potentially significant irregularities, especially financial and accounting irregularities, detected at the company.	YES
Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract.	YES
Receiving regularly from the external auditor information on the audit plan and its results, and verifying that senior management consider its recommendations	YES
Ensuring the Independence of the external auditor	YES

C.2.4. Describe the rules for the organisation and functioning, and the responsibilities attributed to them, of each of the committees of the Board.

The APPOINTMENTS AND REMUNERATION COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 19 of the Rules for the Board of Directors.

The Committee will comprise of a minimum of three and a maximum of five external directors, appointed by the Board of Directors. The chair must be an external director and will be appointed by the Board. The Secretary of the Committee will be the Secretary of the Board. Members of the Committee will resign when they are no longer directors of the company. Notwithstanding other responsibilities assigned to it by the Board, the Appointments and Remuneration Committee will have the following responsibilities: a) assessing the competencies, know-how and experienced needed by the Board and consequently to define the functions and skills needed from candidates for each vacancy, and assessing the time and dedication needed so that each person may perform well in their position; b) analyse or organise in an adequate way the succession of the Chairman and the chief executive, and if applicable make proposals to the Board so that this succession is orderly and well planned; c) report to the Board about the appointments and dismissals of senior executives proposed by the chief executive; d) report to the Board about questions of gender equity as noted in Article 22.9 of the Rules for the Board; e) propose to the Board: i) the remuneration policy for directors and senior management; ii) individual remuneration of executive directors and other conditions in their contracts; and iii) the basic conditions of the contracts of senior managers; f) ensure that the company's remuneration policy is observed.

To better carry out its functions, the Committee can propose the hiring of external independent advisers. The Committee will meet each time that the Board or the Chair request a report or proposals covered by its competencies and whenever the Chairman, or two members of the Board call it or whenever a report is needed for the Board to come to the corresponding agreements. The committee will meet in any event to review information that is within its competencies and which will be included in regular public information that will be sent to the markets and the regulator, and to prepare the information about the remuneration of directors, which the Board must approve and include within its annual public documentation. Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have.

The EXECUTIVE COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 17 of the Rules for the Board of Directors. The Board of Directors may appoint an Executive Committee or one or several Executive Officers who will keep it informed about the functions that have been delegated to them and the Committee. The Committee will be composed of a minimum of five and a maximum of eight directors, and will be chaired by the Chairman of the Board. The Secretary of the Board will serve as Secretary of the Committee. The Board of Directors will ensure that the size and composition of the Committee is efficient and that the participation of the various categories of director is similar to the composition of the Board. The permanent delegation of faculties to the Executive Committee and the agreements to appoint its members will require the favourable vote of at least two thirds of the Board of Directors. The permanent delegation of faculties from the Board of Directors to the Executive Committee will include all faculties of the Board except that those that cannot be delegated under these Rules. The agreements of the Executive Committee will be adopted by absolute majority, either in person or by proxy. The Executive Committee will meet whenever called by its Chairman. The Board will always be aware of the issues discussed and the decisions made by the Executive Committee. All members of the Board will receive at the end of the year a copy of the minutes of the meetings of the Executive Committee. Notwithstanding this, the minutes will be available to Directors when they are approved, to be consulted in the Secretary's office of the Board.

The AUDIT AND COMPLIANCE COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 18 of the Rules for the Board of Directors. It will consist of a minimum of three and a maximum of five external directors appointed by the Board. At least one of them will be independent. The Chair will be appointed by the Board and must be substituted every four years, and can be re-elected one time one year after leaving the position. The Secretary of the Board will serve as Secretary of the Committee. The members of the Audit and Compliance Committee and in particular the Chair will be appointed on the basis of their knowledge and experience and at least two members must have experience of accounting, audits or risk management. The members of this Committee will resign as soon as they resign as directors of the Board. The Audit and Compliance Committee will meet whenever the Board or its Chair requests a report or the adoption of proposals, within the scope of its competencies and whenever the committee's chair or two members request it or it is appropriate to produce a report for the corresponding agreements to be adopted. In any event, it will meet on a quarterly basis to review the information that is within its competencies and which will be included in the regular public information to be provided to markets and regulators. Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have. The Committee may require them to appear without the presence of another manager. The Committee can also require the attendance of the account auditors at its meetings.

C.2.5. State, if applicable, the existence of any regulations for the board committees, the place where these can be consulted and the modifications made in the year. Also

indicate if on a voluntary basis any annual report has been made of the activities of each committee.

There are no specific regulations for committees, as their regulation is contained, as indicated in section C.2.4, in the Rules for the Procedure of the Board. This is available on the web site of the group at: http://www.vocento.com/accionistas_e_inversores.php

C.2.6. State whether the composition of the executive committee reflects the participation in the board of the various different types of directors:

YES

D.- TRANSACTIONS WITH RELATED PARTIES AND INTRA-GROUP TRANSACTIONS

D.1. Identify the relevant body and if applicable the procedure for approving transactions with related parties and intra-group transactions.

Relevant body for approving transactions

The Board of Directors, following a report from the Audit and Compliance Committee

Procedure for approving transactions with related parties and intra-group transactions

In accordance with Article 5.4 and 18.5.4.c of the Rules for the Board, the approval of transactions with related parties corresponds to the Board of Directors, following a report from the Audit and Compliance Committee. The Board in full will reserve the right to authorize transactions between Vocento and directors, significant shareholders or those represented at the Board, and people linked to them, except when these transactions meet the following three conditions simultaneously: i) they are carried out under standard contracts; i) they are carried out prices or rates that are established in general terms by the supplier of the good or service in question; and iii) that the amount does not exceed 1% of the annual revenues of the company.

Explain if the approval of transactions with related parties has been delegated, indicating if applicable to what person(s) or body they have been delegated.

The Internal Rules of Conduct in Securities Market approved by the Board of Directors on 14 January 2014 establishes in Article 8.1 of the Rules that the Corporate Compliance Unit, which reports to the Audit and Compliance Committee and which comprises (i) the Secretary of the Board of Directors, as Chair, (ii) the Chief Financial Officer of the Company, as Deputy Chair, (iii) the Director of Internal Audit, (iv) the Director of Communications, (v) the Director of Investor Relations and (vi) the Director of the Legal Department, as Secretary, will be the body responsible for approving transactions with related parties..

D.2. Detail those transactions that are significant in terms of amount or relevant because of their substance between the company or group entities and significant shareholders:

D.3. Detail those transactions that are significant in terms of amount or relevant because of their substance between the company or group entities and company directors or managers:

D.4. Detail any significant transaction between the company and other group entities, whenever these are not eliminated in the consolidated financial statements and do not form part of the normal business of the company's business.

Detail any intra-group transaction made with entities established in countries or territories that are considered to be tax havens:

D.5. Indicate the amount of transactions made with related parties.

52,532 (thousand euros).

D.6. Detail the mechanisms, for detecting, determining and resolving possible conflicts of interest with the company and/or group, and directors, management or significant shareholders.

In accordance with Article 5.3 of the Internal Code of Conduct, those persons subject to the Code must avoid as much as possible any situation which could lead or potentially lead to a conflict of interest. When there is a situation which represents or potentially could represent a conflict of interest, the person submitted to the code must immediately inform the Corporate Compliance Unit (UCC), making available as much information as they request to evaluate the circumstances of the case. The UCC will transfer the case to the Audit and Compliance Committee to make the appropriate decisions. Any uncertainty about the possible existence of a conflict of interest must be notified to the Audit and Compliance Committee before any decision is made which could be affected by this conflict of interest. The UCC will advise the persons or people involved in the situation about the conflict of interests and about the decisions made concerning this conflict. The person who is subject to the Code and affected by a situation of conflict of interest will abstain from intervening or influencing, directly or indirectly, the transaction, decision or situation where there is a conflict. In the event of a conflict of interest, and as a general rule derived from the duty of loyalty to the Company, the interest of Vocento will prevail over that of the person subject to the Code and involved in the conflict.

For their part, in accordance with Article 33 of the Rules for the Board of Directors, a Director must abstain from intervening in discussions about affairs in which he is directly or indirectly interested. The Director must notify the Board of any situation of direct or indirect conflict of interest that he may have with the interest of the company, so that this can be assessed by the Appointments and Remuneration Committee, who will decide if this situation is compatible or not with the role of Director. Directors must disclose any shareholding in a company with the same, similar or complementary activity as the business of the company, as well as the positions and functions they carry out there and whether they carry out for themselves or for a third party the same, similar or complementary activity. This information will be included in the annual report. Situations of conflicts of interest involving directors will be mentioned in the annual corporate governance report. Nominee directors must disclose to the Board any possible situation of conflict of interest between the Company and the shareholder they represent, and abstain from participating in the adoption of the corresponding agreements. The Director will not be able to carry out professional or commercial transactions with the Company or any group companies, unless he informs these in advance to the Board of Directors and the Board, following a report from the Appointments and Remuneration Committee, approves the transaction. Likewise, the Board of Directors, following a report from the Appointments and Remuneration Committee, must authorise the ordinary transactions of the Director with the Company or group entities, it being enough to provide a generic authorisation of the sort of operations and their conditions.

D.7. Is more than one company of the Group listed in Spain?

NO

Identify listed subsidiaries in Spain:

State if there has been a public definition of their respective areas of business and of any business relations between them, and between the listed subsidiary and other group companies:

Identify the mechanisms to be used to resolve any conflicts of interest between the listed subsidiary and other group companies;

E.- RISK CONTROL AND MANAGEMENT SYSTEM

E.1. Describe the scope of the company's risk management system.

Vocento has long established and approved a risk management system (SGR) driven by the Board of Directors and Senior Management, with the aim of understanding and controlling the risks to which the Company is exposed, obtaining an overall view of these risks, and aligning business objectives with the risks identified and with the response measures and controls defined to minimize these risks.

In 2014, the system was subject to an extensive review process supported by an external consultant, and this resulted in the approval by the Board of Directors on 13 November 2014 of a new Risk Management Policy for Vocento and group companies.

Vocento's risk management system is based on methodological frameworks including COSO II (COSO: Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000, adapted to the specific requirements of the Group. Furthermore, the definition of responsibilities reflects the recommendations of the 'three lines of defence model of FERMA (the Federation of European Risk Manager Associations) and ECIIA (the European Confederation of Institutes of Internal Auditors).

This system works in an integrated way across various business and functional areas of the company, including business areas and supporting areas. The policy for controlling and managing risks is based on identifying and assessing the different types of risk that the company faces (a risks map), separating them by relevance, and then determining measures to mitigate the impact of these risks, if they should materialise, and the information and internal control systems used to manage risks at the individual and group level.

E.2. Identify the company bodies responsible for preparing and implementing the Risk Management System.

As risk management is integrated throughout the company, there are various bodies with responsibilities for preparing and implementing the risk management system. The functions and responsibilities of each are established in the Risk Management Policy mentioned previously.

a) Board of Directors / Audit and Compliance Committee:
In accordance with the terms of the Rules for the Board of Directors of Vocento, the board is responsible for approving risk control policies and management and for regularly monitoring internal information and control systems. As a result, it is the ultimate responsible party for the Group's Risk Management.

The Audit and Compliance Committee is responsible for supervising the effectiveness of risk control systems and regularly reviewing internal control and risk management systems, so that the main risks are sufficiently identified, understood and managed.

b) Risks Committee

A new Risks Committee has been established, a new permanent body with a consultative role in the high level risk management area, with powers to inform, coordinate and make proposals, reporting to the Audit and Compliance Committee. It comprises of all the members of the Executive Committee, and it meets on at least a quarterly basis.

The functions of the committee include: (i) to drive forward the understanding of the Group's risk management policy and the maintenance of a risk-focused culture; (ii) to drive the integration of risks management in all the organisation's processes and procedures; (iii) to provide the Executive Committee, the Audit and Compliance Committee and the Board with overall strategies for risk management and risk appetite for each type of risk; (iv) to ensure the correct updating of the Risks Map; and (v) to validate the risks identified as those to be managed and propose risks for preferential monitoring.

c) Corporate Risks Management Function

The function of Corporate Risks Management is exercised by the financial department and includes coordinating and grouping the processes for identifying, assessing and measuring risks, and the controls and procedures needed to mitigate them, as well as supervising and coordinating front line work, Risk Managers in each unit or business or corporate area, centralizing and managing the information about key risks that they provide.

d) Risk Managers

The risk management system involves the entire organization, with the Management Team responsible for its formalization, functioning and updating. However, for each key risk at least one risk manager has been identified, who among other tasks monitors the evolution of the risks that are their responsibility and proposes the most appropriate management strategy, as well as the responses and improvements needed to be implemented to cover any weaknesses of the system. They also provide information to the Corporate Risk Manager.

e) Internal Audit

Supports the Audit and Compliance Committee in the functioning and effectiveness of risk management processes and their assessment, and also evaluates risk management processes including the supervision of controls and procedures. Internal Audit collaborates and provides support and methodology in assessing risks, but is not responsible for evaluating them or for making decisions about the level of exposure to risks.

E.3. Indicate the main risks that could compromise the achievement of business targets.

Vocento defines as a risk any event or contingency, either internal or external, which if it materialized would prevent or make it hard to achieve the targets set by the Group. In 2014, the risk management system was reviewed, and the Vocento Risks Map, which the main risks identified. Listed below are the 18 (eighteen) main risks detected and which are subject to special monitoring, in the following categories:

- Strategic

1. Fall of offline advertising revenues / obsolescence of offline products
2. Fall of advertising revenues in the digital market
3. Fall of circulation market share
4. Movements by the competition

5. Editorial line with little relevance for maintaining influence

- Organizational
6. Insufficient capacity for growth / digital transformation
7. Talent retention

- Operational
8. Failing to meet tangible product quality levels
9. Kiosko y Más ineffective as a product
10. Restrictions in supporting the distribution network

- Compliance
11. Reputational damage
12. Non-compliance with internal and external norms
13. Reliability of financial information
14. Tax breaches

- Financial
15. Capturing funds/access to finance
16. Failure to meet bank covenants
17. Late payments, default

- Technological:
18. Information security

E.4. State if the entity has a level of tolerance to risk

The process of risk management is based on the identification and assessment of the main risks that could prevent Vocento from reaching its goals, and aims to reduce or mitigate these risks to an acceptable level, by establishing the appropriate controls for the importance of each risk, in every process, hence enabling the objectives of internal control to be achieved. Risk appetite and tolerance do not aim to eliminate risk but to control it efficiently, enabling the Group to implement strategies and reach its business objectives.

Risk tolerance is defined as the level of variation that the Group accepts in achieving its targets. It is the acceptable threshold for the target and the associated risk.

According to Vocento's Risk Management Policy, and in order to make risk management strategies and activities in line with Vocento's risk appetite, the acceptable level of tolerance is established by Senior Management, reflecting the Group's interests and objectives, and those of its various key stakeholders. The Board of Directors regularly approves the proposals of the Risks Committee about the risk limits and tolerances to be applied by the Group.

E.5. Indicate which risks materialised during the year.

- Fall of offline advertising revenues / obsolescence of offline products

This risk is a result of the economic crisis, the fall in advertising spend and the fall in consumption. In addition to the strategic measures taken by the company to mitigate this risk, the information and internal control systems that have been established have worked correctly, effectively mitigating the impact of these risks.

- Late payments, default

This risk reflects the increase in payment delays from both private sector clients and public administration and local institutions. It has been judged that the internal control and information systems established have functioned correctly (guarantees for payment, credit limits, etc.), effectively mitigating the impact of these risks

E.6. Explain the plans for responding to and monitoring the main risks of the entity.

Risk control activities represent the response of the organisation to the coverage or mitigation of the risks that have been identified and assessed, enabling internal control objectives to be achieved. They occur across the organisation, at all levels and in all functions, and include a range of varying activities, such as approvals, authorisations, verifications, and segregation of functions, which are carried out systematically in time and which are documented in the internal norms, procedures and instructions that must be complied with.

In Vocento's new risk management system, each one of the Risk Managers is responsible for identifying existing management measures and for proposing the right management strategy, as well as the responses and improvements needed to make up for any weaknesses in the system. The supervising body of the system is the Audit and Compliance Committee, which regularly reviews the internal control and risk management systems, so that the main risks are appropriately identified, managed and understood.

F.- INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT FOR THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (SCIIF)

F.1. The control environment of the entity

Indicate and describe the main characteristics of:

F.1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective SCIIF; (ii) its implementation; and (iii); its supervision.

Governance bodies and functions responsible for the SCIIF

1. Rules of the Board of Directors

The Board of Directors formally assumes in its Rules the final responsibility for the existence and maintenance of an adequate internal control system for financial information, including responsibility for its supervision.

Article 5.4 of the Rules for the Board of Directors of Vocento, establishes, among others, the following functions of the Board:

- The policy for risk control and management and the regular monitoring of internal information and control systems.

- The financial information that the company must publish regularly as a listed company.

Article 8 of the Rules for the Board refers to the specific functions concerning the Annual Accounts and Management Report:

"The Board of Directors will prepare in clear and precise terms that are easy to understand the annual accounts and management report, both individual and consolidated. The Board of Directors will ensure that these present a fair view of the equity, financial situation and results of the company, in accordance with the law.

The Board of Directors will present the accounts to the General Meeting without reservations or qualifications in the auditor's report, and in the event of any qualifications the Chairman of the Audit Committee and the auditors will clearly explain to shareholders the content and scope of these."

Article 18.4 of the Rules for the Board of Directors establishes that the Audit and Compliance Committee has the following responsibilities, among others, in accordance with the Eighteenth Additional Provision of the Law on Securities Markets:

- Supervision of the effectiveness of the internal controls of the company, of the internal audit services and risk control systems.

- Understanding and supervision of the process of preparing and presenting the financial information required.

- Supervision of the process of preparing and the integrity of the financial information of the company and group, reviewing compliance with legislative requirements, the correct consolidation perimeter and the correct application of accounting standards.

- Regularly reviewing the internal control and risk management systems so that the main risks are identified, managed and understood appropriately.

- Informing the Board prior to its adoption of any decisions reserved for the Board by the Rules for the Board, about the following issues:

a) The financial information that the company, as a listed company, must regularly publish. The Committee will ensure that the intermediate accounts are prepared to the same accounting standards as the full year results and hence should consider whether they be subject to a limited review by the external auditor.

b) The creation or acquisition of stakes in special purpose vehicles or those incorporated in countries or territories that are considered to be tax havens, and any other similar transactions or operations that could reduce the transparency of the group.

The Company has available an internal audit function that under the supervision of the Audit and Compliance Committee ensures the smooth functioning of internal control and information systems. Article 46 of the Rules for the Board refer to the relationship with securities markets and establishes the responsibilities of the Board in the supervision of the regular public information to be supplied to markets and regulators:

- The Board of Directors will adopt the measures needed to ensure that six-monthly, quarterly and any other financial information that it is appropriate to provide to the markets is prepared in accordance with the same principles, criteria and professional practices that are used for the annual accounts, and that they have the same accuracy as these. To this end, the information will be reviewed by the Audit and Compliance Committee and by the Appointments and Remuneration Committee in accordance with their respective competencies.

2. Internal norms

The internal norms on the Internal Control System for Financial Information (hereinafter, the SCIFF), signed by the CEO and corporate financial managers and disclosed to the organisation, establish the following responsibilities:

a) The Board of Directors holds the final responsibility for the accuracy of the financial information required and published for the market and regulators, and is responsible for the existence of an adequate and effective SCIIF

b) Senior Management, via the financial department, is responsible for the design, establishment and operation of this system.

c) The Director Generals of the companies have the final responsibility for the internal control over financial information in each company and for making sure that this functions properly, as well as monitoring its efficacy and the accuracy of the financial information that is prepared and reported.

d) The Audit and Compliance Committee has delegated to it by the Board of Directors the function of supervising the process of preparing and presenting the financial information and assessing the SCIIF, supported by the internal audit services

F.1.2. If there are the following elements, especially in the process of preparing financial information:

Departments and/or mechanisms charged with: (i) the design and review of the organisational structure; (ii) defining clearly lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) sufficient procedures for their correct application in the entity.

The responsibility for the process of preparing and monitoring the internal norms at Vocento is delegated to the General Management of Human Resources and Organisation, whose functions include that of maintaining the norms and organisation, coordinating the documentation of the processes and controls, and preparing and publishing the norms, procedures and instructions prepared by management. Compliance with these is obligatory in Vocento. These standards include norms for the preparation of financial information.

The design, review and updating of the organisational structure is permanently documented in the Vocento Organisational Handbook, signed by the CEO, available to all members on the corporate intranet. This handbook established the lines of responsibility and authority of the various management departments and levels and the distribution of tasks.

Code of conduct, approving body, level of awareness, principles and securities covered (indicating if there is a specific mention for recording transactions and preparing financial information), and the body responsible for analysing non-compliance and proposing corrective and disciplinary measures.

On 21 January 2014 the Board of Directors unanimously approved Vocento's Internal Rules of Conduct in Security Market, substituting the Internal Code of Conduct for Securities Market in force until that data. All people affected in the organisation were informed, and the Rules are published on the company website. They cover personal transactions, inside information, transactions with related parties and treasury stock. The Corporate Compliance Unit, which reports to the Audit and Compliance Committee, regularly updates and monitors compliance with the terms of the Rules.

In addition, on 13 November 2014 the Board of Directors of Vocento approved a Code of Ethics that reflects the practices that Vocento applies and the principles, values and behaviour expected of managers and employees when carrying out their functions.

The Code includes the practices that Vocento follows, and reflects the company's commitment to legality, good governance, transparency, responsibility, independence, and good behaviour in all actions, and to avoid any action that could damage the company's reputation for upholding socially accepting ethical standards.

There are in the Code specific mentions regarding recording transactions and preparing financial information, so that all transactions must be recorded in accounts at the right time, in accordance with the applicable accounting law, so that financial information is reliable and reflects all the rights and obligations of Vocento and its companies.

The Code of Ethics has been distributed to all employees at Vocento and its subsidiaries, by email, and has been formally signed by the parties, with their receipt and acceptance of it registered. The Code is available to the public on the Vocento web site, www.vocento.com, in the Corporate Governance section.

A communications has been carried out for managers, and a training plan in 2015 will target employees by segment and area.

The body responsible for analysing non-compliance with the Code of Ethics and for taking any corrective action required is the Ethics Committee, which reports to the Audit and Compliance Committee.

Reporting channel, enabling employees to inform the Audit Committee of financial and accounting irregularities, in addition to any non-compliance with the code of conduct and irregular activities at the organisation, and whether this channel is confidential.

In 2014, Vocento established a specific communications procedure, the Ethics Channel, by which anyone can report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable, including accounting norms.

The Ethics Channel consists of a specific email address and a postal address. Communications received by this channel will be treated confidentially, and measures have been implemented to guarantee this confidentiality at all times.

To ensure the accuracy of the information received, complaints will only be accepted when the person sending them identifies themselves. All complaints will be analysed and assessed by the Ethics Committee, which has supervisory powers and which will propose any actions to be taken to the Audit and Compliance Committee, the final authority.

Regular training and updating programmes for people involved in the preparation and review of financial information and in assessing the SCIIF, covering at least accounting standards, internal controls and risk management.

On a regular basis, depending on the resources available, personnel involved in financial functions receive specific training for their functions (e.g. updates about tax, etc.).

There is a specific annual training plan for the personnel of internal audit responsible for reviewing and assessing the SCIIF, covering corporate governance, risks, advanced accounting and fraud. This plan includes the hours per year needed to maintain the certifications CIA (Certified Internal Auditor) and CRMA (Certification in Risk Management Assurance) of staff in the area.

F.2 Assessment of risks of financial information. State, at least

F.2.1. The main characteristics of the process for identifying risks, including errors and fraud, in particular:

- **If the process exists and is documented.**

- **If the process covers all the objectives of the financial information (existence and incidents; completeness; valuation; presentation, breakdown and comparability; and rights and obligations), and if it is updated, and how often.**

Objectives

The objectives of internal control of financial information, in accordance with the scope defined by the SCIIF Norm, compliance with which will ensure the accuracy of the financial information to a reasonable degree, are as follows:

Completeness
Valuation
Presentation, breakdown and comparability
Rights and obligations

Frequency

The SCIIF Norm of Vocento establishes that the process of identifying and assessing risks is carried out every year.

- **The existence of a process for identifying the consolidation perimeter, including, among others, the possible existence of complex company structures, with special vehicles.**

The risks associated with the achievement of these objectives of controlling risks are identified in the processes of preparing the financial information, in all the accounting items of the profit and loss account and the balance sheet, for all group companies, and are assessed in terms of importance, which is determined by the probability of the risk resulting in a material impact on the individual and consolidated financial statements of Vocento that are provided to the regulator and the market.

The risk assessments weigh the following indicators:

- Complexity of transactions and of the applicable accounting standards.
- Volume of transactions and the quantitative importance for the parties involved
- Complexity of the calculations needed.
- Need to make estimates or forecasts.
- Application of professional judgement
- Qualitative importance of the information.

In addition, the following factors have been considered when assessing the risks:

- Known and mature business/process.
- Existence of documented processes and controls-
- Automation and use of systems.
- Existence of incidents in the past.

- **If the process also covers the effects of other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) that may affect financial statements**

Scope

The result of the annual assessment of risks is the identification of the total processes and companies to which the SCIIF is applied each year.
In the risks universe used, the probability of an error with a material impact due to fraud or manipulation of financial information is considered.

All the risks assessed are included in the IT system for the SCIIF, in the risk files that contain the following information:

- Process
- Name and description of risk
- Items/financial information affected
- Potential error
- Assessment of the impact on relevant financial information
- Assessment of the frequency
- Inherent risk
- Assessment of the risk indicators (see before in this section)
- Perceived Risks (high, medium, and low, and this is the basis for its inclusion in the SCIIF).
- Existing controls over the process
- Residual risk
- Need or not to establish controls within the SCIIF.

In addition, a Risks Map for each process is prepared to visualise the impact and probability of each risk in each process

Risks universe considered

The risks associated with the achievement of the objectives of accurate financial information form part of the risks universe that is considered in Vocento's general risk assessment, and considers the effect on financial information of other types of risks

• The institution of the entity that supervises the process.

The establishment and maintenance is the responsibility of the Financial Department via the Financial Planning and Control Department, supervised by the Audit and Compliance Committee, which analyses these risks and forms the base for the other components of the SCIIF. Internal Audit provides support to the Financial Planning and Control Department in the annual risk assessment process.

F.3 Control activities

Indicate, describing their main characteristics, if the company has in place at least:

F.3.1. The procedures for reviewing and authorising financial information and the description of the SCIIF, to be published for securities markets, indicating responsible parties, documentation of flows of activities and controls (including those relating to the risk of fraud) over the various types of transactions that could have a material impact on financial statements, including the procedures for closing the accounts and specifically reviewing relevant estimates, valuations and forecasts.

Procedure for reviewing and authorizing financial information:

The consolidated information of Vocento uses information supplied by the various companies: the aim is that the financial information presented to the Board of Directors of Vocento for formulation of accounts have undergone the levels of review needed for those responsible for their preparation.

The responsibility for preparing financial information is of Corporate Financial Management. To achieve the fair accuracy of this information, it has a system for internal controls of financial information, or SCIIF.

At each period of publication of financial information to the securities markets, the Audit and Compliance Committee monitors the process and reviews the controls established to ensure that they have worked effectively, informing the Board for formulation and publication of the information.

The controls established in the SCIIF are considered key to the achievement of the internal control objectives of the system, according to the scope described above, and have been designed to prevent and mitigate the potential material impact on the consolidated and individual financial information of Vocento of the most important risks identified in the risk assessment, including the procedure for closing accounts and specifically reviewing relevant opinions, estimates, valuations and forecasts.

These controls are implemented at all stages of the process of preparing and presenting the financial information.

- Start
- Authorisation
- Recording
- Processing
- Presentation
- Communication

All the controls that have been implemented, including the key controls, are homogeneous across all the companies in which the SCIIF is applied. There is a responsible party designated for their execution and monitoring, and they are documented in the IT system for the SCIIF..

The control activities are carried out at various levels of the organisation to reduce the risks of errors, omissions or fraud that may affect the financial information in each of the reporting periods (annual, half-yearly and quarterly).

The SCIIF is supported by an IT system that supplies relevant information about the level of control and monitoring undertaken by those responsible for this, delivering enough evidence for conclusions to be made about the system's overall functioning.

The designated responsible people for the execution of the controls designed and implemented under the SCIIF will document the controls made and state that they have been carried out, informing any instance in which the control has not been carried out or in which significant incidents have been detected during the monitoring.

The documentation required as evidence that the control has been carried out is included in the IT system for the SCIIF, so that at any time Senior Management and the Audit and Compliance Committee of Vocento have available to them updated information about the level of compliance with the controls and hence of the exposure of Vocento to the risks of reporting inaccurate financial information and the coverage of these risks.

The level of evidence required to be able to make a conclusion about the level of implementation of a control is directly proportionate to the risk of a material error in the individual and consolidated financial information of Vocento.

There are controls throughout the entire process of preparing the financial information, both at source (the companies) and in the corporate department in charge of consolidating and preparing the financial information, including the IT processes for the end users, such as spread sheets and other specific programs for presentations.

Vocento has a centralised SCIIF and it is the responsibility of the Control and Financial Planning Department to maintain it updated, to monitor compliance with controls and update the IT application. Internal Audit is responsible for reviewing controls for their effectiveness and for making any recommendations needed.

The SCIIF includes key controls about the recovery of certain inherently high risk assets such as deferred taxes, goodwill and securities, which require financial forecasts to be made based on estimates and professional opinions. In these sorts of controls, the Director Generals of the companies leave evidence of their supervision and assent in the IT application.

In addition, the Audit and Compliance Committee carries out half-yearly and annual monitoring, with the external auditors, of these valuations and impairment tests and proposes to the Board any possible adjustments to be made to the financial information.

Internal certifications of financial information

Vocento's SCIIF contains a cascading system of responsibilities in which every person responsible for preparing, monitoring and reporting financial information at each company/business unit, functional area and relevant location, formally assumes their responsibility for the accuracy of the information provided to those responsible for preparing consolidated financial information and publishing it externally, with a signed, written certification every half-year and year.

In this Certification they also state their awareness of the existence and correct operation of the SCIIF in the period. The Director Generals of the companies, the corporate Director Generals and the DGs of each area, the corporate financial department and the CEO are all required to make this certification. The certification forms and the management levels affected are described in the Norm for the SCIIF, and the evidence for the certifications is documented in the SCIIF IT system.

This system of certifications is designed to obtain a level of sufficient commitment from those responsible for preparing the financial information, in processes that do not fall under the direct responsibility of the corporate financial area, and to achieve a higher level of security about the accuracy of the financial information for those finally responsible for its formulation and approval. Notwithstanding this, the existence of this system of certifications does not exempt the Board, Senior Management and the Audit and Compliance Committee from the responsibility of supervising financial information and the SCIIF.

F.3.2. Internal control policies and procedures for information systems (including security of access, control over changes, operations, continuity and separation of functions) that support the relevant processes of the entity for preparing and publishing financial information.

In 2014, there was an upgrade of the Management System for Information Security (SGSI), redefining the control system according to the ISO 27002, LOPD and ISO 22301 standards. Within this scope are all the ERP systems on which financial information is based and which is used directly to prepare this information.

The full project will be completed in 2015 and will also review current procedures and general controls in accordance with the generally accepted internal control framework for information systems, Cobit, which includes principles for maintaining appropriate access to systems and installations, modifications to applications, and the recovery of information in the event of losses, as well as back-up systems to ensure continuity in the process of recording transactions, in the event of any incidents in the main systems.

The internal control policies and procedures that are currently documented include a passwords policy for all applications that are involved in the process of preparing financial information, divided into two classes: applications that are integrated in the corporate Active Directory and the corporate ERP, which has its own password policy. The policy includes the expiry time of passwords, their length and the obligatory alpha-numeric requirements.

In addition, user access to each application is controlled by group. This is done centrally using functional systems and the administrators of the applications.

F.3.3. Internal control policies and procedures for supervising activities that are subcontracted to third parties, such as aspects of assessment, calculation or valuation that independent experts undertake and that can have a material impact on financial statements.

No activities are subcontracted to third parties responsible for executing and processing transactions that are reflected on the financial statements.

F.4 Information and communication

State whether the company has available, and the main characteristics of this, at the least:

F.4.1. A specific function responsible for defining and updating accounting policies (an area or department of accounting policies) and resolving any doubts or conflicts about their interpretation, with a fluid dialogue with those parties responsible for operations in the organisation and an up to date handbook of accounting policies that has been released to the units via which the entity operates.

Corporate Financial Management, via the Control and Financial Planning Department, is responsible for:

- Defining, establishing, updating and formally communicating via the channels that have been established, to all people involved in the process of preparing the financial information of Vocento, the Handbook of Accounting Policies, which contains the criteria, necessary accounts and procedures for entering and preparing the information on a homogeneous basis across all the companies of Vocento, It is updated annually.

- Resolving any doubts or conflicts about the handbook’s interpretation, maintaining a fluid dialogue with those parties responsible for operations in each company. In addition, Corporate Financial Management is responsible for defining and formally establishing the channels for the financial information to be disclosed, and for the SCIIF, based on the type of information to be published, its origin, the people responsible for preparing and distributing the information, its destination and frequency.

F.4.2. Mechanisms for entering and preparing financial information in a homogeneous format, to be used by all the units of the entity or group for the main financial statements and notes, and information about the SCIIF.

Vocento uses a common IT system for all its companies (ERP) which supports the process of preparing the financial information. The companies of the group in the audiovisual production and distribution sector use their own specific ERP systems, which transfer their information over interfaces to the common ERP for the rest of the companies included in the consolidation perimeter.

In addition, there is a specific application for accounting consolidation, which is directly fed by the accounting information stored on the common ERP system. All the individual and consolidated information is reported under homogeneous formats defined by the Control and Financial Planning Department.

The entire process of obtaining accounting information for consolidation and reporting is the responsibility of the Corporate Financial Department, via the Control and Financial Planning Department and Investor Relations.

The IT application that supports the SCIIF includes a reporting module which supplies relevant information about the level of compliance and effectiveness of the controls, both by the people responsible for execution and supervision, and per accounting process and company, generating enough evidence for conclusions to be made about the overall functioning of the system.

F.5 Supervision of the functioning of the system

Supervision of the functioning of the system

F.5.1. The supervisory activities of the SCIIF undertaken by the Audit Committee and if the entity has an internal audit function that has amongst its competencies that of supporting the committee in its task of supervising the internal control system, including the SCIIF. In addition, the scope of the assessment of the SCIIF carried out in the year and the procedure by which the person responsible for its assessment discloses the results, and if the entity has an action plan that details any corrective measures to be taken, and if the impact on financial information has been considered.

Supervisory model for the SCIIF.

The supervisory and assessment activities of the SCIIF that have been established at Vocento are included in the Norm for the SCIIF and based on the theory of three lines of defence, established by FERMA (the Federation of European Risk Manager Associations) and ECIIA (the European Confederation of Institutes of Internal Auditors).

1st line of defence - Operational management: self-assessment by those in charge of carrying out the controls (executor and supervisor), confirming the correct execution of the controls or any incidents identified. Six-monthly and yearly certifications from the Director Generals, CFO and CEO.

2nd line of defence - Functions of assurance: the Planning and Control Department supervises the correct functioning of the SCIIF, assessing the compliance and supervision of controls carried out by those responsible on site, and notifying any incidents reported by executors and supervisors, as well as ensuring compliance with Certifications for every period in which financial information is published.

3rd line of defence - Internal Audit reviews the effectiveness of the controls in each period of publication of regular financial information, and carries out an annual assessment of the SCIIF based on the 5 internal control components of COSO.

The Audit and Compliance Committee is the governance body that is responsible for supervising and assessing the SCIIF and making reports about its effectiveness and the results obtained to the Board of Directors of Vocento and to Senior Management, and it has the following supervisory responsibilities for the SCIIF, included in the Rules for the Board of Directors of Vocento in accordance with legislation:

a) Supervision of regulatory required financial information and regular public information.

b) Supervision and assessment of the functioning of the SCIIF.

There is a procedure by which the Audit and Compliance reviews, analyses and comments on the financial statements and other relevant financial information, prior to their publication, with Senior Management, internal and external auditors, to confirm that the information is reliable, clear and relevant and that accounting criteria have been followed that are consistent with the previous year and that the information supplied is complete and consistent with operations.

In particular, it supervises in specific sessions the process implemented by Senior Management to carry out critical judgements, valuations, forecasts, estimates and relevant closing entries, with a significant and/or material impact on financial statements

Assessment of the functioning of the SCIIF.

For the assessment of the SCIIF, the Audit and Compliance Committee uses the services of Internal Audit, which has the necessary resources, and is devoted exclusively to this function.

The internal auditor reports to the Audit and Compliance Committee and to the CEO of Vocento, and this status and its responsibilities and functions are included in the Internal Audit Bylaws, signed by the Chairman of the Audit and Compliance Committee.

Internal Audit is responsible for assessing the overall operations and effectiveness of the SCIIF, based on the five internal control components of COSO, (i) Control Environment, (ii) Risk Assessment, (iii) Control Activities, (iv) Information and Communication, and (v) Monitoring, based on the information provided to it by the SCIIF IT system as well as any complementary substantive checks deemed necessary about the compliance and effectiveness of the controls, both in terms of the accounting process and at the company level, considering the centralization/dispersion and the uniformity of the controls, and the level of evidence needed to make conclusions about whether these controls are functioning effectively.

All the review process is carried out within the IT system itself, providing evidence about any weaknesses found in the design and operations of the controls, of recommendations made, proposed action plans and communications with those responsible for the controls.

The Audit and Compliance Committee approves the Annual Internal Audit Plan for the assessment of the SCIIF and receives regular information about the results of its work and of the action plan agreed with Management to correct any deficiencies observed.

The review plan for the SCIIF in 2013/2014 aims to increase significantly the scope of the review by internal audit and the assessment of the operational effectiveness of the SCIIF controls, so that at the end of the annual Plan it will have been possible to carry out an assessment covering the complete SCIIF in terms of controls, processes, companies and geographical locations.

To achieve this, a new process of sampling controls was implemented, applying statistical techniques that resulted in a representative sample leading to a higher degree of security for making conclusions about the overall effectiveness of the SCIIF in each period for reporting financial information to the market.

The first step was to organise the universe of controls by different types of sampling, with exhaustive 100% sampling applied to those final processes directly associated with the preparation, presentation and publication of regulated public financial information (consolidation and external reporting).

The target of the Plan has been met, with all controls, processes, companies and locations reviewed.

The result of the application of this model has been a significant increase in the coverage of audited controls and an increase in the accuracy of the financial information published

SCIIF controls are subject to a quarterly review in each reporting period and there is an annual SCIIF global review in accordance with the 5 components of the COSO Framework (Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring).

Internal Audit is responsible for disclosing the results of the assessment regularly to the Audit and Compliance Committee after completing its work.

Any significant and/or material weaknesses identified in the internal controls of the SCIIF are informed by the Audit and Compliance Committee to the Corporate Financial Management and to the Board of Directors for correction, with Internal Audit monitoring the corrective actions taken to quickly resolves issues, considering the materiality for the accuracy of the individual and consolidated financial information of Vocento.

F.5.2. Whether there is a procedure for debating via which the account auditor (in accordance with the terms of the Audit Technical Notes), the internal audit function and other experts can inform senior management and the Audit Committee or directors of any significant weaknesses identified in internal controls during the processes of reviewing the annual accounts or other accounts that have been requested. In addition, whether there is an action plan to correct or mitigate any weaknesses observed.

As covered by the Norm for the SCIIF, the external auditors, in their audit of the annual accounts, assess the internal controls thoroughly to establish the nature, date and extent of the auditing procedures that may enable them to express an opinion on the annual accounts, informing the Audit and Compliance Committee of any significant weaknesses detected. The auditors supply the following information to the Audit and Compliance Committee:

- Auditor's report on Vocento's individual and consolidated Annual Accounts.
- Report of limited review of the consolidated half-yearly accounts.
- Annual memorandum of recommendations for internal control.
- Report about past adjustments and proposed adjustments to the accounts, if applicable.

In addition, in accordance with the Audit Technical Notes, the external auditor confirms that the information contained in the Management Report is in accordance with the data that have served as the basis for the annual audited accounts.

The external auditor has full unrestricted access to the Audit and Compliance Committee and can be present at meetings on request and without the presence of any financial manager to present the results of their reviews and of the information highlighted above.

The scope of the annual external audits does not only include those Vocento companies with a legal obligation to be audited but also other companies where limited audits and reviews are undertaken by the external auditors, depending on their relative importance and the risks detected.

In addition, on a voluntary basis, the consolidated six-monthly financial information is also subject to a limited review by the external auditor.

F.6 Other relevant information

NOT APPLICABLE.

F.7 External auditor's report

F.7.1. Whether the information about the SCIIF disclosed to markets has been reviewed by the external auditor, in which case the entity should include the corresponding report as an Appendix. If not, state the reasons.

Audit and Compliance Committee has not considered it necessary for there to be an additional report from the external auditor to confirm that the information disclosed to the markets about the SCIIF of Vocento is duly supported, because the Committee has obtained enough evidence over the course of the year, based on its legal responsibility to supervise the SCIIF, of its existence and proper functioning.

G.- LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the level to which the company follows the recommendations of the Unified Code of good governance.

If a recommendation is not complied with, or is complied with only partly, provide a detailed explanation of the reasons, so that shareholders, investors and the market in general have sufficient information to assess the company's behaviour. General explanations will not be acceptable.

1. That the bylaws of listed companies should not limit the maximum number of votes that one single shareholder can cast, or contain other restrictions which make it hard to take control of the company by buying shares in the market.

See items: A.10, B.1, B.2, C.1.23 and C.1.24.

COMPLIANT

2. That when the parent company and a dependent company are listed, both publicly and accurately define:
a) The respective areas of business and any business relationship between them, and those of the dependent listed company with other group companies;
b) Mechanisms for resolving any conflicts of interests which could arise.

See items: D.4 and D.7

NOT APPLICABLE

3. That, although not expressly required by company law, Shareholder Meetings approve operations which lead to a structural modification of the company, in particular the following:

a) The transformation of listed companies into holding companies, by incorporating activities that were essentially carried out until then by the company into subsidiary companies, even though the company continues to control those companies;

b) The acquisition or sale of essential operating assets, when this entails an effective change in the company's business

c) Operations whose effect will be the liquidation of the company.

See item: B.6

COMPLIANT

4. That the detailed proposals for agreements to be adopted at the General Shareholder Meeting, including information referred to by recommendation 27, are made public when the call to attend the Meeting is made.

COMPLIANT

5. That at the General Shareholder Meeting substantially independent matters are voted on separately, so that shareholders may exercise their voting preferences separately, and that this rule is applied, in particular:
a) To the appointment or ratification of directors, who should be voted on individually:
b) For modifications of Bylaws, for each article or group of articles that are substantially independent.

COMPLIANT

6. That companies allow votes to be aggregated by financial intermediaries who appear as legitimate shareholders, but act for various clients, and can vote in accordance with the instructions of those shareholders.

COMPLIANT

7.That the Board carries out its functions with unity of purpose and independently, treats all shareholders equally and is guided by the interest of the company, understood as sustainably maximising the value of the company.

And that in its relations with stakeholders the company respects laws and regulations, complies with its obligations and contracts in good faith, respects the uses and good practices of the sectors and regions where it operates, and observes those principles of social responsibility that it has voluntarily accepted.

COMPLIANT

8. That the Board assumes as the core of its mission to approve the strategy of the company and the organisation needed to put this into practice, and also to monitor and ensure that management complies with the goals set and respects the company's purpose. And, to this end that the Board in full reserves the right to approve:
a) The general policies and strategies of the company, in particular:
i) The strategic plan or business plan, with management goals and annual budgets;
ii) Policies for investment and financing;
Ii) The definition of the structure of the group of companies;
iii) The definition of the structure of the group of companies
iv) Corporate governance policy;
v) Social corporate responsibility policy;
vi) The remuneration policy and the evaluation of the performance of senior management;
vii) The policy for risk control and management, and the regular monitoring of internal information and control systems;
viii) Dividend policy and treasury stock policy and limitations to this in particular

See items: C.1.14, C.1.16 and E.2

b) The following decisions;
i) On the proposal of the chief executive of the company, to appoint and dismiss senior management, and their compensation clauses.
ii) The remuneration of directors and, for executive directors, their additional remuneration for executive functions, and other conditions that their contracts should respect.
iii) The financial information which, as a listed company, the company has to publish regularly

iv) Investments and operations of any type which, because of the high amount involved or special characteristics, have a strategic character, unless their approval corresponds to the General Shareholder Meeting;
v) The creation or acquisition of holdings in special purpose vehicles or entities established in countries or territories considered to be tax havens, and any other transactions or operations of a similar nature, which, because of their complexity, could diminish the transparency of the group.

c) Transactions between the company and significant shareholders or shareholders with representation on the Board, or with persons associated to them ("transactions with related parties"). This authorization of the Board will not be needed however for those related party transactions which simultaneously comply with the three following conditions:

1. That contracts are used which are standardised and applied in mass to many clients;
2. That they are made at generally established prices or rates by the supplier of the goods or services in question;
3. That the amount does not represent over 1% of the annual revenues of the company.

It is recommended that the Board approve transactions with related parties after a favourable report from the Audit Committee or, if applicable, of the committee to whom this function has been allocated, and that the directors involved, as well as not exercising or delegating their right to vote, absent themselves from meetings when the Board considers and votes on the matter.

It is recommended that the competences attributed to the Board here cannot be delegated, except for those mentioned in letters b) and c), which can be adopted for reasons of urgency by the Executive Committee, and then ratified by the Board in full.

See items: D.1 and D.6

COMPLIANT

9.
That the Board has the right size for ensuring its effective and participatory functioning, which means that it is recommended that it has no less than five and no more than fifteen members.

See item: C.1.2

COMPLIANT

10. That external proprietary directors and independent directors represent an ample majority of the board, and that the number of executive directors is the minimum necessary, based on the complexity of the group and the participation of executive directors in the company's share capital.

See items: A.3 and C.1.3.

COMPLIANT

11. That of the external directors, the relationship between the number of nominee directors and of independent directors reflects the proportion in the share capital of the company represented by proprietary directors and the rest of the capital.
This strict criterion for proportionality may be relaxed so that the weight of the nominee directors is higher than that which corresponds to the percentage of share capital they represent:
1.° In companies with large capitalisation, in which there are few or no shareholder stakes which legally must be considered as significant, but there are shareholders with stakes of a high absolute value.

2. For companies where many shareholders are represented on the Board and there are no links between them.

See items: A.2, A.3 and C.1.3

COMPLIANT

12. That the number of independent directors represents at least one third of the total of directors.

See item: C.1.3

EXPLAIN

Given the high level of participation of nominee directors, without there being a relationship between them, the existing number of three independent directors has been deemed to be enough, representing one quarter of total directors.

13. That the nature of each director is explained by the Board to the General Shareholder Meeting which should ratify the appointment and confirm it, or be reviewed annually in the Annual Corporate Governance Report after verification by the Appointments Committee. This report should also explain the reasons for the appointment of nominee directors for shareholders whose stake is under 5% of capital, and explain the reasons why any formal requests for presence on the board from shareholders with an equal or higher stake than others who have nominee directors are turned down

See items: C.1.3 and C.1.8

COMPLIANT

14. That when the number of female directors is low or zero, the Board will explain the reasons for this and the initiatives adopted to correct this situation:
a) selection procedures do not suffer from the implicit bias that are an obstacle to selecting women;
b) the company deliberately looks for women with the right professional profile and includes them as potential candidates.

See items: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

COMPLIANT

15. That the Chairman, being responsible for the efficient functioning of the Board, ensures that directors receive in advance sufficient information, stimulates debate and the active participation of directors in the meetings of the Board, safeguarding the free adoption of positions and expressions of opinion, and organises and coordinates with the chairmen of the relevant Committees the regular evaluation of the Board and of the Chief Executive Officer.

See items: C.1.19 and C.1 41

COMPLIANT

16. That when the Chairman of the Board is also the Chief Executive Officer, an independent director is delegated to call the meeting of the Board or to include new points in the order of the day, to coordinate and relay the concerns of external directors, and to manage the assessment by the Board of the Chairman.

See item: C.1.22

NOT APPLICABLE

17. That the Secretary of the Board takes special care to ensure that the actions of the Board:
a) are in accordance with the letter and the spirit of the Laws and regulations, including those approved by regulatory authorities;
b) are in accordance with company statute and with the Rules for the Shareholder Meeting, Rules for the Board, and others;
c) reflect the good governance recommendations contained in this Unified Code that the company has accepted.
And that, to safeguard the independence, impartiality and professionalism of the Secretary, his appointment and dismissal are reported by the Appointments Committee and approved by the Board in full, and that this procedure for appointment and dismissal is stated in the Rules for the Procedure of the Board.

See item: C.1.34

COMPLIANT

18. That the Board meets frequently enough to perform its functions with effectiveness, following the programme of dates and business established at the start of the year, with each Director being able to propose orders of the day that were initially not included.

See item: C.1.29

COMPLIANT

19. That directors are absent only when essential, and these are listed in the Annual Report on Corporate Governance. And that if representation is indispensable, it is granted with instructions.

See items: C.1.28, C.1.29 and C.1.30

COMPLIANT

20. That when directors or the Secretary express concern on a proposal or, in the case of the directors, on the performance of the company, and these concerns are not resolved by the Board, at the request of the person who expressed them they are then noted in the minutes.

COMPLIANT

21. That the Board in full evaluates once a year:

a) The quality and efficiency of the functioning of the Board;

b) Based on the report presented to it by the Appointments Committee, the performance of the Chairman of the Board and of the Chief Executive Officer of the Company.

c) The functioning of the Committees, based on the report presented to it by these.

See items: C.1.19 and C.1.20

COMPLIANT

22. That all the directors have the right to receive the additional information they think needed about business which is the competence of the Board. And that, unless the Bylaws or Rules for the Procedure of the Board establish otherwise, they will direct their requirements to the Chairman or Secretary to the Board.

See item: C.1.41

COMPLIANT

23. That all directors have the right to obtain from the company the advice needed to carry out their functions. And that the company provides the adequate channels for exercising this right, which in special circumstances could include external advice paid by the company.

See item: C.1.40

COMPLIANT

24. That the companies establish a programme for orienting new directors which gives them a rapid and adequate understanding of the company, and of its corporate governance rules. And that they provide directors with programmes for updating their knowledge when circumstances so advise.

PARTLY COMPLIANT

There is currently no orientation programme for new directors.

25. That the companies require directors to dedicate to their function the time and effort needed to carry it out with effectiveness, and consequently:

a)that directors inform the Appointments Committee of their other professional obligations, if they could interfere with the required dedication;
b) That the companies establish rules on the number of boards that directors may form part of.

See items: C.1.12, C.1.13 and C.1.17

COMPLIANT

26. That the proposal for appointing or re-electing directors which is made by the Board to the General Shareholder Meeting, and provisional appointments by co-opting, are approved by the Board:
a) On the proposal of the Appointments Committee, for independent directors.
b) After a report from the Appointments Committee, for the other directors.

See item: C.1.3

COMPLIANT

27. That the companies publish on their website and keep updated the following information on their directors:
a) Professional and personal profile;
b) Others boards of directors to which they belong, whether these are listed companies or not;
c) An indication of the corresponding class of director, indicating, for nominee directors, the shareholder they represent or are associated with.
d) The date of the first appointment as a director of the company, and subsequent appointments, and;
e) Company shares and share options owned by them.

COMPLIANT

28. That nominee directors resign when the shareholder they represent fully sells their stake. And that the number of these directors falls, when the shareholder they represent

cuts the stake, to a level which requires the reduction in the number of nominee directors.

See items: A.2, A.3 and C.1.2

COMPLIANT

29. That the Board of Directors does not propose the dismissal of any independent director before the ending of the statutory period for which he or she has been appointed, except when there is a just cause for this, noted by the Board after a report from the Appointments Committee. In particular, just cause will be deemed to exist when the director has not complied with the duties inherent in the role, or is implicated in the circumstances that mean the director can no longer be considered as independent, as established in Order ECC/4612/013.

The dismissal of independent directors may also be proposed after public takeover bids, mergers, or other similar operations which represent a change in the share capital structure of the company, when these changes in the structure of the Board reflect the criteria of proportionality indicated in Recommendation 11.

See items: C.1.2, C.1.9, C.1.19 and C.1.27

COMPLIANT

30. That companies establish rules which oblige directors to inform and if applicable resign in those circumstances which could damage the credit and reputation of the company, and in particular, require directors to inform the Board of the penal cases where they are implicated and of the results of any legal processes.

That if a director is tried or committed to trial for one of the crimes noted in Article 213 of the Law on Corporations, the Board will examine the case as soon as possible and in light of the specific circumstances decide if the director may continue in the position. And that the Board discloses this to a reasonable degree on the Annual Corporate Governance Report.

See items: C.1.42, C.1.43

COMPLIANT

31. That all directors clearly express their opposition when they think that any proposal for a decision submitted to the may be contrary to the company's interests. And that, particularly independent directors and directors not affected by the potential conflict of interest, this is also the case concerning decisions which could damage shareholders who are not represented on the Board.

And that when the Board adopts significant or repeated decisions on which the director has expresses reservations, the director draws the necessary conclusions and if he chooses to resign, explains the reasons for this in the letter referred to by the following recommendation.

This Recommendation also covers the Secretary of the Board, even though the Secretary may not be a director.

COMPLIANT

32. That when, either because of resignation or for another reason, a director leaves his role before the end of the mandate, he explains the reasons in a letter sent to all members of the Board. And that, while this will still be stated as a relevant fact, the reason for the departure is also disclosed in the annual corporate governance report.

See item: C.1.9

COMPLIANT

33. That only executive directors are awarded compensation in the form of company shares or shares of group companies, options on shares or instruments linked to the share price, or variable remuneration linked to the company's performance or forecasts.

This recommendation does not cover the award of shares, when this is conditional on the directors maintaining them until they are no longer directors.

COMPLIANT

34. That the remuneration of external directors is enough to reward the dedication, qualification and responsibility demanded by the role, but not so high as to compromise their independence.

COMPLIANT

35. That remuneration related to the results of the company considers any qualifications in the report of the external auditor which reduces these results.

COMPLIANT

36. That for variable remuneration, the policies incorporate the technical measures needed to ensure that this remuneration is related to the professional performance of beneficiaries, and is not simply based on the general performance of the markets or of the sector of the company, or other similar circumstances.

COMPLIANT

37. That when there is an Executive Committee, the structure of participation of the different types of directors is similar to the structure of the Board, and the Secretary is the Secretary of the Board

See items: C.2.1 and C.2.6

COMPLIANT

38. That the Board is always aware of the business treated and the decisions adopted by the Executive Committee, and that all members of the Board receive a copy of the minutes of the meetings of the Executive Committee.

COMPLIANT

39. That the Board of Directors establishes in addition to the Audit Committee required by the Law on Securities Markets, a Committee, or two separate Committees, for Appointments and Remunerations.
That the rules for the composition and functioning of the Audit Committee and of the Committee or Committees of Appointments and Remuneration are included in the Rules for the Procedure of the Board, and include the following:
a) That the Board appoints the members of these Committees, based on the knowledge, abilities and experience of the directors and the scope of each Committee; that it considers their proposals and reforms; and in the first Board meeting after their meetings, they must report their activity and work carried out;
b) That these Committees are exclusively composed of external directors, with a minimum of three. This does not prevent the attendance of executive directors or senior management, when members of the Committee expressly agree on this.
c) That their Chairmen are independent directors.
d) That they can receive external advice, when they deem it necessary for carrying out their functions.
e) That minutes are taken of their meetings, which are sent to all members of the Board.

See items: C.2.1 and C.2.4

PARTLY COMPLIANT

Until 31 December 2014, the Chairman of the Audit and Compliance Committee was an external nominee director, without prejudice to the information given in section H.1. .

40. That the supervision of compliance with the internal codes of conduct and rules of corporate governance are allocated to the Audit Committee, or, if they are separate, to the Compliance or Corporate Governance Committee.

See items: C.2.3 and C.2.4

COMPLIANT

That members of the Audit Committee and in particular the Chairman are appointed based on their knowledge and experience in the area of accounting, audit, or risk management.

COMPLIANT

42. That listed companies have an internal audit function which, under the supervision of the Audit Committee, monitors the good performance of the information systems and internal control systems.

See ítem: C.2.3

COMPLIANT

43. That the person in charge of the internal audit function presents the Audit Committee with an annual work programme, directly informs it of any incidents that occur during this, and submits to it at the end of each year a report on his activities.

COMPLIANT

44.That the policy for controlling and managing risks identifies at least:
a) the various types of risks (operational, technological, financial, legal, reputational…) faced by the company, including in the financial risks contingent liabilities and other off balance sheet risks;
b) the establishment of the risk level deemed acceptable by the company;
c) measures available to mitigate the impact of the identified risks if they were to materialise;
d) the information systems and internal control systems used to control and manage these risks, including contingent liabilities and off balance sheet risks.

See item: E

COMPLIANT

45. That it corresponds to the Audit Committee:
1: Concerning information and internal control systems:
a) That the main risks identified as a result of the supervision of the effectiveness of the internal controls of the company and of internal audit, I applicable, are managed and disseminated appropriately.
b) To ensure the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and dismissal of the person responsible for internal audit; propose the budget for the service; receive regular information on its activities, and verify that senior management consider the conclusions and recommendations of its reports.
c) To establish and supervise a mechanism which allows employees to report confidentially and if appropriate anonymously of potentially significant irregularities,

especially financial and accounting irregularities, detected at the company.
2: To the external auditor
a) Receive regularly from the external auditor information on the audit and its results, and verify that senior management consider its recommendations.
b) Ensure the independence of the external auditor, and to this end:
i) That the company informs the CNMV as a relevant fact any change of auditor and accompanies it with a declaration on the existence of any disagreements with the outgoing auditor, and if applicable, the content of these.
ii) That if the external auditor resigns, the circumstances motivating this are examined.

See items: C.1.36, C.2.3, C.2.4 and E.2

COMPLIANT

46. That the Audit Committee can call any employee or manager of the company and require them to appear without the presence of any other manager.

COMPLIANT

47. That the Audit Committee informs the Board, prior to its adoption of corresponding decisions, on the following matters indicated in Recommendation 8:
a) The financial information that as a listed company the company must regularly publish. The Committee must ensure that interim accounts are formulated using the same accounting criteria as annual accounts, and to this end consider whether it is appropriate to have a limited review by the external auditor.
b) The creation or acquisition of holdings in special purpose vehicles or entities established in countries or territories considered to be tax havens, and any other transactions or operations of a similar nature, which, because of their complexity, could diminish the transparency of the group.
c) Transactions with related parties, unless the function for providing a report has been awarded to a different Committee than a supervisory committee.

See items: C.2.3 and C.2.4

COMPLIANT

48. That the Board of Directors aims to present accounts to the General Shareholder Meeting which do not have reservations or qualifications in the audit report, and in the exceptional circumstances when these occur, both the Chairman of the Audit Committee and the auditors shall clearly explain to shareholders the content and scope of these reservations or qualifications.

See item: C.1.38

COMPLIANT

49. That the majority of members of the Appointments Committee, or the Appointments and Remuneration Committee if it is just one committee, are independent directors.

See item: C.2.1

EXPLAIN

Not applicable

The Rules for the Board of Directors only require that members of the Appointments and Remuneration Committee are external, not that they must also be independent directors. On 31 December 2014, of the 5 members of the Appointments and Remuneration Committee, 2 were External and Independent (DON MIGUEL ANTOÑANZAS ALVEAR and DON FERNANDO AZAOLA ARTECHE) and 3 were External Nominees (DON GONZALO SOTO AGUIRRE; LIMA, S.L. and MEZOUNA, S.L.). Without prejudice to the information contained in section H.1 of this report.

50. That the appointments committee, in addition to the functions indicated in the previous Recommendations, has the following functions:
a) Assessing the competencies, knowledge and experience necessary for the Board, hence defining the functions and skills needed for candidates to fill any vacancies, and evaluating the time and dedication needed to be able to perform the role well.
b) Examining and organising in an adequate way the succession to the Chair and the chief executive, and make proposals to the Board for an orderly and well planned succession.
c) Reporting on the appointments and dismissals proposed by the chief executive to the Board.
d) Reporting to the Board on the questions of gender diversity indicated in Recommendation 14 of this Code.

See item: C.2.4

COMPLIANT

51. That the Appointments Committee consults the Chairman and the chief executive of the company, especially for matters concerning the executive directors. And that any director may request the Appointments Committee to take into consideration, if he deems them ideal, potential candidates for director vacancies.

COMPLIANT

52. That the Remuneration Committee has, in addition to the functions indicated in the preceding Recommendations, the following tasks:
a) Proposing to the Board of Directors
i) The remuneration policy for directors and senior management;
ii) The individual remuneration of the executive directors and other conditions in their contracts.
iii) The basic conditions of the contracts of senior management.
b) Monitoring the observance of the remuneration policy established by the company

See item: C.2.4

COMPLIANT

53. That the Remuneration Committee consults the Chairman and the chief executive of the company, especially for matters relating to executive directors and senior management.

COMPLIANT

H.- OTHER INFORMATION OF INTEREST

1. If there is any other relevant corporate governance issue at the company or in group entities that has not been included in the sections of this report, but which it is necessary to include for a full and fair view of the governance structure and practices of the group, detail them briefly here.

2. This section may include any other information, clarification or nuance related to the previous sections of the report, if relevant and non-repetitive.

In particular, indicate if the company is subject to any other corporate governance legislation than Spanish, and if so then include the information that is required to be provided and which is different from the information required in the current report.

3. The company may also indicate if it has signed up voluntarily to other codes of ethical principles or good practices, be they international, sector-specific or other. If applicable, identify the code in question and the date of membership.

1. If there are any relevant aspects of corporate governance at the company or group entities not included in the other sections of this report, but which are necessary to include for a fuller and fairer view of the structure and practices of corporate governance at the group, detail them briefly.

In compliance of the terms of (i) Art. 540 of Royal Decree 1/2010, of 2 July, approving the revised text of the La won Corporations; (ii) Art. 5 of ECC/461/2013, of 20 March, determining the content and structure of the annual corporate governance report and (iii) Annex I of Circular 5/2013, of 12 June, from the Comisión Nacional del Mercado de Valores, establishing the models for corporate governance reports for listed companies, the Spanish company VOCENTO, S.A., resident in Bilbao, calle Pintor Losada nº 7, fiscal number N.I.F. A-48.001.655, prepared the current Annual Report on Corporate Governance covering the year ending 31 December 2014, which, following a report from the Audit and Compliance Committee in accordance with Art. 42 of the Rules of the Board, was approved by the Board of Directors of Vocento on 25 February 2015.

EVENTS SUBSEQUENT TO THE END OF THE YEAR

- Regarding points C.1.2. and C.2:

Agreements subsequent to 31 December 2014 concerning membership of the Committees of the Board of Directors.

The Board of Directors, on 19 January 2015, adopted the following agreements about the membership of its Committees:

- D. Fernando Azaola Arteche was appointed Member of the Audit and Compliance Committee effective 19 January 2015. After this appointment, membership of the Audit and Compliance Committee increased to five.

- D. Miguel Antoñanzas Alvear, who was already a Member of the Audit and Compliance Committee, was appointed Chairman, replacing D. Gonzalo Soto Aguirre, effective from 28 April 2015, the date set for the General Shareholding Meeting. D. Gonzalo Soto Aguirre will continue to be a Member of the Audit and Compliance Committee.

- D. Fernando Azaola Arteche, who was already a Member of the Appointments and Remuneration Committee, was appointed Chairman, replacing D. Miguel Antoñanzas Alvear, effective from 28 April 2015, the date set for the General Shareholding Meeting. D. Miguel Antoñanzas Alvear will continue to be a Member of the Appointments and Remuneration Committee.

Agreements subsequent to 31 December 2014 concerning the change of Chairman of the Board of Directors and the Executive Committee.

On 17 February 2015, D. Rodrigo Echenique Gordillo resigned as member and Chairman of the Board of Directors and of the Executive Committee of Vocento, S.A. as a result of the limitations to carry out other roles imposed by Article 26 of Law 10/2014. 26 June, concerning the structuring, supervision and solvency of credit institutions.

The Board of Directors agreed on this date to unanimously accept the resignation and appoint as new Chairman of the Board of Directors and Executive Committee D. Santiago Bergareche Busquet.

- Crime Prevention Policy and Code of Ethics.

It is the responsibility of the Board of Directors of Vocento to supervise and establish the general policies of the Company and to formulate risk control and management policies, and to regularly monitor internal information and control systems.

In this context, on 13 November 2014 the Board of Directors approved a Crime Prevention Policy which aims to send a message to all Vocento managers, employees and third parties that Vocento ensures that its activity is based on respect for the law and on principles that demand a certain standard of behaviour from people at Vocento, including commitment to legality, good governance, transparency, responsibility, independence and respect for socially accepted ethical standards.

This Crime Prevention Policy represents a commitment to permanent watchfulness and punishment for fraudulent acts and conduct, and to maintain effective mechanisms for communications with all staff and to develop a business culture based on ethics and compliance with the law.

In this context, the Board also approved on 13 November 2014 Vocento's Code of Ethics, which sets the standards of behaviour that Vocento has already been applying in its activities.

The Code of Ethics establishes a specific communications channel, the Ethics Channel, by which anyone can report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable.

To implement the Crime Prevention Policy, in 2015, using the competent bodies, a specific and effective internal control system will be implemented to prevent crimes, made up of a series of measures designed to assess risks, prevent, detect and respond to any non-compliance with the Code of Ethics or other possible crimes, while also documenting the practices that Vocento has been applying historically.

Included in this internal control system will be protocols for acting and for monitoring, used in order to assess and reduce the risk of conduct which is illegal, irregular or contrary to the Code of Ethics. These will be complemented by the implementation of effective, continuous controls that can be upgraded and reviewed.

In terms of supervision of this Code, the Ethics Committee has been granted the function of preparing and monitoring the implementation, development and compliance of the internal system for crime prevention. Other companies in the group headed by Vocento will sign up to this system, under the responsibility of different bodies, without prejudice to their recourse to the Ethics Committee on a case by case basis. At the Vocento level, the Ethics Committee, which reports to the Audit and Compliance Committee, enjoys the necessary powers of initiative and control to monitor the functioning, effectiveness and compliance of the Crime Prevention Policy, and to ensure that the systems are sufficient for Vocento's requirements and circumstances.

2. include any other information, clarification or detail related to the previous sections of the report, as long as they are relevant and not repetitive. In particular, the company will disclose if it is subject to any other legislation that is different to Spanish law in the corporate governance area. If so, it will include the information that it is obliged to supply and that differs from that required by this report.

A.2.

-The companies LIMA, S.L., ENERGAY DE INVERSIONES, S.L. and ONCHENA, S.L., directors of Vocento, have significant shares of 9.777%, 6.535% and 5.470%, respectively. Don Victor Urrutia Vallejo, Don Enrique Ybarra Ybarra and Doña María del Carmen Careaga Salazar control these companies, which is why indirectly they have a significant share in Vocento.

C.1.2.

-Energay de Inversiones, S.L. was Chairman of the Board of Directors until 29 April 2014 and D. Rodrigo Echenique Gordillo has been Chairman since that date, without prejudice to the information given in H.1 about the resignation of Mr. Echenique.

C.1.4.

-DOÑA SOLEDAD LUCA DE TENA GARCÍA-CONDE is the only physical representative of the company VALJARAFE, S.L., and has been a Nominee Director since 2012. In 2011, there were two female nominee directors, DOÑA SOLEDAD LUCA DE TENA GARCÍA-CONDE and DOÑA CATALINA LUCA DE TENA GARCÍA-CONDE, with the latter also Deputy Chair of the Board of Directors of Vocento.

C.1.29

-The Board of Directors of Vocento met seven (7) times in the year, on the following dates. The Chairman attended all the meetings.

14 January

27 February

29 April

13 May

29 July

30 September

13 November

C.1.37

-The General Shareholder Meeting of Vocento on 29 April 2014 agreed to appoint DELOITTE, S.L., resident in Madrid, Edificio Torre Picasso, Plaza de Pablo Ruiz Picasso nº 1, and inscribed in the Mercantile Registry of Madrid, volume 13,650, section 8ª, folio 188, page M-54414 and CIF nº B-79.104.469, and with inscription number S0692 in the Official Registry of Account Auditors, as auditor of the individual and consolidated annual accounts of Vocento for one year, i.e. for 2014.

As well as the individual and consolidated annual accounts, Deloitte, S.L., also carries out other activities for Vocento such as advice in employment issues, analytical accounting, due diligence, etc.

D.5

- According to the annual consolidated results for 2014, operating revenues with related parties of 42,465 thousand euros were booked, operating expenses of 10,061 thousand euros, and financial income of 6 thousand euros.

3. The company may also indicate if it has voluntarily signed up to other codes of ethical principles or good practices that are international, sectorial or of any other scope. If so, identify the code and the date of adherence.

Vocento's Annual Report on Corporate Governance, covering the year ending 31 December 2014, was unanimously approved by the Board of Directors at its meeting on 25 February 2015, following a favourable report from the Audit and Compliance Committee at its meeting of 23 February 2014.

This annual corporate governance report was approved by the Board of the company at its meeting on 25/2/2015.

Indicate if any directors voted against or abstained from the approval of this report

NO

* * * * *

vocento

ANNUAL REPORT OF ACTIVITIES

AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

2014

Approved by the Audit and Compliance Committee on 23 February 2015
Ratified by the Board of Directors on 25 February 2015

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ANNUAL REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

END DATE OF REFERENCE YEAR: 31/12/2014

1. DESCRIPTION, PURPOSES AND GOALS

This Annual Report of the Activities of the Audit and Compliance Committee of Vocento, S.A. (hereinafter "**Vocento**" or the "**Company**") is addressed to the Board of Directors. It summaries the activities carried out by the Audit and Compliance Committee in various areas of work, including the meetings held and issues discussed in the year. Its preparation and disclosure is in accordance with Article 18.9 of the Rules for the Board of Directors and it is published in conjunction with the individual and consolidated Annual Accounts.

2. THE AUDIT AND COMPLIANCE COMMITTEE

2.1 BACKGROUND

Following an agreement by the Board of Directors of Vocento (then Grupo Correo-Prensa Española), on 18 July 2002, an Audit and Compliance Committee was established, of a voluntary nature and with no executive powers, with the main purpose of supporting the Board of Directors in its oversight functions.

This Committee operated until the stock market listing of Vocento, as result of which, in accordance with the terms of Article 19 of the Company Bylaws and of 18.1 of the Rules for the Board of Directors, the Board of Directors of Vocento on 5 September 2006 established the Audit and Compliance Committee, ahead of the listing and in accordance with Law 44/2002, of 22 November, on Reform Measures of the Financial System.

As a consequence of the publication by the CNMV of "Unified Code of Good Governance" (the "***Código Conthe***") and of the stock marketing listing of Vocento, in 2006 the Committee carried out an analysis of implications of this code for the Audit and Compliance Committees of listed companies such as Vocento, updating the Rules for the Board of Directors, incorporating the new requirements established in the Code.

As a result of the publication on 1 July 2010 of Law 12/2010 of 30 June, which modifies the Law on Auditing Accounts and the Eighteenth Additional Provision on Audit Committees of the 24/1988 Law on Securities Markets was modified. Consequently, Article 18 of the Rules for the Board of Directors, which covers the structure, functioning, powers and obligations of the Audit Committee, was modified in 2010 to incorporate these changes.

Law 12/2010 has increased the responsibility of Audit Committees and Boards of Directors, concerning the accuracy of the financial information that listed companies provide to markets, with it now being the responsibility of Audit Committees to monitor the accuracy of the financial information and to assess the effectiveness of the Internal Control system for financial information. In addition, they must take to the Board of Directors proposals for selecting, appointing, re-electing and replacing external auditors, and for their contractual conditions, and regularly receive information from them about the Audit Plan and its implementation, while preserving their independence in the exercise of these functions.

Finally, there has been a recent modification to the Law on Corporations, reformed by Law 31/2014 of 3 December, which aims to improve corporate governance. The new Article 529, point fourteen, of the Law on Corporations partially transfers the terms of the Eighteenth Additional Provision of the Law on Securities Markets.

2.2 MEMBERSHIP

In accordance with the provisions of the Rules of the Board, the Audit and Compliance Committee is composed of a minimum of three and a maximum of five external directors appointed by the Board of Directors. At least one member must be an independent director.

The Chairman will be appointed by the Board and must be replaced every four years, being eligible for re-election one year after the end of the mandate.

At the current date, the Committee consists of the following members:

Chairman	Appointment	Type
D. Gonzalo Soto	12 June 2012	External, Nominee
Members	**Appointment**	**Type**
D. Miguel Antoñanzas	13 May 2014	Independent
VALJARAFE, S.L.	12 June 2012	External, Nominee
LIMA, S.L.	12 June 2012	External, Nominee

All members of the Audit and Compliance Committee are external directors. In addition, in accordance with the recommendations 39 and 41 of the Código Conthe, all members of the Committee have had financial training and experience.

The Secretary, D. Carlos Pazo, is not a member of the Committee and is Secretary of the Board of Directors of Vocento, in accordance with article 18.1 of the Rules for the Board of Directors.

After the reform to the Law on Corporations of law 31/2014, the Audit and Compliance Committee must consist exclusively of non-executive directors, of which at least two must be independent. As a result of this, as explained in section 9 of this report on events after the close of the period on 31 December 2014, on 19 January 2015 D. Fernando Azaola Arteche was appointed a member of the Audit and Compliance Committee, increasing the number of members of the Committee from 4 to 5 and complying with the minimum requirement of the Law on Corporations for 2 independent directors.

In addition, on 19 January 2015 D. Miguel Antoñanzas Alvear was appointed Chairman of the Audit and Compliance Committee, with effect from the date of the Shareholder Meeting set for 28 April 2015, replacing D. Gonzalo Soto Aguirre, who will remain a member of the Committee.

3. SESSIONS AND MEETINGS

The Audit and Compliance Committee will meet whenever the Board of Directors or its Chair requests a report or the adoption of proposals, within the scope of its competencies and whenever the committee's chair or two members request it or it is appropriate to produce a report for the corresponding agreements to be adopted.

In any event, it will meet on a quarterly basis to review the information that is within its competencies and which will be included in the regular public information to be provided to markets and regulators.

Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have. The Committee may require them to appear without the presence of another manager.

The Committee can also require the attendance of the account auditors at its meetings.

4. FUNCTIONS AND COMPETENCIES

Notwithstanding any other functions assigned it by the Board, the Audit and Compliance Committee has, among others, the following responsibilities as stated in Article 18 of the Rules for the Board of Vocento, in accordance with the terms of Article 529 point fourteen section 4 of the Law on Securities Markets, after the reform of Law 31/2014:

4.1 FINANCIAL INFORMATION

- Monitoring the process of preparing accurate financial information for the company and for the group, reviewing compliance with the legal requirements, the correct setting of the consolidation perimeter, and the correct application of accounting criteria.

- Understanding and monitoring the process of preparation and presentation of the financial information required by law.

4.2 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

- Regularly reviewing the systems for internal control and risk management, so that the main risks are identified, managed and fully understood.
- Monitoring and regularly assessing the effectiveness of the internal control and risk management systems.
- The risk control and risk management policy of the company will identify, at the very least:

a) the various types of risks (operational, technological, financial, legal, reputational, etc.) faced by the company, including as financial risks contingent liabilities and other off balance sheet risks;

b) the establishment of the risk level deemed acceptable by the company;

c) measures available to mitigate the impact of the identified risks if they were to materialise;

d) the information systems and internal control systems used to control and manage these risks, including contingent liabilities and off balance sheet risks.

4.3 EXTERNAL AUDITORS

- Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract.
- Receiving from the external auditor information on any significant weaknesses in the internal control system detected during the audit.
- Ensuring that the Company and the auditor respect current legislation about the delivery of non-audit services, limits to the concentration of business with the auditor and in general those norms established to ensure the Independence of auditors.
- Receiving from the external auditors information about issues which could endanger their independence from the company and about any other issues related to the process of auditing the accounts, as well as the information established in legislation on auditing accounts and in the audit technical notes.
- Receiving regularly from the external auditor information on the audit plan and its results, and verifying that senior management consider its recommendations.
- Each year publishing a report, prior to the report from the account auditors, in which it gives the Committee's opinion of the independence of the external auditor and the additional services apart from auditing provided, referred to above.
- Receiving on an annual basis from the external auditor a declaration of their independence from the entity or parties related to it directly or indirectly, and about the additional services of any class provided and the corresponding fees received from these entities by the external auditor or by people or entities related to them, in accordance with the provisions of the legislation governing account auditing.
- In the event of the resignation of the external auditor, the Committee must examine the circumstances leading to the resignation.
- Ensuring that the Company discloses as a relevant fact to the CNMV a change in auditor, accompanied if applicable by a disclosure of disagreements with the departing auditor.

4.4 CORPORATE GOVERNANCE

- Monitoring compliance with internal codes of conduct and rules of corporate governance, in particular submitting to the Board the proposed Annual Report on Corporate Governance.

4.5 INTERNAL AUDIT

- Ensuring the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and dismissal of the person responsible for internal audit; propose the budget for the service; receiving regular information on its activities, and verifying that senior management consider the conclusions and recommendations of its reports.
- The Company will have an internal audit function that under the supervision of the Audit and Compliance Committee will monitor the functioning of information and internal control systems.
- Receiving from the person in charge of internal audit the annual work plan, any incidents in its implementation, and the annual report of activities from the area.

4.6 BOARD OF DIRECTORS

Informing the Board prior to its adoption of any decisions reserved for the Board about the following issues:

  - The financial information that the company, as a listed company, must regularly publish. The Committee will ensure that the intermediate accounts are prepared to the same accounting standards as the full year results and hence should consider whether they be subject to a limited review by the external auditor.
  - The creation or acquisition of stakes in special purpose vehicles or those incorporated in countries or territories that are considered to be tax havens, and any other similar transactions or operations that could reduce the transparency of the group.
  - Transactions with related parties.

- Propose to the Board for consideration by the General Shareholder Meeting the appointment of the external account auditors.
- The Committee will prepare an annual plan of action for each year and an Annual Report about its activities, which it will present to the Board in full. The Management Report of the Company will also include the Annual Report of Activities.

4.7 SHAREHOLDER MEETING

Informing the Shareholder Meeting about the issues raised there that fall within the Committee's area of concern.

5. ACTIVITIES UNDERTAKEN IN 2014

5.1. MEETINGS

In 2014, the Audit and Compliance Committee met 7 times. Details of these meetings and the main issues discussed are provided below:

MEETING OF 3 FEBRUART 2014

- Presentation by Chairman of the Committee:
  - Self-assessment of the Committee for 2013.
  - A Project enabled by Iberclear to allow Access to information about the identity of shareholders almost immediately. It was agreed that this was not necessary, given the relatively straightforward shareholder structure at the Company.
- Report by the account auditors concerning goodwill and the recoverability of tax credits as of 31/12/2013.
- Follow-up of the implementation of the system for the prevention of corporate criminal risks.
- Description of the functioning of the Information Security Management System (SGSI), implemented in compliance with legislation on data protection, and reducing the costs and investment in IT security systems.
- Internal Audit Plan and Budget for 2014.
- Monitoring of the Corporate Defense and Enterprise Risk Management (ERM) projects.
- Monitoring of the corporate simplification process.
- Approval of the tender for the selection of the external auditor for 2015-2017.
- Assessment of remuneration of the internal auditor for 2013 and 2014.

MEETING OF 25 FEBRUARY 2014

- Presentation from the Director of the Group's Legal Department:
  - Functioning of the Department.
  - System for recording and outsourcing lawsuits.
  - Process for entering each action in the annual accounts.
  - Situation at the end of 2013.
- Report from the account auditors about the annual accounts of Vocento and the consolidated group as of 31 December 2013.
- Report from the account auditors about adjustments made or not made to the consolidated annual accounts.
- Report from the account auditors confirming their Independence from the Company and its subsidiaries, and information about additional services provided.
- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for 31 December 2013.
- Report about the functioning of the SCIIF in the fourth quarter of 2013.
- Monitoring of the ERM and Corporate Defense projects.

- Report about the implemented and pending recommendations from internal audit.
- Proposed Annual Report from Internal Audit for 2013.
- Report about the effectiveness of the SCIIF controls in the fourth quarter of 2013.
- Proposed formulation of the Annual Accounts of Vocento and the consolidated group for 31 December 2013.
- Proposed Annual Report of Activities of the Audit and Compliance Committee corresponding to 2013.
- Proposed Annual Report on Corporate Governance corresponding to 2013.
- Report from the Committee with its opinion on the Independence of the account auditors and the delivery of additional services.

➢ **MEETING OF 12 MAY 2014**

- Report from the external auditors about internal control recommendations for 2013.
- Report from the external auditors about the preliminary review of the main issues relating to the Group's financial statements in 2014.
- Monitoring of the internal audit plan for 2014.
- Report from Internal Audit about the functioning of the SCIIF controls in the first quarter of 2014.
- Functioning of the SCIIF in the first quarter of 2014.
- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for the first quarter of 2014.
- Information about the monitoring of the ERM and Corporate Defense projects.
- Report about the progress of the tender to appoint the external auditor for the accounts from 2015 to 2017.
- Request to the external auditors for a limited review of the accounts to 30 June 2014.

➢ **MEETING OF 29 MAY 2014**

- Presentation of proposals for the tender to appoint the external auditor for accounts from 2015 to 2017.

➢ **MEETING OF 28 JULY 2014**

- Report from the External Auditor on the limited review of consolidated financial information to 30 June 2014.
- Monitoring of the Internal Audit Plan for 2014.
- Report from Internal Audit about the functioning of the SCIIF controls in the second quarter of 2014.
- Functioning of the SCIIF in the second quarter of 2014.

- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for the second quarter of 2014.
- Monitoring of the ERM Project.
- Monitoring of the Project for the Prevention of Criminal Risks.
- Report about the process of simplifying the corporate structure of the group.
- Approval of the report for the Board of Directors about the appointment of the external auditor for the 2015-2017 accounts.

MEETING OF 11 NOVEMBER 2014

- Report from the external auditor about the preliminary review of Accounts for 2014 and about the transition to the external auditor responsible for auditing the Accounts from 2015.
- Report from Internal Audit about the functioning of the SCIIF controls in the third quarter of 2014.
- Functioning of the SCIIF in the third quarter of 2014.
- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for the third quarter of 2014.
- Information about the process of simplifying the corporate structure of the group.
- Monitoring of the Internal Audit Plan for 2014.
- Approval of the Risk Management Policy.
- Implementation Plan for the System of Criminal Prevention 2014 – 2015: Approval of the Policy for Prevention of Crime, approval of the Code of Ethics and approval of the Manual for Preventing and Responding to Crimes.
- Follow up of Action Plan – Self Assessment of the Committee in 2013.
- New developments in the corporate governance area following the reform to the Law on Corporations.

MEETING OF 18 DECEMBER 2014

- Annual assessment of risks of the SCIIF corresponding to 2014.
- Follow up of the analysis of the individual financial statements of Grupo Vocento for 2014.
- Presentation of the structure of powers of attorney in Grupo Vocento and description of the policy for external legal advice in the Group.
- Monitoring of the implementation of the Criminal Risks prevention system.
- Monitoring of the Internal Audit plan for 2014.
- Proposal and budget for Internal Audit plan for 2015.
- Report about the Project for improving the Information Security Management System.

The Chairman of the Audit Committee has informed the Board of all the issues discussed in these meetings, and the Secretary of the Committee and of the Board has prepared minutes for each meeting that have been set to all the Directors immediately for their approval.

Managers to appear at the Committee in the year include the Chief Financial Officer, the Director General of Operations, the Director of the Legal Department and the Internal Auditor.

The external auditor participated in the meetings of the Audit Committee when required, providing information about the auditing process and its results.

Half-yearly consolidated financial information is voluntarily audited (limited review), by the account auditors, in accordance with Royal Decree 1362/2007 of 19 October, and Circular 1/2008 from the CNMV.

5.2 ASSESSMENT

In 2014, the Audit Committee carried out a self-assessment, which was undertaken by the Secretary of the Board. The results of this process were shared with members.

6. CORPORATE COMPLIANCE UNIT

The Corporate Compliance Unit was created with the responsibility of maintaining up to date the information that Directors and employees must disclose to the Company, in accordance with Article 32.3 of the Rules for the Board.

In accordance with this mandate, on 14 January 2014 the Board of Directors approved Vocento's Internal Rules of Conduct in Security Markets, Article 8 of which creates the Corporate Compliance Unit as an independent body reporting to the Audit and Compliance Committee.

The Corporate Compliance Unit has informed the Audit and Compliance Committee on a quarterly basis of the measures taken to ensure compliance with Vocento's Internal Rules of Conduct in Security Markets, approved in 2014. The reports mentioned any incidents in the updating of the people and amounts affected, and any incidents in regard to personal transactions.

In this regard, the Secretary to the Board of Directors regularly sent to the Audit and Compliance Committee the Quarterly Report of the Corporate Compliance Unit, stating the measures taken in order to ensure compliance with the terms of the Internal Code of Conduct. These measures include the creation of the required documentary records, the written notification to every person covered by the code that they are affected by it, and the obligations this implies, as well as the assessment of the level of compliance and any incidents detected.

7. INTERNAL AUDIT

The company's internal audit function has been operating since 2004, as part of the Audit and Compliance Committee and reporting to the Chief Executive Officer, and it aims to ensure the correct functioning of information systems, internal controls, and risk management.

7.1 COMPETENCIES

Its competencies are established by the Internal Audit Statute approved by the Audit and Compliance Committee, and carries out its work in accordance with the “International Norms for the Professional Practice of Internal Audits,” as published by the Internal Auditors Institute of Spain, and in accordance with the Ethics Code of the internal auditor of Vocento.

7.2 SCOPE

The scope of action of Internal Audit includes the Vocento parent company, as well as the holding companies and business and corporate units, companies in which Vocento has a majority stake, and companies where Vocento exercises management control and is responsible for their management.

7.3 OBJECTIVES

Internal Audit at Vocento has the following objectives:

- To maintain at all times the Independence and objectivity needed to carry out its functions.
- To facilitate the establishment and consolidation of Policies and Procedures for Internal Control at all Vocento companies.
- To assess all the areas and functional activities at Vocento, not only the financial areas, meeting the scope and the principles set by the Audit and Compliance Committee and reflected in its Annual and Multi-annual Plans.
- To carry out analyses and special audits ordered from it by the Board of Directors, the Audit and Compliance Committee and the Chief Executive Officer, in addition to the approved Plans.
- To publish reports on the audits and to keep the Board of Directors, the Audit and Compliance Committee, the Chief Executive Officer and Management informed about issues concerning Internal Controls at Vocento companies.
- To monitor the implementation of improvements and recommendations.

These objectives are detailed in the *Internal Audit Handbook*, and are designed to lead to an effective system of internal controls, an overall improvement in organisation and management, and to ensure compliance with internal and external policies.

7.4 TRAINING

Proper training is the factor that determines high quality work, and it is a continuous activity for the professionals in the workforce. So it is important to note that part of the internal audit team has obtained the status of Certified Internal Auditor (CIA), an internationally recognised certification that guarantees excellence in the provision of internal audit services, and the CRMA certificate (Certification in Risk Management Assurance) from the Institute of Internal Auditors in the US.

7.5 INTERNAL AUDIT PLAN

In accordance with the functions that are its responsibility according to its Statute, the internal auditor presented to the Audit and Compliance Committee for approval the Internal Audit Plan for 2014.

The Internal Audit Plan for 2014 was practically fully implemented, except for one process which could not be reviewed because of dedication to other tasks not included in the Plan. The Plan included specific reviews of the controls of the SCIIF, in each financial reporting period to the market and to the regulator. The objective of reviewing all the controls of all the companies was met within the period recommended by the CNMV, and a system of statistical sampling was established which enabled overall conclusions to be drawn about the effectiveness of the SCIIF.

In addition, another objective of the audit plan was to ensure compliance with the responsibilities of the Audit and Compliance Committee, in the area of corporate governance and the supervision of risk control and management. Internal audit reviewed compliance with the Internal Rules of Conduct in Security Markets and compliance with legal requirements of the Vocento web site, and also worked to establish the foundations for the future system of crime prevention and response (Policy for Prevention of Crime and the Code of Ethics) and the Enterprise Risk Management system.

The analysis of risks and controls in other processes was also included in the Audit Plan, such as transfer prices, purchases, promotions and the registration of commercial agreements with public administration. The conclusions of the reviews were included in the reports of internal audit and sent to the director generals of the companies reviewed, the Chief Executive Officer, and the Audit and Compliance Committee.

Each manager has detailed information in the SCIIF system about the state of the controls and recommendations.

7.6 FOLLOWING UP OF RECOMMENDATIONS

In the course of the year, work was carried out to follow up recommendations by issuing reports to the Director Generals of business areas and corporate areas, as the parties responsible for the functioning of the internal control system in their respective areas. This following up process aims to ensure that the recommendations made are implemented effectively. For each report, an action plan was proposed by the parties responsible for the audited processes, including actions to carry out to implement the recommendations.

7.7 INFORMATION AND COMMUNICATION

Over the course of the year, the internal auditor attended all the meetings and regularly informed the Audit Committee about the Internal Audit plan, of the conclusions reached, and of the recommendations made, and about the following up and implementation of the plan. The Executive Committee has also been kept informed with the same frequency.

The internal auditor published a Report of Activities at the end of the year.

In addition, the internal auditor has met the Chairman of the Audit Committee, without the presence of any other manager or non-member of the committee.

The cooperation of managers and employees has been satisfactory, with no major incidents in the carrying out of the work or any difficulties in accessing information and people; information channels functioned adequately.

8. CONCLUSIONS FROM THE WORK UNDERTAKEN

One of the functions of the Audit Committee is to monitor the effectiveness of the internal controls of the Company and the systems for managing and controlling risks, so that the main risks are identified, managed, and adequately understood.

8.1 INTERNAL CONTROL SYSTEM FOR FINANCIAL INFORMATION (SCIIF)

In accordance with the legal requirements about the responsibilities of Audit Committees to supervise the effectiveness of internal controls and risk management systems and to supervise the process of preparing and presenting financial information, in 2011 Vocento implemented an Internal Control System for the regulated Financial Information (SCIIF) that it discloses to the market and to regulators. The main aim of this is to provide the Board of Directors with a reasonable level of security about the accuracy of the financial information that Vocento is obliged to publish as a listed company.

Vocento's SCIIF follows the recommendations of the CNMV as contained in the document "Control of financial information at listed companies," and it is fully operational, supported by an IT application.

As an additional guarantee of the accuracy of the financial information, Vocento's SCIIF also benefits from a system of certifications about the accuracy of the information and about the functioning of the internal control systems, signed every six months by the director generals of the companies, the Chief Financial Officer and finally by the Chief Executive Officer.

Among its responsibilities in the area of internal controls, the Audit and Compliance Committee has monitored the effectiveness of the SCIIF, supported by the services of internal audit, which carries out an overall review of the SCIIF according to the COSO standard used by Internal Control, verifying that the CNMV recommendations are met.

8.2 CRIME PREVENTION POLICY

It is the responsibility of the Board of Directors of Vocento to supervise and establish the Company's general policies and strategies and to formulate policies for controlling and managing risks, regularly monitoring internal information and control systems. These last functions are delegated to the Audit and Compliance Committee.

In consequence of these responsibilities, on 13 November 2014 the Board of Directors of the Company approved a Crime Prevention Policy, which aims to send to all managers and employees at Vocento the message that Vocento ensures that its activity is based on principles which result in behaviours that are committed to legality, good governance, transparency, responsibility, independence, and reputation for upholding socially accepting ethical standards.

In this context, the Board also approved on 13 November 2014 Vocento's Code of Ethics, which sets the standards of behaviour that Vocento has already been applying in its activities.

The Code of Ethics establishes a specific communications channel, the Ethics Channel, by which anyone can report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable, including accounting norms.

To implement the Crime Prevention Policy, in 2015, using the competent bodies, a specific and effective internal control system will be implemented to prevent crimes, made up of a series of measures designed to assess risks, prevent, detect and respond to any non-compliance with the Code of Ethics or other possible crimes, while also documenting the practices that Vocento has been applying historically.

Included in this internal control system will be protocols for acting and for monitoring, used in order to assess and reduce the risk of conduct which is illegal, irregular or contrary to the Code of Ethics. These will be complemented by the implementation of effective, continuous controls that can be upgraded and reviewed.

In terms of supervision, the Ethics Committee, which reports to the Audit and Compliance Committee, has been granted the function of preparing and monitoring the implementation, development and compliance of the internal system for crime prevention. Other companies in the group headed by Vocento will sign up to this system, under the responsibility of different bodies, without prejudice to their recourse to the Ethics Committee on a case by case basis.

8.3 ENTERPRISE RISK MANAGEMENT SYSTEM (ERM)

Some time ago, Vocento established a risk management system, which aims to understand and control the risks to which the Company is exposed, aligning business objectives to the risks identified and the response measures and controls established to minimize the impact of a materialization of these risks.

In 2014, this risk management system was subject to an in depth review with the support of an external consultant, which resulted in the approval by the Board of Directors on 13 November 2014 of a new Risk Management Policy for Vocento and group companies.

Various Company bodies have responsibilities for the preparation and implementation of the risk management system. The functions and responsibilities of each of them are established in the Risk Management Policy.

a) Board of Directors / Audit and Compliance Committee: the former, as the ultimate responsible party of Group Risk Management, and the latter, as part of its responsibility for overseeing the effectiveness of risk control systems and for regularly reviewing internal risk control and management systems.

b) Risks Committee: consisting of all the members of the Management Committee at Vocento, and with powers for information, coordination and proposals. It will report to the Audit and Compliance Committee.

c) Corporate Risks Management Function: carried out mainly by the financial department. It identifies, assesses and measures risks, as well as the risk controls and procedures necessary to mitigate risks, as well as managing information about key risks.

d) Risk Managers: the Management Team, working with Internal Audit, is responsible for their training, functioning and updating. They monitor the development of risks and propose the most appropriate risk management strategy.

e) Internal Audit and the Audit and Compliance Committee: support the Audit and Compliance Committee in the functioning and effectiveness of the risk management processes and their assessment.

The main risks to which the Company is exposed are (i) strategic and operational risks and (ii) financial risks, risks of compliance, and others.

Finally, in the year the following risks materialized:

- Fall in offline advertising sales because of the economic crisis;
- Late payment and non-payment by private and public sector clients, mitigated by information and internal control systems; and
- Loss of 2 Digital Terrestrial Television channels.

9. EVENTS AFTER THE CLOSE OF THE PERIOD

In 2015, the Audit and Compliance Committee, in order to be able to achieve its responsibilities of:

- Overseeing the process of preparing financial information and the internal control systems;
- Ensuring the Independence of the external auditor;
- Informing the Board, ahead of publication, of the financial information which as a listed Company it must disclose to the public regularly; and
- Supervising internal audit services,

held a meeting on 27 January 2015, at which it:

- Assessed the remuneration of the Director of Internal Audit.
- Received a report from the account auditors about their preliminary conclusions for 2014.
- Provided further information about the Internal Audit Plan for 2014 and 2015.
- Listened to a demonstration of the functioning of the SCIIF from the Chief Financial Officer, the Director of Financial Planning and the person responsible for monitoring the SCIIF.
- . Was informed by the Director of Financial Planning about the process for circulation sales.

Asimismo, cabe señalar que con fecha 19 de enero de 2015 y en sede del Consejo de Administración, (i)

In addition, it should be noted that on 19 January 2015 and at the residence of the Board of Directors, (i) D. Miguel Antoñanzas Alvear was appointed Chairman of the Audit and Compliance Committee, replacing D. Gonzalo Soto Aguirre, with effect from 28 April 2015, and (ii) D. Fernando Azaola Arteche was appointed a Member of the Committee.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 41). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Vocento, S.A.,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vocento, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Vocento, S.A. and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain (identified in Note 2-a) to the accompanying consolidated financial statements) and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Vocento, S.A. and Subsidiaries as at 31 December 2014, and their consolidated results and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of Vocento, S.A. and Subsidiaries, the evolution of their business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2014. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Vocento, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in ROAC under no. S0692

Luis Jiménez Guerrero
25 February 2015

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DECLARATION OF THE ACCURACY OF THE ANNUAL FINANCIAL REPORT

The Directors of VOCENTO, S.A. formulated on 25 February 2015 the annual consolidated accounts of VOCENTO, S.A. and its subsidiaries and the corresponding management report, resulting in the following documents: (i) consolidated balance sheet, (ii) consolidated profit and loss account, (iii), consolidated statement of recognised revenues, expenses and changes to consolidated shareholder equity, (iv) consolidated statement of cash flows, each on one page numbered from 1 to 5, an annual report of 86 pages numbered from 6 to 91 and an appendix of 3 pages, a management report of 20 pages including the annual corporate governance report and the annual report of activities of the Audit and Compliance Committee. These documents can be found on paper with the letterhead of the company, numbered and written on one side only, as well as the current appendix, signed by each and every one of the members of the Board of Directors who have formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Madrid, 25 February 2015

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

LIMA, S.L. (represented by D. Juan Ramón Urrutia Ybarra) (Deputy Chairman)

D. Luis Enríquez Nistal
(Chief Executive Officer)

D. Fernando Azaola Arteche
(Director)

D. Miguel Antoñanzas Alvear
(Director)

CASGO, S.A. (represented by D. Jaime Castellanos Borrego)

ENERGAY DE INVERSIONES, S.L.
(represented by D. Enrique Ybarra Ybarra)

MEZOUNA, S.L. (represented by D. Santiago Ybarra Churruca)

ONCHENA, S.L.
(represented by D. Álvaro Ybarra Zubiría)

VALJARAFE, S.L. (represented by Dña. Soledad Luca de Tena García-Conde)

D. Carlos Pazos Campos
(Secretary to the Board)

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DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of VOCENTO, S.A. state that, to the best of their knowledge, the annual consolidated accounts of VOCENTO, S.A., prepared in accordance with applicable accounting principles, offer a fair view of the shareholder equity, financial situation and results of VOCENTO, S.A, and of the overall picture of the companies included in the consolidated accounts, and that the Management Report includes an accurate analysis of the performance, results and position of VOCENTO, S.A. and of the overall picture of the companies included in the consolidated accounts, as well as the description of the main risks and uncertainties that they face.

Madrid, 25 February 2015

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

LIMA, S.L. (represented by D. Juan Ramón Urrutia Ybarra) (Deputy Chairman)

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(represented by D. Álvaro Ybarra Zubiría)

VALJARAFE, S.L. (represented by Dña. Soledad Luca de Tena García-Conde)

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Vocento, S.A. and Subsidiaries

Consolidated Financial Statements and Directors' Report for 2014, together with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 41). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND DIRECTORS' REPORT

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Pintor Losada, 7. 48004 Bilbao (Bizkaia).

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 41). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated balance sheet as at 31 December 2014 (Notes 1, 2, 3, 4, 5 and 6)

		Thousands of euros				Thousands of euros	
ASSETS	**Notes**	**2014**	**2013 (*)**	**EQUITY AND LIABILITIES**	**Notes**	**2014**	**2013 (*)**
NON-CURRENT ASSETS:				**EQUITY:**	**17**		
Intangible assets		**134.240**	**159.662**	**Of the Parent**		**261.751**	**286.067**
Goodwill	8	95.874	116.327	Share capital		24.994	24.994
Other intangible assets	9	38.366	43.335	Reserves		288.976	307.682
Property, plant and equipment	10	**167.423**	**182.366**	Treasury shares		(29.874)	(31.474)
Property, plant and equipment in use		167.239	182.268	Net loss for the year		(22.345)	(15.135)
Property, plant and equipment in the course of construction		184	98	**Of non-controlling interests**		**60.821**	**63.835**
						322.572	**349.902**
Investments accounted for using the equity method	11	**8.096**	**10.676**				
Financial assets		**4.872**	**11.208**	**NON-CURRENT LIABILITIES:**			
Non-current financial assets	13-a	4.360	10.676	**Deferred income**		**-**	**15**
Other non-current financial assets	13-b	512	532	**Provisions**	18	**5.918**	**5.387**
Other non-current receivables	13-c	**3.682**	**434**	**Bank borrowings and other financial liabilities**	20	**124.476**	**55.458**
Deferred tax assets	23	**188.352**	**203.676**	**Other non-current payables**	22	**29.272**	**33.323**
		506.665	**568.022**	**Deferred tax liabilities**	23	**32.017**	**37.915**
						191.683	**132.098**
CURRENT ASSETS:				**CURRENT LIABILITIES:**			
Inventories	14	**13.560**	**13.983**	**Bank borrowings and other financial liabilities**	20	**13.437**	**115.111**
Trade and other receivables	15	**98.990**	**114.123**	**Trade and other payables**	19	**109.014**	**125.794**
Tax receivables	24	**9.900**	**9.947**	**Tax payables**	24	**16.053**	**18.085**
Cash and cash equivalents	16	**23.451**	**34.722**			**138.504**	**258.990**
		145.901	**172.775**				
Assets classified as held for sale	7	**193**	**193**				
TOTAL ASSETS		**652.759**	**740.990**	**TOTAL EQUITY AND LIABILITIES**		**652.759**	**740.990**

(*) The consolidated balance sheet as at 31 December 2013 is presented for information purposes only.

The accompanying Notes 1 to 41 and the Appendix are an integral part of
the consolidated balance sheet as at 31 December 2014.

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 41). In the event of a discrepancy, the Spanish-language version

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated statement of profit or loss
for 2014 (Notes 1, 2, 3, 4, 5 and 6)

	Notes	Thousands of euros 2014	2013 (*)
Revenue	26	494.334	529.008
In-house work on intangible assets		225	188
Other income		282	561
		494.841	**529.757**
Procurements	27	(86.000)	(90.849)
Change in operating allowances and other	15	(2.835)	(9.326)
Staff costs	28	(164.460)	(161.231)
Outside services	29	(203.995)	(231.995)
Impairment and gains or losses on disposals of property, plant and equipment and intangible assets	9 & 10	(291)	(1.256)
Depreciation and amortisation charge	9 & 10	(23.881)	(29.133)
Write-down of goodwill	8	(15.000)	(5.800)
Result of companies accounted for using the equity method	11	(2.451)	67
Finance income	30	6.679	719
Finance costs	31	(10.463)	(10.666)
Other losses on financial instruments	13	(5.360)	(11)
Net gains on disposal of non-current financial instruments	2-d	7.477	332
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**(5.739)**	**(9.392)**
Income tax - continuing operations	23	(13.612)	(2.188)
NET LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(19.351)**	**(11.580)**
NET PROFIT/LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS		-	-
NET LOSS FOR THE YEAR		**(19.351)**	**(11.580)**
Non-controlling interests	17	(2.994)	(3.555)
NET LOSS ATTRIBUTABLE TO THE PARENT		**(22.345)**	**(15.135)**
EARNINGS PER SHARE IN EUROS	33	**(0,19)**	**(0,13)**
- From continuing operations		(0,19)	(0,13)
- From discontinued operations		-	-

(*) The consolidated statement of profit or loss for 2013 is presented for information purposes only.

The accompanying Notes 1 to 41 and the Appendix are an integral part of the consolidated statement of profit or loss for 2014.

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 41). In the event of a discrepancy, the Spanish-language version

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated statement of comprehensive income
for 2014 (Notes 1,2, 3, 4, 5 and 6)

	Notes	Thousands of euros 2014	Thousands of euros 2013 (*)
Net loss for the year		**(19.351)**	**(11.580)**
Other comprehensive income-			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss			
Arising from hedging instruments	21	(2.912)	286
Tax effect of items that may be reclassified to profit or loss		815	(85)
		(2.097)	**201**
Other comprehensive income		**(2.097)**	**201**
TOTAL COMPREHENSIVE INCOME		**(21.448)**	**(11.379)**
Net loss for the year attributable to non-controlling interests		(2.994)	(3.555)
Other comprehensive income attributable to non-controlling interests	21	14	(42)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT		**(24.428)**	**(14.976)**

(*) The consolidated statement of comprehensive income for 2013 is presented for information purposes only.

The accompanying Notes 1 to 41 and the Appendix are an integral part of the consolidated statement of comprehensive income for 2014.

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 41).
In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated statement of changes in equity for 2014 (Notes 1, 2, 3, 4, 5 and 6)

	Thousands of euros								
	Of the Parent								
	Share capital	Legal reserve of the Parent	Other reserves of the Parent	Unrealised asset and liability revaluation reserve	Reserves of consolidated companies	Treasury shares	Loss for the year	Of non-controlling interests	Total equity
Balance as at 31 December 2012 (*)	**24.994**	**4.999**	**325.398**	**(254)**	**29.669**	**(32.572)**	**(53.369)**	**70.361**	**369.226**
Allocation of 2012 loss	-	-	(1.289)	-	(52.080)	-	53.369	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(7.918)	(7.918)
Comprehensive income:									
- Loss for the year	-	-	-	-	-	-	(15.135)	3.555	(11.580)
- Other comprehensive income	-	-	-	159	-	-	-	42	201
Total comprehensive income	-	-	-	159	-	-	(15.135)	3.597	(11.379)
Transactions with non-controlling interests	-	-	-	-	(17)	-	-	(199)	(216)
Treasury share transactions	-	-	(1.098)	-	-	1.098	-	-	-
Other	-	-	-	-	2.195	-	-	(2.006)	189
Balance as at 31 December 2013 (*)	**24.994**	**4.999**	**323.011**	**(95)**	**(20.233)**	**(31.474)**	**(15.135)**	**63.835**	**349.902**
Allocation of 2012 loss	-	-	(16.083)	-	948	-	15.135	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(4.992)	(4.992)
Comprehensive income:									
- Loss for the year	-	-	-	-	-	-	(22.345)	2.994	(19.351)
- Other comprehensive income (Note 21)	-	-	-	(2.083)	-	-	-	(14)	(2.097)
Total comprehensive income	-	-	-	(2.083)	-	-	(22.345)	2.980	(21.448)
Transactions with non-controlling interests (Notes 2-d &	-	-	-	-	-	-	-	(922)	(922)
Treasury share transactions (Note 17)	-	-	(1.595)	-	-	1.600	-	-	5
Other	-	-	-	-	107	-	-	(80)	27
Balance as at 31 December 2014	**24.994**	**4.999**	**305.333**	**(2.178)**	**(19.178)**	**(29.874)**	**(22.345)**	**60.821**	**322.572**

(*) The consolidated statement of changes in equity for 2013 is presented for information purposes only.

The accompanying Notes 1 to 41 and the Appendix are an integral part of the consolidated statement of changes in equity for 2014.

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 41). In the event of a discrepancy, the Spanish-language version prevails.

VOCENTO, S.A. AND SUBSIDIARIES

Consolidated statement of cash flows
for 2014 (Notes 1, 2, 3, 4, 5 and 6)

		Thousands of euros	
	Notes	2014	2013 (*)
CONSOLIDATED STATEMENT OF CASH FLOWS FROM CONTINUING OPERATIONS			
Cash flows from operating activities:			
Loss for the year from continuing operations		(22.345)	(15.135)
Profit for the year attributable to non-controlling interests		2.994	3.555
Adjustments for-			
Depreciation and amortisation charge	9 & 10	23.881	29.133
Write-down of goodwill	8	15.000	5.800
Changes in provisions	15, 18 & 28	2.680	9.682
Changes in deferred income		(15)	(124)
Result of companies accounted for using the equity method	11	2.451	(67)
Finance costs	31	10.463	10.666
Finance income	30	(6.679)	(719)
Income tax	23	13.612	2.188
Impairment and gains or losses on disposal of non-current assets	Notes 9, 10, 11 & 17	(256)	933
Other adjustments to profit or loss		(1.826)	(986)
Cash flows from ordinary operating activities before changes in working capital:		**39.960**	**44.926**
(Increase)/Decrease in trade and other receivables	15 & 24	8.989	12.987
(Increase)/Decrease in inventories	14	83	3.572
Increase/(Decrease) in current operating liabilities	19 & 24	(17.064)	(51.333)
Income taxes paid		(4.755)	(4.487)
		(12.747)	(39.261)
Net cash flows from operating activities (I)		**27.213**	**5.665**
Cash flows from investing activities:			
Investments in intangible assets	9	(4.772)	(5.469)
Investments in property, plant and equipment	10	(2.182)	(2.159)
Investments in subsidiaries and associates		(380)	-
Investments in other financial assets	13	254	(300)
Increase / (Decrease) in payables to property, plant and equipment and intangible asset suppliers	19	(1.321)	(377)
Proceeds from disposal of property, plant and equipment and intangible assets	9 & 10	277	6.819
Proceeds from disposal of financial assets	11	17.706	350
Interest received	30	393	656
Dividends received	11, 13-a & 30	6.395	38
Net cash flows from investing activities (II)		**16.370**	**(442)**
Cash flows from financing activities:			
Interest paid	31	(14.229)	(9.210)
Cash inflows (outflows) relating to non-current bank borrowings	20	69.263	(35.671)
Cash inflows (outflows) relating to current bank borrowings	20	(100.714)	48.620
Dividends paid		(4.992)	(7.918)
Cash outflows due to acquisition of treasury shares	17	2	1
Acquisitions/Disposals of non-controlling interests without loss of control	17	(3.026)	(6.619)
Net cash flows from financing activities (III)		**(53.696)**	**(10.797)**
Net increase (decrease) in cash and cash equivalents from continuing operations (I+II+III)		**(10.113)**	**(5.574)**
Cash and cash-equivalent outflows due to disposal of companies		(1.158)	-
Cash and cash equivalents at beginning of year	16	**34.722**	**40.296**
Cash and cash equivalents at end of year		**23.451**	**34.722**

(*) The consolidated statement of cash flows for 2013 is presented for information purposes only.

The accompanying Notes 1 to 41 and the Appendix are an integral part of the consolidated statement of cash flows for 2014.

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Pintor Losada, 7. 48004 Bilbao (Bizkaia).

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VOCENTO, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements for 2014

1. Group activities

Vocento, S.A. was incorporated for an indefinite period of time on 28 June 1945. Its company object, per its bylaws, is the publication, distribution and sale of unitary publications, whether periodical or otherwise, dealing with general, cultural, sports, artistic and any other information, the printing of such publications and the operation of printing workshops and, in general, any other activity related to the publishing and graphic arts industry; the setting-up, use and operation of radio and television stations and any other facilities for the broadcasting, production and promotion of audiovisual media, as well as the production, publishing and distribution of disks, cassettes, recorded tapes, films, programmes and any other devices or means of communication of any type; the ownership, acquisition, sale and performance of acts of administration and disposal by any means of shares, interests, securities and investments in companies engaging in any of the aforementioned business activities, and, in general, in any other activity directly or indirectly related to the aforementioned business activities which is not prohibited by the legislation currently in force.

All the activities making up the aforementioned company object can be carried on both in Spain and abroad, and may be carried on, either totally or partially, indirectly through the ownership of shares or other equity interests in companies with identical or similar company objects (see Notes 11, 12 and the Appendix).

At the Annual General Meeting held on 17 March 2001, the shareholders resolved to change the Parent's name from Bilbao Editorial, S.A. to Grupo Correo de Comunicación, S.A.

On 26 November 2001, as a result of the merger by absorption of Prensa Española, S.A., the shareholders at the Extraordinary General Meeting resolved to change the Parent's name to Grupo Correo Prensa Española, S.A. Lastly, the shareholders at the Annual General Meeting held on 29 May 2003 resolved to change the Parent's name to Vocento, S.A. ("the Parent").

On 29 April 2014, the shareholders at the Annual General Meeting of the Parent resolved to change the registered office from Calle Juan Ignacio Luca de Tena, no. 7, Madrid to Calle Pintor Losada, no. 7, Bilbao. The tax domicile was already located at the latter address.

In view of the business activities carried on by the Group, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

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2. Basis of presentation of the consolidated financial statements and basis of consolidation

a) Basis of presentation-

The consolidated financial statements for 2014 of Vocento were formally prepared:

- By the directors of Vocento, at their Board of Directors Meeting held on 25 February 2015.
- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, including the International Accounting Standards (IASs) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and by the Standing Interpretations Committee (SIC). The principal accounting policies and measurement bases applied in preparing Vocento's consolidated financial statements for 2014 are summarised in Note 4.
- Taking into account all the mandatory accounting policies and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternatives in this connection, which are specified in Note 2-b to Vocento's consolidated financial statements.
- So that they present fairly the Group's consolidated equity and financial position at 31 December 2014 and the results of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended.
- On the basis of the accounting records kept by Vocento and by the other Group companies. However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2014 (IFRSs) may differ from those used by certain Group companies, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and make them compliant with International Financial Reporting Standards.

In order to uniformly present the various items composing the consolidated financial statements, the policies and measurement bases used by the Parent were applied to all the consolidated companies.

The consolidated financial statements of Vocento for 2013 were approved by the shareholders at the Annual General Meeting of Vocento on 29 April 2014, and were filed at the Bilbao Mercantile Registry. The 2014 consolidated financial statements of the Group and the 2014 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Board of Directors of Vocento considers that the aforementioned financial statements will be approved without any changes.

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b) Adoption of International Financial Reporting Standards (IFRSs)-

IFRSs permit certain alternative treatments in their application, which include most notably the following:

i) Both intangible assets and the assets recognised under "Non-Current Assets – Property, Plant and Equipment" may be measured at market value or acquisition cost adjusted for any accumulated amortisation or depreciation and any accumulated impairment losses.

The Group opted to recognise the aforementioned assets at adjusted acquisition cost.

ii) Grants related to assets may be recognised by deducting from the carrying amount of an asset the amount of the grants related to assets received to acquire it or as deferred income on the liability side of the consolidated balance sheet.

The Group opted for the latter option.

iii) It was decided not to reconstruct business combinations prior to 1 January 2004.

c) Adoption of new standards and interpretations issued-

Standards and interpretations effective in 2014

In 2014 new accounting standards came into force, which, accordingly, were taken into account in the preparation of these consolidated financial statements.

Standards adopted in the period that did not have any effect on the consolidated financial statements

Since their entry into force on 1 January 2014, the following standards have been applied, although their impact on the Group was not significant:

IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities, IAS 27 (Revised), Separate Financial Statements and IAS 28 (Revised), Investments in Associates and Joint Ventures

This "suite" of five standards or amendments was issued jointly and supersedes the existing standards in relation to consolidation and the accounting for investments in subsidiaries, associates and joint ventures and the related disclosures.

IFRS 10, Consolidated Financial Statements

IFRS 10, which is the new standard on consolidation, supersedes the requirements relating to consolidated financial statements in IAS 27, and SIC 12 on the consolidation of special purpose entities.

The main objective of IFRS 10 is to modify the definition of control. The new definition of control sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns.

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IFRS 11, Joint Arrangements

IFRS 11, Joint Arrangements, supersedes IAS 31. The fundamental change introduced by IFRS 11 with respect to the former standard is the elimination of the option of proportionate consolidation for jointly controlled entities, which will begin to be accounted for using the equity method, except for those cases defined in the aforementioned standard as joint operations.

Accordingly, at 31 December 2013, the Group proportionately consolidated its ownership interests in Localprint, S.L., Roi Media, S.L. and Kioskoymas, Sociedad Gestora de la Plataforma Tecnológica, S.L. After assessing the nature of the aforementioned arrangements and their accounting treatment, the Group began to account for Roi Media, S.L. and Kioskoymas Sociedad Gestora de la Plataforma Tecnológica, S.L. using the equity method (see Note 11). The effect of applying this new standard to the consolidated financial statements as at 31 December 2014 was not significant.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 represents a single standard presenting the disclosure requirements for interests in other entities (whether these be subsidiaries, associates, joint arrangements or other interests) and includes new disclosure requirements.

Accordingly, its entry into force did not give rise to a significant increase in the disclosures that the Group had been making, i.e., those currently required for interests in other entities (see Notes 11, 12 and the Appendix).

Revised IAS 27, Separate Financial Statements and revised IAS 28, Investments in Associates and Joint Ventures

IAS 27 and IAS 28 were revised in conjunction with the issue of the aforementioned new IFRS 10, IFRS 11 and IFRS 12, and, in the case of the Group, they did not have any impacts other than those indicated above.

Amendments to IAS 32, Financial instruments: Presentation

The amendments to IAS 32 introduce certain additional clarifications to the application guidance on the requirements of the standard for being able to offset a financial asset and a financial liability in the consolidated balance sheet. IAS 32 already indicates that a financial asset and a financial liability may only be offset when an entity currently has a legally enforceable right to set off the recognised amounts. The amended application guidance states, inter alia, that in order to meet this criterion, the right of set-off must not be contingent on a future event, and must be legally enforceable in the normal course of business, in the event of default and in the event of insolvency or bankruptcy of the entity and all of the counterparties.

Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets

The amendments restrict the disclosure of the recoverable amount of an asset or cash-generating unit to reporting periods in which an impairment loss has been recognised or reversed, i.e. it eliminates the requirement of disclosure when there has been no impairment or reversal.

The amendments also introduce new disclosure requirements for when the recoverable amount has been calculated as fair value less costs of disposal and an impairment loss has been recognised or reversed.

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Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting.

These amendments arise in the context of regulatory changes to over-the-counter (OTC) derivatives. The purpose of these amendments is to ease the requirements to discontinue hedge accounting when a derivative must be novated with a central clearing counterparty or an entity acting in a similar capacity as a consequence of legal requirements. The amendments do not introduce any specific disclosure requirements.

All the accounting principles or measurement bases with a material effect on the consolidated financial statements were applied in their preparation.

Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the most significant standards and interpretations that had been published by the IASB but which had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union (the potential impact of which was assessed by the directors considering that their entry into force will not have a material effect on the consolidated financial statements, except where indicated in the descriptions thereof), were as follows:

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New standards, amendments and interpretations	Subject	Obligatory application in annual reporting periods beginning on or after
Approved for use in the European Union		
IFRIC 21, Levies (issued in May 2013)	This interpretation addresses the accounting for a liability to pay a levy that is triggered by an entity undertaking an activity on a specified date.	17 June 2014
Not yet approved for use in the European Union at the date of preparation of these consolidated financial statements		
New standards		
IFRS 9, Financial Instruments (last phase issued in July 2014)	Replaces the requirements in IAS 39 relating to the classification, measurement, recognition and derecognition of financial assets and financial liabilities, hedge accounting and impairment.	1 January 2018
IFRS 15, Revenue from Contracts with Customers (issued in May 2014)	New revenue recognition standard (supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31).	1 January 2017
Amendments and/or interpretations		
Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions (issued in November 2013)	The amendments were issued to allow employee contributions to be deducted from the service cost in the same period in which they are paid, provided certain requirements are met.	1 July 2014
Improvements to IFRSs, 2010-2012 cycle and 2011-2013 cycle (issued in December 2013)	Minor amendments to a series of standards.	
Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (issued in May 2014)	Clarify the acceptable methods of depreciation and amortisation of property, plant and equipment and intangible assets.	1 January 2016
Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (issued in May 2014)	Provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	
Improvements to IFRSs, 2012-2014 cycle (issued in September 2014)	Minor amendments to a series of standards.	
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)	Clarification in relation to the gain or loss resulting from such transactions involving a business or assets.	
Amendments to IAS 27 - Equity Method in Separate Financial Statements (issued in August 2014)	The amendments permit the use of the equity method in the separate financial statements of an investor.	
Amendments to IASs 16 and 41 - Bearer Plants (issued in June 2014)	Bearer plants shall be measured at cost rather than at fair value.	

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d) Changes in the scope of consolidation-

The percentages of ownership in the following companies at 31 December 2014 and 2013 were as follows:

Companies	Percentage of direct and indirect ownership		Percentage of control (*)	
	31/12/14	31/12/13	31/12/14	31/12/13
Newspapers-				
Arte Final J.P. Saferi, S.A.(**)	-	88.11%	-	100%
Desde León al Mundo, S.L.	62.08%	-	80%	-
Taller de Editores Motor, S.L. (**)	-	79.39%	-	100%
Diario Sur Digital, S.L.(***)	-	88.11%	-	100%
Audiovisual-				
Álava Televisión, S.L.(**)	-	99.36%	-	99.36%
Sociedad de Radio Digital Terrenal, S.A.	-	25.26%	-	30%
Ona Rambla, S.L.U. (**)	-	84.20%	-	100%
Radio Utrera La Voz de la Campiña, S.L.U. (**)	-	100%	-	100%
La Verdad Radio y Televisión, S.A.	79.5%	75.08%	81.22%	76.71%
Content-				
Europroducciones TV Portugal - Produçoes Audiovisuais, Lda. (**)	-	69.99%	-	100%
Classified advertisements-				
11870 Información en General, S.L.	35.16%	37.33%	35.16%	37.33%
Other-				
Sarenet, S.A.	-	80%	-	80%
Structure-				
Radio Tele Basconia, S.L.U. (**)	-	100%	-	100%

(*) This percentage refers to the direct percentage held by the Group company of which it is a subsidiary.
(**) These companies were liquidated in 2014 without a significant impact on the consolidated financial statements.
(***) This company was merged into Prensa Malagueña, S.A. in 2014.

The detail of the main transactions performed by the Group in 2014 is as follows:

- On 4 June 2014, the Group company El Norte de Castilla, S.A. acquired all the shares of Desde León al Mundo, S.L. for a maximum price of EUR 260 thousand, consisting of a fixed price and a variable price. This transaction gave rise to goodwill of EUR 178 thousand (see Note 8).

  Subsequently, this company increased share capital by EUR 20 thousand, EUR 15 thousand of which were contributed by the Group, thus raising its ownership interest in Desde León al Mundo, S.L. to 80%. This company was fully consolidated in the consolidated financial statements as at 31 December 2014.

- On 18 June 2014, the Group company Onda Ramblas, S.A. sold all its shares in Sociedad de Radio Digital Terrenal, S.A. for an amount of EUR 22 thousand. This transaction gave rise to the exclusion from the scope of consolidation of this company, which, until 31 December 2013, had been accounted for using the equity method. The sale of this company did not have a significant impact on the consolidated financial statements as at 31 December 2014.

- On 15 December 2014, the Group company Corporación de Medios de Comunicación, S.L. formalised the sale of its entire 80% ownership interest in Sarenet, S.A. (an internet service provider) to Lomedel, S.L., which already owned the remaining 20% of the share capital of Sarenet, S.A.

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The sale was carried out for a price of EUR 12,800 thousand, for which the Group recognised a net gain of EUR 7,782 thousand under "Net Gains on Disposal of Non-Current Financial Instruments" in the consolidated statement of profit or loss for 2014. This transaction gave rise to a decrease of EUR 898 thousand in the equity of non-controlling interests (see Note 17).

Following the aforementioned transaction, Sarenet, S.A. was excluded from the Group's scope of consolidation.

The other transactions did not have a material effect on the consolidated statement of profit or loss or on consolidated equity.

e) Basis of consolidation-

Scope

The consolidated financial statements of Vocento include all the subsidiaries of Vocento, S.A., which are all the companies over which Vocento has control.

Control exists when the Parent:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use power over the investee to affect the amount of the investor's returns.

If facts and circumstances indicate that there are changes to one or more of the three elements described above, the Parent shall reassess whether it controls an investee.

If the Parent has less than a majority of the voting rights, it has rights that are sufficient to give it power when the Parent has the practical ability to direct the relevant activities unilaterally. When assessing whether its voting rights are sufficient to give it power, the Parent considers all facts and circumstances, including:

- the size of the Parent's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Parent, other vote holders or other parties;
- rights arising from other contractual arrangement; and
- any additional facts and circumstances that indicate the Parent has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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Procedures

The consolation of a subsidiary begins when the Parent acquires control of the subsidiary.

The subsidiaries are fully consolidated and, accordingly, intragroup balances, transactions, income and expenses are eliminated in full.

Furthermore, the consolidated financial statements of the Parent and its subsidiaries have the same reporting date and were prepared using uniform accounting policies.

Non-controlling interests in the net assets of the subsidiaries are identified within equity, separately from the Parent's equity.

The profit or loss and each component of other comprehensive income shall be attributed to the owners of the Parent and to the non-controlling interests. The Parent shall also attribute total comprehensive income to the owners of the Parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership in a subsidiary that do not result in a loss of control are accounted for as equity transactions, i.e. any difference is recognised directly in equity (see Note 17).

Business combinations

The Group is considered to have a business combination when the assets acquired and liabilities assumed constitute a business. The Group accounts for all business combinations by applying the purchase method, which involves identifying the acquirer, determining the acquisition date, which is the date on which the acquirer effectively gains control, recognising and measuring the identifiable acquired assets, the liabilities assumed and any non-controlling interest, and recognising and measuring the goodwill or gain.

The identifiable assets acquired and the liabilities assumed are recognised at fair value at the acquisition date and any non-controlling interest is measured at fair value or at the proportion of this ownership interest in the identifiable net assets.

The Group recognises a gain or goodwill at the acquisition date as the excess of (a) over (b), whereby:

- (a): (i) the consideration received measured at fair value at the acquisition date.

  (ii) the amount of any non-controlling interests.

  (iii) if it is a business combination achieved in stages, the fair value at the acquisition date of the investment previously held by the Group (the difference with respect to the previous cost values is recognised in profit or loss).

- (b): the net amount of identifiable assets acquired and liabilities assumed.

In the event that there is no excess and (b) is higher than (a), the Group repeats the analysis of all the elements in order to determine whether the acquisition was made in truly advantageous conditions, in which case the difference is recognised in profit or loss.

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Loss of control

When the Group loses control of a subsidiary it derecognises the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests at their carrying amounts at the date when control is lost. The consideration received and the investment retained in the former subsidiary are recognised at fair value at the date on which control is lost, and any difference is recognised as a gain or loss.

Associates and joint ventures

An associate is a company over which the Group exercises a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture (unlike a joint operation as described below) is an agreement whereby the parties that have joint control over a company have rights relating to the net assets thereof as a result of the aforementioned agreement. Joint control is the contractually agreed sharing of control of an arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Vocento accounts for the results, assets and liabilities of the associates and joint ventures using the equity method (see Note 11). Under the equity method, an investment in an associate or joint venture is initially recognised at cost, and the carrying amount thereof is increased or reduced in order to recognise the investor's share of the profit or loss of the investee after the acquisition date. If the Group's share of the losses of an associate or joint venture is equal to or exceeds its investment therein, the Group will cease to recognise its investment in the additional losses The additional losses shall only be recognised if the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the entity becomes an associate or joint venture.

The gains and losses arising from transactions between Group companies and the associate or joint venture are recognised in the Group's consolidated financial statements in proportion to its ownership interest in the associate or joint venture which is not related to the Group. Also, distributions received from an investee reduce the carrying amount of the investment.

Regardless of the losses recognised as described above, the Group analyses any additional impairment according to the rules governing the impairment of financial assets (see Note 4-g), taking into account the investment as a whole and not only any associated goodwill.

At 31 December 2014 and 2013, there were no significant contingent liabilities relating to the Group's interests in joint ventures.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control over the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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A joint operator shall recognise in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When a Group company enters into a transaction with a joint operation in which it is a joint operator, such as a purchase of assets, the Group shall not recognise its share of the gains and losses until it resells those assets to a third party.

A joint operation is proportionately consolidated (see Note 12).

The Appendix to the consolidated financial statements includes a detail of the subsidiaries, associates and joint ventures.

f) Comparative information-

As required by IAS 1, the information relating to 2014 contained in these notes to the consolidated financial statements is presented, for comparison purposes, with similar information relating to 2013 and, accordingly, it does not constitute in itself the Vocento Group's statutory consolidated financial statements for 2013.

3. Applicable legislation

Regarding TV and radio, in 2010 the General Audiovisual Communications Law 7/2010, of 31 March, was approved, which basically amended the concession system and transformed existing concessions into radio and TV licences.

Television

The Vocento Group is present in various areas, the most important of which are cited.

- In terms of Spanish digital terrestrial television, an area in which Vocento is involved through its ownership interest in Sociedad Gestora de Televisión Net TV, S.A., the General Audiovisual Communications Law was applied to convert the concession into a license.
- Autonomous-community television broadcasting activities, in which the Vocento Group also engages, have also been regulated by basic legislation since 1 May 2010, the date on which the General Audiovisual Communications Law came into force. The Vocento Group is also present in the sphere of Digital Terrestrial Television (DTT) at autonomous community level.

In both cases, the process for obtaining the necessary authorisation remains the same and the permit (in this case, the corresponding licence) to provide television services must be obtained.

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Radio

The Group holds two compatible national digital radio licences through two Group companies with and without local programming.

Also, the Group holds various FM and MW radio broadcasting licences.

4. Accounting policies

The principal accounting policies used in preparing the consolidated financial statements were as follows:

a) Goodwill-

Goodwill arising on consolidation is calculated as explained in Note 2-e.

For the purpose of the assessment of impairment losses, goodwill acquired in a business combination is distributed from the date of acquisition, among the cash-generating units of the acquiring entity to which the benefits of the business combination synergies are expected to flow, irrespective of whether other assets or liabilities of the acquired entity have been assigned to these units or groups of units. For this purpose, the Parent's directors consider that each company constitutes a cash-generating unit.

At the end of each reporting period, goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount below its carrying amount) and any impairment is written down with a charge to "Write-Down of Goodwill" in the consolidated statement of profit or loss (see Note 8).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is taken to be the present value of the estimated future cash flows before tax based on the budgets most recently approved by the directors. These budgets include the best estimates available of the income and costs of the cash-generating units based on industry projections and future expectations.

These projections cover at least the following three years (a time horizon which is extended for certain businesses) and include a residual value that is appropriate for each business. Taking into account their past experience and know-how regarding the various businesses, the directors consider that, in view of the performance of certain businesses' key variables, the use of three-year projections may distort the analysis performed and, in certain cases, they have used projections which they deem more reliable and suited to the analysis to be performed since the last year of these projections reflects a normal year for these businesses (see Note 8). These cash flows are discounted at a given pre-tax rate in order to calculate their present value. This rate reflects the weighted average cost of the capital used, adjusted for the business risk relating to each cash-generating unit. If the recoverable amount is lower than the asset's carrying amount, the related impairment loss is recognised for the difference in the consolidated statement of profit or loss.

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Any impairment losses recognised for goodwill must not be reversed in a subsequent period.

In the case of the sale or disposal of a business activity within a cash-generating unit to which goodwill has been allocated, the goodwill allocated previously to calculate the gain or loss on the sale or disposal is included in the carrying amount of the business activity.

b) Other intangible assets-

The other intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction or which are developed internally by the Group companies. They are initially recognised at acquisition or production cost under "Non-Current Assets - Intangible Assets - Other Intangible Assets" in the consolidated balance sheet (see Note 9) and, subsequently, they are measured at cost less any accumulated amortisation and any accumulated impairment losses, provided that it is considered probable that they will generate future economic benefits and provided that their cost can be measured reliably.

Separately acquired intangible assets

These items are recognised at acquisition cost and are amortised on a straight-line basis over their useful life, which is generally between two and five years.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

The expenses incurred in the development of various projects are recognised as assets provided that they meet the following conditions:

- The expenditure is specifically identified and controlled by project and its distribution over time is clearly defined.
- The directors can demonstrate how the project will generate future economic benefits.
- The development cost of the asset, which includes, where appropriate, the staff costs of the Group personnel working on the projects, can be measured reliably.

Internally generated intangible assets that qualify for recognition as assets are amortised on a straight-line basis over their useful lives.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred.

Film productions

These are considered to be internally developed intangible assets that meet the capitalisation criteria and, accordingly, they are recognised as described in the preceding paragraph.

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The cost of finished productions is amortised on a straight-line basis over three years, since this is considered to be the approximate period over which these productions will generate income, from the time they are ready to generate economic benefits.

Film scripts

The scripts may be acquired or produced internally and are recognised appropriately as explained above. In both cases they are amortised over their estimated useful lives.

Film distribution rights

These are intangible assets acquired from a third party and, accordingly, they are recognised at their incurred cost. They are classified by target market as follows:

- Television distribution

  These costs are recognised as intangible assets and are amortised in accordance with the expected pattern of consumption of the future economic benefits arising from such rights, i.e. over approximately five years.

- DVD distribution.

  These costs are recognised under “Trade and Other Receivables - Other Receivables” (see Note 15), since the period over which such costs will generate income and, therefore, the period over which they will be allocated to expense is less than one year. They are recognised in profit or loss as and when agreements are entered into with producers.

c) Property, plant and equipment-

Property, plant and equipment are stated at cost which includes, in addition to the purchase price, any non-recoverable indirect taxes and any other costs related directly to the entry into service of the asset for its intended use (including interest and other borrowing costs incurred during the construction period).

In accordance with the exceptions permitted under IFRS 1, certain items of property, plant and equipment acquired prior to 1 January 2004 are carried at cost revalued pursuant to the applicable legislation.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful life of the assets are capitalised.

Period upkeep and maintenance expenses are charged to the consolidated statement of profit or loss.

The Group depreciates its property, plant and equipment on a straight-line basis at rates based on the estimated useful life of the items that compose it (see Note 5).

“Other Fixtures, Tools and Furniture” (see Note 10) includes EUR 5,545 thousand, relating to the historical and artistic heritage of Diario ABC, S.L., made up of its graphics and documentary archive and a collection of paintings and drawings by artists who contributed to the publications

ABC and Blanco y Negro. In the opinion of the specialists consulted, the residual value of this historical and artistic heritage is higher than the amount recognised in the consolidated balance sheet and, therefore, it is not depreciated.

The property, plant and equipment depreciation charge for 2014 and 2013 is recognised under "Depreciation and Amortisation Charge" in the accompanying consolidated statements of profit or loss.

d) Impairment of assets excluding goodwill-

At each balance-sheet date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For such purposes, where the identifiable asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use, which is considered to be the present value of the estimated future cash flows. In assessing value in use, the assumptions used in making the estimates include pre-tax discount rates, growth rates and expected changes in selling prices and costs. The directors of the Parent estimate pre-tax discount rates which reflect the time value of money and the risks specific to the cash-generating unit. The growth rates and the changes in selling prices and costs are based on in-house and industry forecasts and experience and future expectations, respectively.

If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised for the difference with a charge to the consolidated statement of profit or loss.

For the other financial assets, the Group considers the following to be objective indicators of impairment:

- financial difficulty of the issuer or significant counterparty.
- shortfall or delays in payment.
- likelihood that the borrower will enter bankruptcy or be subject to other financial reorganisation.

Impairment losses recognised on an asset in prior years are reversed when there is a change in the estimate of its recoverable amount, and the maximum value of the asset is increased up to the carrying amount that would have resulted had no impairment loss been recognised.

e) Leases-

The Group classifies as finance leases the lease agreements that transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised in the non-current asset category that corresponds to their nature and function. Each asset is depreciated over its useful life since the

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Group considers that there are no doubts that title to the assets will be acquired at the end of the finance lease term. They are recognised at the lower of the leased asset's fair value and the present value of future payments arising from the finance lease transaction, with a credit to "Bank Borrowings and Other Financial Liabilities" in the consolidated balance sheet.

The finance costs of the finance leases are recognised in the consolidated statement of profit or loss, except when they are directly attributable to a qualifying asset, in which case they are recognised at the increased value of the asset financed by the finance lease (see Note 10).

Expenses arising on operating leases are allocated to "Outside Services" (see Note 29) in the consolidated statement of profit or loss over the term of the lease on an accrual basis.

f) Inventories-

Inventories, mainly paper for printing the related newspapers, are stated at the lower of FIFO and net realisable value. Trade discounts, rebates and other similar items are deducted from the acquisition cost (see Note 14).

The rebates recognised in profit or loss are classified under "Change in Operating Allowances and Other" in the consolidated statement of profit or loss.

g) Financial instruments-

Financial assets

Financial assets are initially recognised at acquisition cost, including transaction costs.

The Group classifies its current and non-current financial assets in four categories:

- Held-for-trading financial assets. These assets meet any of the following conditions:

  - The Group expects to obtain a profit from short-term fluctuations in their prices.

  - They have been included in this category of assets since their initial recognition, provided that they are either listed on an active market or their fair value can be estimated reliably.

  The financial assets included in this category are measured in the consolidated balance sheet at fair value and changes in fair value are recognised under "Finance Costs" and "Finance Income", as appropriate, in the consolidated statement of profit or loss.

  The Group includes in this category derivative financial instruments that do not qualify for hedge accounting, as established by IAS 39, Financial Instruments.

- Held-to-maturity investments. These are financial assets with fixed or determinable payments and fixed maturity which the Group intends to hold until the date of maturity. The assets included in this category are measured at amortised cost, and the interest income is recognised in profit or loss on the basis of the effective interest rate. The assets are also tested for impairment. The amortised cost is understood to be the initial cost minus principal repayments, plus or minus the cumulative amortisation of any difference between the initial

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amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest rate is the discount rate that, at the date of acquisition of the asset, exactly matches the initial carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life.

- Loans and receivables. These are financial assets originated by the companies in exchange for supplying cash, goods or services directly to a debtor. The assets included in this category are also measured at amortised cost and are tested for impairment.

- Available-for-sale financial assets. These are financial assets not classified in any of the aforementioned categories, nearly all of which relate to equity investments. These investments are measured in the consolidated balance sheet at their fair value, which, in the case of unlisted companies, is obtained using alternative methods such as comparison with similar transactions or, if sufficient information is available, discounting the expected cash flows. Changes in market value are charged or credited to "Equity – Reserves – Revaluation Reserves for Unrealised Assets and Unsettled Liabilities" in the consolidated balance sheet until the investments are sold, at which time the cumulative balance of this account relating to these investments is allocated in full to the consolidated statement of profit or loss (see Note 13-a).

  Investments in the share capital of unlisted companies whose market value cannot be measured reliably are measured at acquisition cost.

The directors determine the most appropriate classification for each asset on acquisition and such classification is reviewed at the end of each year.

Impairment of financial assets

Except for the financial assets classified as at fair value through profit or loss, the financial assets are analysed by the directors in order to identify any indication of impairment periodically and at least at the end of each reporting period. A financial asset is impaired if there is objective evidence that the estimated future cash flows of the asset have been affected as a result of one or more events that occurred after the initial recognition of the financial asset.

For the other financial assets, the Group considers the following to be objective indicators of impairment:

- financial difficulty of the issuer or significant counterparty.
- shortfall or delays in payment.
- likelihood that the borrower will enter bankruptcy or be subject to other financial reorganisation.

Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated balance sheet includes cash on hand, demand deposits and other highly liquid short-term investments that can be readily realised in cash and are not subject to a risk of changes in value (see Note 16).

Financial liabilities and equity

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Financial liabilities and equity instruments are classified in accordance with the content of the contractual arrangements. An equity instrument is any contract that evidences a residual interest in the net assets of the Group. The main financial liabilities held by the Group are held-to-maturity financial liabilities that are measured at amortised cost.

Debentures, bonds and bank borrowings

Interest-bearing loans, debentures and similar liabilities are initially recognised for the proceeds received, net of direct issue costs, under "Bank Borrowings and Other Financial Liabilities" in the consolidated balance sheet (see Note 20). Borrowing costs are recognised on an accrual basis in the consolidated statement of profit or loss using the effective interest rate method and they are aggregated to the carrying amount of the financial instrument to the extent that they are not settled in the year in which they arise. Also, obligations under finance leases are recognised at the present value of the lease payments under this consolidated balance sheet heading.

Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate (see Note 19).

Categories of instruments measured at fair value

Following is an the analysis of the financial instruments measured at fair value at 31 December 2014 and 2013 subsequent to their initial recognition, classified in categories 1 to 3, depending on the fair value measurement method:

- Category 1: their fair value is obtained from directly observable quoted prices in active markets for identical assets and liabilities.

- Category 2: their fair value is determined using observable market inputs other than the quoted prices included in category 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Category 3: their fair value is determined using measurement techniques that include inputs for the assets and liabilities that are not directly observable market data.

	Fair value at 31 December 2014			
	Thousands of euros			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets				
Investments in unlisted companies (Note 13) (*)	-	-	655	655
Financial liabilities held for trading				
Financial derivatives (Note 21)	-	(3,029)	-	(3,029)
Total	**-**	**(3,029)**	**655**	**(2,374)**

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	Fair value at 31 December 2013 Thousands of euros			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets				
Investments in unlisted companies (Note 13) (*)	-	-	7,542	7,542
Financial liabilities held for trading				
Financial derivatives (Note 21)	-	(216)	-	(216)
Total	-	**(216)**	**7,542**	**7,326**

(*) Val Telecomunicaciones, S.L.

h) Financial derivatives and hedge accounting-

Financial derivatives are initially recognised as assets or liabilities at cost of acquisition in the consolidated balance sheet and the necessary valuation adjustments are subsequently made to reflect their fair value at all times (see Note 21). Gains or losses arising from these changes are recognised in the consolidated statement of profit or loss, unless the derivative has been designated as a hedge.

- Fair value hedges:

  In the case of fair value hedges, changes in the fair value of the derivative financial instruments designated as hedges and the changes in the fair value of the hedged item caused by the risk hedged are recognised with a charge or credit, as appropriate, to the consolidated statement of profit or loss, so that "Finance Income" and "Finance Costs" include simultaneously the income or expense from the hedged item and the hedging instrument, respectively.

- Cash flow hedges:

  In the case of cash flow hedges, the changes in the fair value of the hedging derivatives are recognised, in respect of the ineffective portion of the hedges, in the consolidated statement of profit or loss, and the effective portion is recognised under "Reserves – Revaluation Reserves for Unrealised Assets and Unsettled Liabilities" in the consolidated balance sheet.

Derivatives embedded in other financial instruments, if any, are treated as separate derivatives when their characteristics and risks are not closely related to those of the host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported with a charge or a credit to the consolidated statement of profit or loss.

When hedge accounting is discontinued, any cumulative gain or loss at that date recognised under "Reserves - Revaluation Reserves for Unrealised Assets and Unsettled Liabilities" is retained under that heading until the hedged transaction occurs, at which time the loss or gain on the transaction will be adjusted. If a hedged transaction is no longer expected to occur, the gain or loss recognised under the aforementioned heading is transferred to profit or loss. In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, Vocento verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the

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changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The fair value of the various financial instruments is calculated as follows:

- The fair value of derivatives listed on an organised market is their market price at year-end.

- The Group values derivatives that are not traded on an organised market on the basis of assumptions based on market conditions at year-end. Specifically, the market value of interest rate swaps is calculated by discounting at a market interest rate the difference between the swap rates.

i) Current/Non-current classification-

In the accompanying consolidated balance sheet, assets and liabilities maturing within twelve months are classified as current items and those maturing within more than twelve months are classified as non-current items.

j) Pension and similar obligations-

The contributions to be made to defined contribution benefits, which are recognised under "Staff Costs" in the accompanying consolidated statement of profit or loss, will give rise to a long-term employee remuneration liability when there are accrued contributions payable at year-end. This liability will be measured at year-end at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party (see Notes 18 and 22).

k) Treasury shares of the Parent-

All the shares of the Parent held by consolidated companies are recognised at acquisition cost and are presented as a reduction of "Equity - Treasury Shares" in the consolidated balance sheet (see Note 17).

The gains and losses obtained by Vocento on the disposal of treasury shares are recognised under "Reserves – Voluntary Reserves" in the accompanying consolidated balance sheet.

l) Provisions-

A distinction is drawn between:

- Provisions: present obligations at the reporting date arising from past events which are uncertain as to their amount and/or timing.

- Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the consolidated companies; or possible obligations, whose occurrence is unlikely or whose amount cannot be reliably estimated.

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The Group's consolidated financial statements include all the material provisions with respect to matters for which it is considered that it is more likely than not that the obligation will have to be settled and whose amount can be measured reliably. Contingent liabilities are not recognised in the consolidated financial statements but rather are disclosed, except for those that arise in business combinations (see Notes 2-e and 18).

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each reporting period, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

m) Grants-

The Group accounts for the grants it receives as follows:

- Grants related to assets: these grants, which are measured at the amount granted, are treated as deferred income and taken to income in proportion to the period depreciation on the assets concerned.

- Grants related to income are recognised as income when granted.

In 2014 the Group credited EUR 282 thousand (2013: EUR 561 thousand) in this connection to “Other Income” in the accompanying consolidated statements of profit or loss for 2014 and 2013.

n) Revenue recognition-

Revenue from the sale of goods-

The principal goods sold by the Group are newspapers, magazines, promotional products and television programmes, the revenue from which is measured at the fair value of the consideration received or receivable for the goods provided in the normal course of business, net of discounts, VAT and other taxes.

Sales of goods are recognised when substantially all the risks and rewards have been transferred.

Revenue from the rendering of services-

The principal services provided by Vocento include the distribution of press and other products, the sale of advertising space, newspaper printing, Internet connection services and technical counselling on audiovisual productions. Revenue from the rendering of services is measured at the fair value of the consideration received or receivable for the services provided, net of discounts, VAT and other taxes, and is recognised using the percentage of completion method.

Where the final revenue cannot be estimated reliably, revenue is recognised at the amount of the recognised expenses that are considered recoverable.

Revenue from the assignment of rights-

This revenue is recognised on an accrual basis in accordance with the substance of the agreement, provided that it is considered probable that the revenue will be obtained and that it can be estimated reliably.

Revenue from the assignment of film screening rights-

This revenue is recognised on a straight-line basis over the term of the assignment. Consequently, advances received on this revenue are recognised under “Trade and Other Payables” in the consolidated balance sheet (see Note 19).

Revenue from television productions-

This revenue is considered to be from the rendering of a service.

The Group recognises this revenue by reference to the stage of completion and the estimated end margin based on the agreed-upon sale price.

Interest income and dividend income-

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset’s carrying amount.

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

ñ) Volume rebates-

The Group grants volume rebates to its customers, basically advertising agencies, based on the sales made, deferring the related expenses and allocating them to income on an accrual basis at the end of each year.

The account payable arising from the aforementioned volume rebates is recognised under "Current Liabilities - Trade and Other Payables" on the liability side of the consolidated balance sheet (see Note 19). The amount of the volume rebate to be offset against accounts receivable from the related advertising agencies is therefore deducted from the balance of "Current Assets - Trade and Other Receivables" in the consolidated balance sheet (see Note 15).

o) Income tax-

The income tax expense is recognised in the consolidated statement of profit or loss, unless it arises as a consequence of a transaction the result of which is recorded directly in equity, in which case the income tax expense is also recorded in equity.

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The income tax expense is recognised using the balance sheet liability method. This method consists of determining deferred tax assets and liabilities on the basis of the differences between the carrying amounts of assets and liabilities and their tax base, using the tax rates that can objectively be expected to apply when the assets are realised and the liabilities are settled (see Notes 23 and 24).

Deferred tax assets and liabilities arising from direct charges or credits to equity accounts are also accounted for with a charge or credit to equity.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill, goodwill for which amortisation is not deductible for tax purposes or the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss).

Vocento recognises deferred tax assets to the extent that it is considered probable that there will be sufficient taxable profits in the future against which the deferred tax assets can be utilised.

Also, double taxation tax credits and other tax credits and tax relief earned as a result of economic events occurring in the year are deducted from the income tax expense, unless there are doubts as to whether they can be realised.

Under IFRSs, deferred taxes are classified as non-current assets or liabilities even if they are expected to be realised in the next twelve months.

The income tax expense represents the sum of the current tax expense and the changes in the deferred tax assets and liabilities that are not recognised in equity (see Notes 23 and 24).

The deferred tax assets and liabilities recognised are reassessed at each reporting date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

All deferred tax assets and liabilities are recognised at the nominal rate in force in the year in which the assets are expected to be realised or the liabilities are expected to be settled.

p) Share-based payment-

The Group accrues these future payments, recognising the expense under “Staff Costs” in the consolidated statement of profit or loss, as described below:

- For the portion to be settled in cash, the Group recognises the present value of the obligations, which is calculated by applying a simplified method in the vesting period of the plan, and credits this amount to “Provisions – Provisions for Share-based Payment” in the accompanying consolidated balance sheet as at 31 December 2014 (see Note 18).

- For the portion to be settled through the delivery of the Parent’s treasury shares, the Group recognises the amount of the share-based remuneration in the vesting period on the value of the plan at the grant date thereof, and credits this amount to “Reserves – For Share-based Payment” (see Note 17).

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q) Earnings per share-

Basic earnings per share are calculated by dividing net profit or loss for the year by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held.

Diluted earnings per share are calculated by dividing net profit or loss by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

In the case of the Group's consolidated financial statements for 2014 and 2013, basic earnings per share are equal to diluted earnings per share since there were no potential shares outstanding in those years (see Note 33).

r) Dividends-

Any interim dividend approved by the Board of Directors is presented as a deduction from the Group’s equity. However, any final dividend proposed by the Board of Directors of Vocento, S.A. for approval by the shareholders at the Annual General Meeting will not be deducted until it has been approved by the latter.

s) Foreign currency transactions and balances-

The Group's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be “foreign currency transactions” and are recognised by applying the exchange rates prevailing at the date of the transaction.

At each consolidated balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the consolidated balance sheet date. Any resulting gains or losses are recognised directly in the consolidated statement of profit or loss.

The foreign currency balances held as at 31 December 2014 and 2013 and the foreign currency transactions performed in 2014 and 2013 were not significant (see Note 6).

t) Consolidated statements of cash flows-

The following terms are used in the consolidated statements of cash flows with the meanings specified:

- Cash flows: changes in “Current Assets - Cash and Cash Equivalents”.

- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities, including income and other taxes.

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- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Group companies that are not operating activities.

u) Disposal groups and assets classified as held for sale-

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use, for which they must be available for immediate sale in their present condition and their sale must be highly probable.

For the sale to be highly probable, the following conditions must be met:

- Vocento must be committed to a plan to sell the asset or disposal group.

- An active programme to locate a buyer and complete the plan must have been initiated.

- The asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale.

- It is unlikely that significant changes will be made to the plan.

Assets and disposal groups classified as held for sale are measured in the consolidated balance sheet at the lower of carrying amount and fair value less costs to sell (see Note 7). Also, non-current assets are not depreciated while they are classified as held for sale.

v) Profit/Loss from discontinued operations-

A discontinued operation is a line of business that has been sold or disposed of by any other means, or that has been classified as held for sale (see Note 4-u) whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes.

5. Responsibility for the information and use of estimates

The information contained in these consolidated financial statements is the responsibility of the Board of Directors of Vocento.

In the Group's consolidated financial statements for 2014 estimates were occasionally made by the directors of the Parent and of the consolidated companies, and later ratified by the directors of the Group, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

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- The impairment losses on certain assets: the main risks of impairment losses on the Group's assets relate to goodwill acquired in business combinations (see Notes 4-a and 8) and to tax loss and tax credit carryforwards (see Notes 4-o and 23).

- The assumptions used in the actuarial calculation of "Other Long-Term Employee Benefits" (see Note 4-p).

- The useful life of the property, plant and equipment and other intangible assets (see Notes 4-b, 4-c, 4-d, 9 and 10).

  The years of estimated useful life generally applied in 2014 and 2013 were as follows:

	Years of estimated useful life
Computer software	2-5
Other intangible assets	3-10
Buildings and other structures	16-50
Plant and machinery	3-15
Other items of property, plant and equipment	3-15

  Certain intangible assets are amortised on the basis of the expected pattern in which the assets' future economic benefits are expected to be consumed and, consequently, at the end of each year, the Group makes a new estimate, modifying the future amortisation charge if necessary (see Note 9).

  Also, the directors consider that certain radio licences acquired in 2009 through a business combination have an indefinite useful life, since there is no foreseeable limit to the period over which these licences will generate net cash inflows because they constitute assets which the Group expects to control on an indefinite basis. The carrying amount of these licences is EUR 16,302 thousand (see Note 9). In this respect, the Group estimates the recoverable amount of these licences based on the valuation of the cash-generating unit of the radio business line and on technical studies, and considers that there were no impairment losses in this connection in 2014.

- Provisions and contingent liabilities (see Notes 4-j, 4-l and 18).

- The Group uses the percentage of completion method to recognise revenue from certain television productions (see Note 4-n). This requires a reliable estimate of the revenue from each contract, of the total costs to be incurred in completing the contract and of the stage of completion at the balance sheet date from a technical and economic standpoint.

- At year-end the Group analyses its accounts receivable and, on the basis of its best estimates, quantifies the amount thereof that could be uncollectible (see Notes 4-g and 15).

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- As indicated in Note 21, the Group holds certain derivative instruments that are not traded on an active market whose fair value was calculated using valuation techniques widely used in financial circles.

Although these estimates were made on the basis of the best information available at 31 December 2014 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the related consolidated statements of profit or loss.

6. Risk management policies

Vocento is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. The Corporate Division and the business units coordinate the management and limitation of financial risks through the policies approved at the highest executive level, in accordance with the established rules, policies and procedures. The identification, assessment and hedging of financial risks are the responsibility of each business unit.

The potential risks relating to the financial instruments used by the Group, and the information thereon, are set forth below:

- Foreign currency risk

  Purchases of certain film production distribution rights made by the Group in US dollars may have an adverse impact on finance costs and loss for the year.

  At 31 December 2014 and 2013, the foreign currency accounts payable and their equivalent euro value were as follows:

	Thousands of US dollars	Thousands of euros
31/12/14	-	-
31/12/13	1,196	868

  Also, the Group held an amount receivable of USD 564 thousand at 31 December 2014.

- Interest rate risk

  Interest rate fluctuations change the fair value of assets and liabilities that bear interest at fixed rates and the future flows from assets and liabilities tied to floating interest rates.

  The purpose of interest rate risk management is to achieve a balance in the structure of the borrowings that minimises the aforementioned risks and the cost of the borrowings.

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The structure of the nominal amount of the bank loans and credit facilities at 31 December 2014 and 2013, drawing a distinction between fixed and floating interest rate borrowings, is as follows:

	Thousands of euros	
	2014	2013
Fixed interest rate	9,149	20,378
Floating interest rate	128,968	149,157
Total (Note 20)	**138,117**	**169,535**

The Group partially mitigates the interest rate risk by using financial derivatives (amounting to EUR 79,103 thousand of the total bank borrowings at 31 December 2014) (see Notes 20 and 21).

In addition, the detail of bank deposits is as follows:

	Thousands of euros	
	2014 (*)	2013 (*)
Fixed interest rate	1,088	2,576
Floating interest rate	110	-
Total (Note 16)	**1,198**	**2,576**

(*) Excluding accrued interest receivable.

In addition, the Group has EUR 22,247 thousand in cash, EUR 4,097 thousand of which are in demand current accounts which earn interest at market rates (see Note 16).

Lastly, current and non-current payables include the following amounts with implicit finance costs:

	Thousands of euros	
	2014	2013
Other non-current payables (Note 22)	**4,651**	**8,366**
Past employee benefits payable	1,022	3,048
Termination benefits payable	3,616	5,253
Other	13	65
Trade and other payables (Note 19)	**3,842**	**5,479**
Past employee benefits payable	2,096	2,277
Termination benefits payable	1,741	1,923
Other	5	1,279
Total	**8,493**	**13,845**

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- Credit risk

  In view of its business activities, the Group has balances with a very significant number of customers (see Note 15). In addition to the analysis described in Note 4-g, certain Group companies also arrange credit insurance to reduce the risk relating to doubtful debts. Consequently, the Parent's directors consider that there is no risk that any material doubtful debts might arise other than those already recognised in relation to the accounts receivable at 31 December 2014 and 2013.

  Excluding the insurance already arranged by the Group, at 31 December 2014, the total potential credit risk amounted to EUR 83,973 thousand (31 December 2013: EUR 99,368 thousand) (see Note 15).

- Liquidity risk

  The Group's liquidity policy combines its cash position with the availability of the credit line granted by certain banks under the syndicated financing agreement (see Note 20), based on the Group's projected cash needs and of the situation of the debt and capital markets.

  Notes 20 and 21 include the repayment schedules of the bank borrowings relating to financing transactions and derivatives, respectively. Note 16 contains disclosures on the cash and cash equivalents held by the Group.

  Also, on 21 February 2014, the Group arranged a syndicated loan with various banks (see Note 20) which enabled it to redress the working capital deficiency the Group had at 2013 year-end.

7. Profit/Loss from discontinued operations and assets classified as held for sale

No operations were discontinued in 2014.

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8. Goodwill

The detail of and changes in "Goodwill" in the consolidated balance sheet in 2014 and 2013 are as follows:

	Thousands of euros								
	Balance as at 31/12/12	Write-downs	Other changes	Balance as at 31/12/13	Additions (Notes 2-d and 32)	Write-downs	Disposals (Note 2-d)	Other changes (Note 13-a)	Balance as at 31/12/14
Newspapers -									
Taller de Editores, S.A.	4,225	-	-	4,225	-	-	-	-	4,225
La Verdad Multimedia, S.A.	2,349	-	-	2,349	-	-	-	-	2,349
Corporación de Medios de Andalucía, S.A.	2,043	-	-	2,043	-	-	-	-	2,043
Corporación de Medios de Extremadura, S.A.	1,005	-	-	1,005	-	-	-	-	1,005
El Norte de Castilla, S.A.	1,964	-	-	1,964	-	-	-	-	1,964
Sociedad Vascongada de Publicaciones, S.A.	3,347	-	-	3,347	-	-	-	-	3,347
Federico Doménech, S.A.	56,233	-	-	56,233	-	(6,000)	-	(3,177)	47,056
El Comercio, S.A.	-	-	127	127	-	-	-	-	127
Desde León al Mundo, S.L.	-	-	-	-	178	-	-	-	178
Audiovisual -									
Veralia Contenidos Audiovisuales, S.L.U.	21,028	(2,500)	-	18,528	-	(9,000)	-	-	9,528
Veralia Distribución de Cine, S.A.U.	16,856	-	-	16,856	-	-	-	-	16,856
Teledonosti, S.L.	204	-	-	204	-	-	-	-	204
Difusión Asturiana, S.L.	127	-	(127)	-	-	-	-	-	
Las Provincias Televisión, S.A.U.	93	-	-	93	-	-	-	-	93
Other -									
Sarenet, S.A.	2,454	-	-	2,454	-	-	(2,454)	-	-
Classified advertisements -							-		
Habitatsoft, S.L.U.	1,597	-	-	1,597	-	-	-	-	1,597
Infoempleo, S.L.	5,626	(3,300)	-	2,326	-	-	-	-	2,326
Autocasión Hoy, S.A.	2,976	-	-	2,976	-	-	-	-	2,976
Total, gross	**122,127**	**(5,800)**	-	**116,327**	**178**	**(15,000)**	**(2,454)**	**(3,177)**	**95,874**

The cash-generating units coincide with the companies, except for the cash-generating unit formed by Radio Public, S.L. and Onda Ramblas, S.A.U. In connection with this cash-generating unit, there is goodwill of EUR 16,145 thousand assigned to intangible assets with indefinite useful lives (see Notes 5 and 9).

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Analysis of the recoverability of goodwill

As indicated in Note 4-a, at each balance sheet date the Group measures the impairment of goodwill. The summary of the analysis carried out by the directors in relation to the most significant items of goodwill is as follows:

- **Federico Domenech, S.A.**

  The Group calculated the value in use of Federico Domenech, S.A. on the basis of projected cash flows, primarily taking into account the forecast for the advertising market, the print media industry and the development of the online business in coming years, considering a standard reporting year as the last year of the forecasts (see Note 4-a), which were discounted at pre-tax rates, calculated as the weighted average cost of capital (WACC), by reference to comparable companies. These discount rates ranged between 11.43% and 13.57% for the various business lines that comprise the cash-generating unit (8% and 9.5% after tax); 0.5% lower than those used in 2013 as a consequence of the market situation. The cash flows from the fifth year onwards were extrapolated using growth rates of between 0.5% and 2%. Given the various business lines that comprise the cash-generating unit (press activity, online publishing...), the directors applied the growth rates they considered to relate to each of these business lines based on both external sources (growth forecasts for the print and online media industry, situation of the competitors, publicly-available information on the industry, etc.) and internal sources (similar companies within the Group, etc.). As a result of the foregoing, in 2014 the estimated future cash flows (including those of a standard reporting year) were lower than those expected in 2013.

  Based on the assumptions used, in 2014 the Group recognised an impairment loss on this cash-generating unit amounting to EUR 6,000 thousand.

  The key variables used by the directors to calculate the value in use of the business of Federico Domenech, S.A. in accordance with future projections are as follows:

  - Performance of the advertising market: the directors considered that the advertising business would grow at an annual rate of approximately 6% in the projected period, considering both the performance of the market and events with an impact on Federico Domenech, S.A., without reaching the levels achieved in 2007 at any point. In addition, a steady increase in the importance of online advertising in the advertising revenue mix is also forecast. In these estimates, the directors considered in-house analyses and market reports.

  - Sale of copies: the fall in the number of copies sold is expected to decrease at an annual rate of between approximately -6% and -4% over the next three years. After these three years, the fall in circulation will be offset by a rise in the prices of the copies sold, causing revenue from copies sold to level off or increase slightly.

  - Performance of operating costs: the estimated operating costs reflect the streamlining plans implemented in prior years.

  In order to determine the sensitivity of value in use to changes in the basic assumptions, the following scenarios have been analysed on an individual basis, without giving rise to any material impairment losses on goodwill allocated to them:

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- Scenario 1: The advertising growth rate decreases by 5%.
- Scenario 2: The fall in revenue from sales of copies diminishes by 15%.
- Scenario 3: The discount rate increases by 1%.

- **Veralia Contenidos Audiovisuales, S.L.U.**

In the case of Veralia Contenidos Audiovisuales, S.L.U., the Group calculated the value in use based on five-year cash flow projections basically considering the performance of the audiovisual market and the company's market share, and the increased production margin, which were discounted at a pre-tax rate, calculated as the weighted average cost of capital (WACC), by reference to comparable companies. This discount rate was calculated at 11.19% (7.83% after tax), which is 0.2% lower than that used in 2013 as a consequence of the market situation. The cash flows from the fifth year onwards were extrapolated using a growth rate of 2%, which the directors deem to be reasonable in line with the long-term growth of the businesses considered.

In 2014, on the basis of the productions arranged and the concentration of billings, the directors reduced the income and expenses of the audiovisual business line projected for coming years.

Based on the assumptions used, and in view of the current situation of the audiovisual market, in 2014 the Group recognised an impairment loss on the goodwill of this cash-generating unit amounting to EUR 9,000 thousand (2013: EUR 2,500 thousand).

In order to determine the sensitivity of value in use to changes in the basic assumptions, the following scenarios have been analysed on an individual basis, without giving rise to any material impairment losses on goodwill, in addition to those already recognised, allocated to them:

- Scenario 1: The fall in expected revenue diminishes by 15%.
- Scenario 2: The discount rate increases by 1%.
- Scenario 3: The perpetual growth rate decreases by up to 1%.

The analysis of the projections involved assumptions of changes in the business' key variables (increase in the discount rate, decrease in revenue from content sales, etc.) based on market reports and in-house analyses. In accordance with the directors' estimates, the possible variations in key assumptions would not give rise to material impairment losses in addition to those already recognised.

- **Other cash-generating units**

The recoverable amount of the other cash-generating units associated with goodwill was measured with reference to the value in use (see Note 4-a). The aforementioned value in use was calculated on the basis of cash flow projections, representing the best estimates over a period of at least three years (extended when considered necessary), and using discount rates based on the risks associated with the business line under analysis.

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The cash flows of periods subsequent to those covered by the projections were extrapolated using constant growth rates that the directors consider do not exceed the average long-term growth of the industry in which the aforementioned companies operate, ranging from 0% to 3% in 2014 (2013: ranging from 0.5% to 3%). The pre-tax discount rates used to calculate the value in use range from 11.19% to 13.57% (7.83% to 9.5% after tax) in 2014 (2013: 12.14% to 14.29% (8.5% to 10% after tax)).

To calculate the sensitivity of value in use to changes in the key assumptions, the directors analysed the impact the aforementioned changes in key assumptions would have without giving rise to material impairment of goodwill.

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9. Other intangible assets

Following is a summary of the transactions recognised under "Other Intangible Assets" in the consolidated balance sheets in 2014 and 2013:

	Thousands of euros									
	Balance as at 31/12/12	Additions and charge for the year	Increase (Decrease) due to transfer	Disposals or reductions	Balance as at 31/12/13	Additions and charge for the year	Increase (Decrease) due to transfer	Disposals or reductions	Changes in the scope of consolidation (Note 2-d)	Balance as at 31/12/14
COST										
Intellectual property	27,624	313	185	(571)	27,551	220	(250)	(86)	(503)	26,932
Computer software	56,444	3,544	1,048	(4,270)	56,766	3,585	563	(1,871)	(175)	58,868
Scripts and projects	4,531	4	(458)	(26)	4,051	57	250	-	-	4,358
Development expenditure	730	-	-	(65)	665	224	-	(18)	-	871
Film distribution rights	155,805	1,036	-	(2,099)	154,742	-	-	-	-	154,742
Film productions	18,708	-	-	-	18,708	-	-	-	-	18,708
Advances on intangible assets in progress	1,874	572	(1,233)	(280)	933	686	(563)	(17)	(96)	943
Total cost	**265,716**	**5,469**	**(458)**	**(7,311)**	**263,416**	**4,772**	**-**	**(1,992)**	**(774)**	**265,422**
ACCUMULATED AMORTISATION										
Intellectual property	(9,231)	(5)	-	570	(8,666)	(33)	232	13	374	(8,080)
Computer software	(47,347)	(4,783)	-	4,234	(47,896)	(4,322)	-	1,729	141	(50,348)
Scripts and projects	(3,844)	(91)	-	7	(3,928)	(106)	(232)	-	-	(4,266)
Development expenditure	(479)	(115)	-	50	(544)	(114)	-	18	-	(640)
Film distribution rights	(114,487)	(6,548)	-	45	(120,990)	(4,778)	-	-	-	(125,768)
Film productions	(18,682)	(15)	-	-	(18,697)	(11)	-	-	-	(18,708)
Total accumulated amortisation	**(194,070)**	**(11,557)**	**-**	**4,906**	**(200,721)**	**(9,364)**	**-**	**1,760**	**515**	**(207,810)**
NET IMPAIRMENT LOSSES	**(18,989)**	**(475)**	**-**	**104**	**(19,360)**	**-**	**-**	**114**	**-**	**(19,246)**
Total cost, net	**52,657**	**(6,563)**	**(458)**	**(2,301)**	**43,335**	**(4,592)**	**-**	**(118)**	**(259)**	**38,366**

Fully-amortised intangible assets in use at 31 December 2014 amounted to EUR 147,842 thousand (31 December 2013: EUR 131,632 thousand).

At 31 December 2014, the Group did not have any significant intangible asset purchase commitments.

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10. Property, plant and equipment

Following is a summary of the transactions recognised under "Property, Plant and Equipment" in the consolidated balance sheets as at 31 December 2014 and 2013:

	Thousands of euros									
	Balance as at 31/12/12	Additions and charge for the year	Increase (Decrease) due to transfer	Disposals or reductions	Balance as at 31/12/13	Additions and charge for the year	Increase (Decrease) due to transfer (Notes 9 and 14)	Disposals or reductions	Changes in the scope of consolidation (Note 2-d)	Balance as at 31/12/14
COST										
Land, buildings and other structures	170,961	314	514	(176)	171,613	6	-	(293)	(1,473)	169,853
Plant and machinery	236,173	361	(56)	(2,277)	234,201	546	1,087	(19,655)	-	216,179
Other fixtures, tools and furniture	74,902	566	-	(2,755)	72,713	547	(1,087)	(1,296)	(1,222)	69,655
Other items of property, plant and equipment	50,645	917	712	(3,996)	48,278	997	-	(1,615)	(7,852)	39,808
Advances and property, plant and equipment in the course of construction	98	-	-	-	98	86	-	-	-	184
Total cost	**532,779**	**2,158**	**1,170**	**(9,204)**	**526,903**	**2,182**	-	**(22,859)**	**(10,547)**	**495,679**
ACCUMULATED AMORTISATION										
Buildings and other structures	(53,332)	(3,366)	-	176	(56,522)	(3,307)	-	185	442	(59,202)
Plant and machinery	(177,738)	(8,247)	-	1,947	(184,038)	(6,237)	(601)	19,497	-	(171,379)
Other fixtures, tools and furniture	(52,061)	(3,560)	-	2,381	(53,240)	(2,984)	601	1,179	837	(53,607)
Other items of property, plant and equipment	(45,333)	(2,403)	-	3,772	(43,964)	(1,989)	-	1,566	7,210	(37,177)
Total accumulated depreciation	**(328,464)**	**(17,576)**	-	**8,276**	**(337,764)**	**(14,517)**	-	**22,427**	**8,489**	**(321,365)**
NET IMPAIRMENT LOSSES	**(6,906)**	**(368)**	-	**501**	**(6,773)**	**(229)**	-	**111**	-	**(6,891)**
Total cost, net	**197,409**	**(15,786)**	**1,170**	**(427)**	**182,366**	**(12,564)**	-	**(321)**	**(2,058)**	**167,423**

Disposals as at 31 December 2014, recognised under "Plant and Machinery" in the table above, relate mainly to the disposal of the printing plants of Federico Domenech, S.A, Editorial Cantabria, S.A. and Prensa Malagueña, S.A. In this connection, a loss of EUR 158 thousand was recognised under "Impairment and Gains or Losses on Disposals of Property, Plant and Equipment and Intangible Assets" in the consolidated statement of profit or loss.

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At 31 December 2014, "Property, Plant and Equipment" included EUR 14,456 thousand (31 December 2013: EUR 16,437 thousand) of assets held under finance leases (see Note 4-e), which were classified on the basis of their nature. At 31 December 2014, the minimum lease payments in this connection were as follows:

	Thousands of euros
Within one year	3,049
Between one and five years	8,727
After five years	756
Total lease payments payable	**12,532**
Finance charges	902
Present value of lease payments (Note 20)	11,630
	12,532

The main assets held under finance leases at 31 December 2014 related to the printing presses at the Group's printing plants.

At 31 December 2014, fully depreciated property, plant and equipment in use amounted to EUR 199,488 thousand (31 December 2013: EUR 202,083 thousand).

In 2014 and 2013 no significant investments were made in items of property, plant and equipment.

"Plant and Machinery" in the above table includes mainly the value of the Group's printing presses, rotary seals and other machinery and related facilities, while "Other Fixtures, Tools and Furniture" includes, in addition to that mentioned in Note 4-c, the value of the different installations in buildings and printing plants where the Group carries on its activity, as well as office equipment.

"Other Items of Property, Plant and Equipment" in the above table, the carrying amount of which amounted to EUR 2,631 thousand as at 31 December 2014, includes various items of computer hardware.

At 31 December 2014 and 2013, the Group did not have any significant investment commitments.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies adequately cover the related risks.

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11. Investments accounted for using the equity method

Following is a summary of the transactions recognised in 2014 and 2013 in the carrying amounts of investments in Group companies accounted for using the equity method (see the Appendix to these notes to the consolidated financial statements):

	Thousands of euros								
	Balance as at 31/12/12	Inclusion of profit or loss for the year	Other changes	Balance as at 31/12/13	Inclusion of profit or loss for the year	Impairment	Dividends received	Other changes	Balance as at 31/12/14
Audiovisuals -									
Sociedad de Radio Digital Terrenal, S.A.	20	(12)	-	8	(4)	-	-	(4)	-
Classified advertisements -									
11870 Información en General, S.L. (Note 2-d)	2,291	(192)	511	2,610	(82)	(2,300)	-	-	228
Newspapers -									
Distribuciones Papiro, S.L.	447	98	-	545	73	-	(94)	-	524
Cirpress, S.L.	628	51	-	679	(15)	-	(41)	-	623
Distrimedios, S.A.	2,912	24	-	2,936	43	-	-	-	2,979
Val Disme, S.L.	3,800	98	-	3,898	81	-	-	-	3,979
Structure -									
Roi Media, S.L. (*)	-	-	-	-	(110)	-	-	123	13
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L. (*)	-	-	-	-	(137)	-	-	(113)	(250)
	10,098	**67**	**511**	**10,676**	**(151)**	**(2,300)**	**(135)**	**6**	**8,096**

(*) Companies that became joint ventures in 2014 (see Note 2-c).

The Group assessed the recoverability of its investments accounted for using the equity method and, as a result, recognised an impairment loss of EUR 2,300 thousand on its investment in "11870 Información en General, S.L." under "Result of Companies Accounted for Using the Equity Method" in the accompanying consolidated statement of profit or loss for 2014.

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In 2014 and 2013 the Group did not perform any significant transactions with its investees, other than those detailed in Note 2-d.

Also, the detail of the main financial aggregates of the companies accounted for using the equity method at 2014 and 2013 year-end is as follows:

2014

	Thousands of euros			
	Total equity	Total assets	Operating income	Profit (Loss)
Classified advertisements				
11870 Información en General, S.L.	(120)	188	774	(137)
Newspapers				
Distribuciones Papiro, S.L.	1,814	4,739	34,554	281
Cirpress, S.L.	2,236	4,843	20,166	265
Distrimedios, S.L.	4,528	23,788	88,931	77
Val Disme, S.L.	9,052	21,385	94,851	356
Structure				
Roi Media, S.L.	26	145	20	(221)
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.	(499)	1,168	581	(275)

2013

	Thousands of euros			
	Total equity	Total assets	Operating income	Profit (Loss)
Audiovisual				
Sociedad de Radio Digital Terrenal, S.A.	30	38	-	(43)
Classified advertisements				
11870 Información en General, S.L.	(142)	453	681	(542)
Newspapers				
Distribuciones Papiro, S.L.	1,889	4,586	36,586	356
Cirpress, S.L.	2,434	6,005	19,859	226
Distrimedios, S.L.	4,451	24,271	88,931	(97)
Val Disme, S.L.	8,697	21,829	106,200	430

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12. Interests in joint operations

The most significant financial information on the ownership interest held in Localprint, S.L., a company jointly controlled with another shareholder and 50%-owned by the Group, is as follows:

	Thousands of euros	
	31/12/14	31/12/13 (*)
Revenue	5,367	9,301
Net profit from operations	208	337
Non-current assets	17,597	19,822
Current assets	936	3,494
Non-current liabilities	3,590	6,304
Current liabilities	3,123	5,289

(*) Includes the non-significant financial aggregates of Roi Media, S.L. and Kioskoymas Sociedad Gestora de la Plataforma Tecnológica, S.L., which became joint ventures in 2014 and, accordingly, began to be accounted for using the equity method (see Notes 2-c and 11).

13. Financial assets

a) *Non-current investment securities*

The carrying amount of the most representative investments under "Non-current Financial Assets" at 31 December 2014 and 2013 is as follows:

Company name	Thousands of euros		% of ownership at 31/12/14	% of ownership at 31/12/13
	31/12/14	31/12/13		
Edigrup Producciones TV, S.A.	551	606	4.65%	4.65%
Val Telecomunicaciones, S.L.	655	7,542	6.78%	6.78%
Dima Distribución Integral, S.L.	1,452	807	17.92%	16.13%
Other investments	1,702	1,721		
Total	**4,360**	**10,676**		

All of the non-current investment securities are classified under “Available-for-Sale Financial Assets” and are recognised as explained in Note 4-g.

The Group has ownership interests in unlisted companies which are stated at acquisition cost, less any related impairment losses, because it was not possible to measure them reliably using any other method.

In 2014 the Group received dividends totalling EUR 6,061 thousand as a result of its ownership interest in Val Telecomunicaciones, S.L., EUR 6,013 thousand of which had been collected as at 31 December 2014, recognised under "Finance Income" in the consolidated statement of profit or loss for 2014 (see Note 30). Also, this company reduced share capital by reducing the

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par value of its shares in order to reimburse capital to its shareholders. As a result of this transaction, the Group derecognised the financial asset classified as held for sale for a total amount of EUR 4,779 thousand, which had been collected in full as at 31 December 2014.

After recognising these two transactions, the Group reestimated the recoverable amount of its investment and identified an impairment loss of EUR 5,331 thousand, including the derecognition of goodwill amounting to EUR 3,177 thousand (see Note 8), which was charged to "Other Losses on Financial Instruments" in the accompanying consolidated statement of profit or loss.

b) Other non-current financial assets

"Other Non-Current Financial Assets" relates fundamentally to long-term deposits and guarantees given.

c) Other non-current receivables

"Other Non-Current Receivables" includes basically long-term loans granted, including a long-term loan granted to Fundación Colección ABC.

14. Inventories

The detail of "Inventories" in the accompanying consolidated balance sheets as at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Raw materials	12,050	12,129
Other raw materials	638	558
Spare parts	613	756
Goods held for resale and finished goods	934	954
Other inventories	462	476
Advances to suppliers	205	219
Impairment of raw materials	(1,342)	(1,109)
Total	**13,560**	**13,983**

At 31 December 2014 and 2013, no inventories had been pledged as security for the repayment of debts or any other obligations to third parties.

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15. Trade and other receivables

The breakdown of “Current Assets - Trade and Other Receivables" on the asset side of the accompanying consolidated balance sheets as at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Trade receivables for sales and services	116,184	133,956
Notes receivable	2,697	4,651
Less sales volume rebates (Note 4-ñ)	(7,057)	(7,451)
Receivable from related companies (Note 34)	3,865	3,526
Other receivables (Note 4-b)	11,454	11,675
Write-downs of trade receivables	(28,153)	(32,234)
	98,990	**114,123**

All unimpaired balances, whether they are past-due or not, mature within an estimated collection period of less than twelve months. The carrying amount of these assets does not differ significantly from their fair value.

At 31 December 2014, the amount of unimpaired balances past due amounted to EUR 15,571 thousand. Of this amount, at the date of preparation of these consolidated financial statements, EUR 11,473 thousand had been collected and, of the uncollected amount, EUR 1,980 thousand corresponded to balances receivable from public authorities, which have duly acknowledged the existence of such debt. In addition, certain Group companies also arrange credit insurance to reduce the risk relating to doubtful debts (see Note 6). The collection of all the uncollected, past-due amounts is being actively managed.

The balance of "Write-downs of Trade Receivables" at 31 December 2014 includes EUR 5,800 thousand relating to the impairment loss recognised in 2014 and 2013 by the Group company Sociedad Gestora de Televisión Net TV, S.A. as a result of its accounts receivable from Sociedad Homo Videns, S.A.

16. Cash and cash equivalents

The breakdown of “Current Assets - Cash and Cash Equivalents” in the accompanying consolidated balance sheets as at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Other short-term loans	6	454
Short-term deposits (Note 6)	1,198	2,576
Cash	22,247	31,692
	23,451	**34,722**

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"Cash and Cash Equivalents" includes basically cash and short-term bank deposits with an initial maturity of three months or less. The bank accounts earn interest at market rates. There are no restrictions on the use of these balances, except in the case of any excess cash which must be allocated to the mandatory early repayment of the syndicated loan (see Note 20). In accordance with the estimate of the Parent's directors, there is no excess cash at 31 December 2014.

The carrying amount of these assets does not differ significantly from their fair value.

17. Equity

Share capital-

At 31 December 2014, the Parent's share capital amounted to EUR 24,994 thousand and consisted of 124,970,306 fully subscribed and paid shares of EUR 0.20 par value each, in which there were no changes with respect to 31 December 2013. The Parent's shares are traded on the Spanish Stock Market Interconnection System and on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

The shareholders' exact ownership interest in the share capital is unknown since Vocento's shares are represented by book entries. However, on the basis of information in the public domain available to the Parent, at 31 December 2014, and also at 31 December 2013, the only shareholders with ownership interests of 10% or more were Mezouna, S.A. and Valjarafe, S.L., which owned 11.077% and 10.09%, respectively, of the share capital.

Capital-management objectives, policies and processes

Key to the Group's strategy is its policy of maximum financial prudence. The target capital structure is defined as the required solvency and the objective of maximising the return for the shareholder.

The Group quantifies the target capital structure as the relationship between net borrowings and equity:

	Thousands of euros	
	31/12/14	31/12/13
Cash and cash equivalents (Note 16)	23,451	34,722
Bank borrowings (Note 20)	(141,207)	(170,569)
Other non-current and current payables with a finance cost (Notes 6, 19 and 22) (*)	(8,493)	(13,845)
Other long-term loans and receivables with a finance cost	380	415
Net debt position	(125,869)	(149,277)
Equity	322,572	349,902

(*) At 31 December 2013, "Other Non-Current and Current Payables with a Finance Cost" included EUR 1,209 thousand relating to the transactions performed with the non-controlling shareholders of Federico Domenech, S.A. in prior years.

The changes in this relationship and the analysis thereof take place on a permanent basis. Prospective estimates of this relationship are a key restrictive factor for the Group's investment strategy and dividend policy.

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Reserves-

The detail of reserves at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2013	2013
Reserves of the Parent	**310,332**	**328,010**
Legal reserve	4,999	4,999
Reserve for treasury shares	29,874	31,474
Voluntary reserves	275,459	291,537
Revaluation reserves for unrealised assets and unsettled liabilities (Note 21)	**(2,178)**	**(95)**
Reserves of consolidated companies	**(19,178)**	**(20,233)**
Reserves of companies accounted for using the equity method (Note 11)	1,117	693
Reserves of fully and proportionately consolidated companies	(20,295)	(20,926)
Total	**288,976**	**307,682**

At 31 December 2014, the Group's restricted reserves amounted to EUR 95,969 thousand (31 December 2013: EUR 92,926 thousand).

Share premium

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

Legal reserve

Under the Consolidated Spanish Public Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2014 and 2013, the Parent's legal reserve had reached the legally stipulated level.

Treasury shares-

The Parent holds 3,867,298 treasury shares, equivalent to 3.09% of its share capital, which may be freely transferred.

The changes in treasury shares in 2014 and 2013 were as follows:

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	No. of shares	Cost (Thousands of euros)
Shares at 31/12/12	**3,870,101**	**32,572**
Acquisitions	157,499	205
Sales (*)	(156,099)	(1,303)
Shares at 31/12/13	**3,871,501**	**31,474**
Acquisitions	260,940	531
Sales (*)	(265,143)	(2,131)
Shares at 31/12/14	**3,867,298**	**29,874**

(*) Sales recognised at weighted average cost.

The loss resulting from the sales of treasury shares in 2014 was recognised with a charge of EUR 1,595 thousand to "Reserves".

Pursuant to the Spanish Limited Liability Companies Law, a restricted reserve was recognised for an amount equal to the cost of the treasury shares held. The balance of this reserve will become unrestricted when the circumstances that made it necessary to record it cease to exist.

The average number of treasury shares in 2014 was 3,866,006 (see Note 33).

Dividends-

In 2014 and 2013 the Parent did not distribute any dividends and at 31 December 2014 and 2013 the Parent did not have any amounts payable in this connection.

Equity of non-controlling interests-

The main transactions performed in 2014 and 2013 that affected the equity of non-controlling interests were as follows:

2014

- As a result of the sale transaction of Sarenet, S.A. (see Note 2-d), the equity of non-controlling interests decreased by EUR 898 thousand. The other transactions did not have a significant impact.

2013

- In addition to the transactions described in Note 2-d, no other significant transactions were performed in 2013 that affected the equity of non-controlling interests.

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Allocation of loss-

The proposed allocation of the loss for 2014 of Vocento, S.A. (separate financial statements) that its Board of Directors will propose for approval by the shareholders at the Annual General Meeting is as follows:

	Thousands of euros
Basis of allocation: Loss for the year	(9,962)
Allocation of loss: To retained losses	(9,962)

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18. Provisions

The detail of “Provisions” in the accompanying consolidated balance sheets and of the changes therein in 2014 and 2013 is as follows:

	Thousands of euros									
	Balance at 31/12/12	Additions	Amounts reversed	Amounts used	Balance at 31/12/13	Additions	Amounts reversed	Amounts used	Transfers	Balance at 31/12/14
Provisions for pensions (Note 4-j)	861	-	(38)	(162)	661	46	(79)	(158)	-	470
Provisions for share-based payment (Note 4-p)	-	-	-	-	-	-	-	-	-	-
Provisions for long-term incentives plans	-	-	-	-	-	150	-	-	-	150
Provisions for litigation and tax (Note 23)	2,434	3,205	(291)	(1,540)	3,808	630	(54)	-	14	4,398
Provision for dismantling costs	6	-	-	-	6	-	-	-	-	6
Provisions for litigation relating to the publishing and audiovisual businesses	437	280	(157)	(90)	470	73	-	(48)	-	495
Other provisions	181	293	(32)		442	99	(32)	(96)	(14)	399
	3,919	**3,778**	**(518)**	**(1,792)**	**5,387**	**998**	**(165)**	**(302)**	-	**5,918**

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At the end of each reporting period the Group estimates the amount of the liabilities giving rise to the recognition of provisions for tax and litigation and other provisions. Although the Group considers that the cash outflows will take place in the coming years, it cannot predict when the related liabilities will fall due and, therefore, it does not estimate the specific dates of the cash outflows. It considers that the value of the effect of discounting to present value would not be material.

At 31 December 2014, certain court proceedings and claims were in process against the consolidated companies arising from the ordinary course of their operations. The Group's legal advisers and its directors consider that the provisions recognised for this purpose are sufficient and that the outcome of the court proceedings and claims will not have an additional material effect on the consolidated financial statements for the years in which they are settled (see Note 4-l).

Provisions for share-based payment-

The shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve an incentive plan addressed to the CEO and senior executives of Vocento, consisting of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO.

Since the plan targets were assessed as not being met, the Group had not recognised any provision in that connection at 31 December 2014 and, accordingly, there was no impact on the consolidated statement of profit or loss or on consolidated equity for 2014 and 2013.

Provision for long-term incentive plans-

In addition to the share-based incentive plans, in 2013 the Board of Directors of the Parent approved the implementation of a long-term incentive plan addressed to the CEO and certain senior executives of the Parent and the Group.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 20% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for 2015. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved, with a limit of EUR 1.3 million.

In accordance with the assessment and estimated non-achievement of the aforementioned plan, the Group has not recognised any provision in this connection in the consolidated balance sheet at 31 December 2014.

Lastly, in 2014 the Board of Directors of the Parent approved the implementation of a long-term incentive plan addressed to the CEO and certain senior executives of the Parent and Group.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 20% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for

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2016. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved, with a limit of EUR 1.3 million.

In accordance with the assessment of the plan and the estimate that the plan target will be met, the Group has recognised a provision for EUR 150 thousand in this connection with a charge to "Staff Costs" in the accompanying consolidated statement of profit or loss for 2014 (see Note 28).

Provisions for pensions and similar obligations-

At 31 December 2014, the Group had externalised all its pension obligations to its employees, in accordance with Royal Decree 1588/1999, of 15 October. The detail of these obligations is as follows:

Defined contribution

The detail of the Group's main defined-contribution obligations is as follows:

- Contribution of an annual fixed amount for the Group's executives, based on previously defined categories. This obligation is instrumented through an insurance policy.

- A percentage of the pensionable salary of each eligible employee is to be contributed to a pension plan for certain Group employees. Employees hired after 9 May 2000 are subject to a two-year waiting period before they can decide whether or not to join the pension plan.

In 2014 the expense for all these obligations amounted to EUR 777 thousand (2013: EUR 868 thousand) and is recognised under “Staff Costs” in the accompanying consolidated statements of profit or loss for 2014 and 2013 (see Note 28).

Other long-term employee benefits

The collective agreements of certain Group companies establish the obligation to pay certain long-service bonuses to their employees on completion of 20, 30 and 40 years of service at the company. At 31 December 2014 and 2013, the Group recognised provisions to cover the liability incurred in this connection, which were calculated based on actuarial techniques using, among other assumptions, a technical interest rate of 2.25%, GRM/F95 mortality tables and a long-term salary growth rate of 3.5%, amounting to approximately EUR 83 thousand and EUR 308 thousand, respectively, under “Provisions” on the liability side of the accompanying consolidated balance sheets. In 2014 a net amount of EUR 67 thousand (2013: EUR 38 thousand) was reversed to cover these obligations, with a credit to "Staff Costs" in the accompanying consolidated statements of profit or loss for 2014 and 2013 (see Note 28).

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Contingent liabilities-

The detail of the main contingent liabilities at 31 December 2014 is as follows:

- Claim filed against various newspapers of the Group by an individual to protect the right to honour, personal and family privacy and the individual's image at the Court of First Instance no. 3, Cadiz, claiming EUR 7,000 thousand. A decision was issued recently favourable to the Group's interests ordering the claimant to pay costs, which was subsequently upheld at second instance. An appeal was filed once again but, following favourable decisions in two instances, the risk continues to be considered remote.

- Claim filed against various media and journalists, including ABC Sevilla, S.L., by an individual at the Sanlúcar La Mayor Court of First Instance no. 1 to protect the right to honour, personal and family privacy and the individual's image, for an amount of EUR 5,953 thousand to be shared. Following decisions against the claimant in two instances, the claimant filed a cassation appeal and, on 14 July 2014, the Supreme Court handed down a final decision confirming that the claim had no merits.

- A criminal complaint filed at Granada Examining Court no. 9 by an individual against two journalists of "El Ideal" due to the alleged offences of libel, slander and false accusation, and a civil liability claim against Corporación de Medios de Andalucía, S.A. and Ideal Comunicación Digital, S.L.U. amounting to EUR 1,000 thousand as a result of information published in the Jaén edition in July 2008 and June 2012. After a prior conciliation hearing that did not result in a settlement, the Court handed down an order staying proceedings dated 10 November 2013, considering that the facts heard did not constitute an offence of any kind. The order was subsequently declared to be final and the proceedings were stayed definitively.

- Claim filed at Court of First Instance no. 13 of Madrid by a business corporation in relation to promotional campaigns carried out by Diario ABC, S.L., claiming EUR 1,137 thousand. Ultimately, the outcome was an order for an amount of EUR 324 thousand, which has already been paid.

- The judgment handed down on 27 November 2012 by the Third Chamber of the Supreme Court rendered null and void the Decision by the Spanish Cabinet dated 16 July 2010, which allocated to each of the digital terrestrial television service (DTT) licensees, among them Sociedad Gestora de Televisión Net TV, S.A., a capacity equivalent to a national digital multiplex consisting of four channels. The allocation was performed in compliance with the set of standards which, since 1997, subsequent to the approval of the Spanish National Digital Terrestrial Television Plan, and, particularly, under Law 10/2005 of 14 June, regulated the transition of analogue terrestrial television to DTT, which was completed in 2010 -once the Government had verified that the licensees had strictly fulfilled all the requirements and obligations imposed on them, essential for the transition to DTT and a condition for obtaining access to the multiplex. Although the obstacle posted by the Supreme Court judgment was basically formal, the solution was not positive and all the operators' affected channels ceased broadcasting by the allowed deadline of 6 May 2014. Although the impact on Sociedad Gestora de Televisión Net TV, S.A. of ceasing the broadcasting of two of its channels was limited as there was no adverse accounting effect (particularly due to the inexistence of any goodwill or value in the asset associated with the operation of the channels awarded to the aforementioned Sociedad Gestora de Televisión Net TV, S.A.), if it does not receive adequate compensation it will probably seek jurisdictional recognition.

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- Appeal for Judicial Review 117/2014 filed by a business corporation against resolutions by the Spanish Cabinet of 28 May and 11 June 2010 to transform concessions into licences for television operators, including Sociedad Gestora de Televisión Net TV, S.A. An answer having been made to complaint, the legal advisers consider that the risk is remote since, in addition to reasons of substance, the claim focused on renewals of channels that used to broadcast using analogical technology.

- Appeal for Judicial Review 119/2014 filed by a business corporation against resolutions by the Spanish Cabinet of 28 May and 11 June 2010 to transform concessions into licences for television operators, including Sociedad Gestora de Televisión Net TV, S.A. An answer having been made to complaint, the legal advisers consider that it is not likely to prosper as transformation into a licence was compulsory under Spanish Audiovisual Communications Law 7/2010, of 31 March. In any event, the maximum impact for Sociedad Gestora de Televisión Net TV, S.A. would be to cease broadcast of a channel and there would be no adverse accounting effect (particularly due to the inexistence of any goodwill or value in the asset associated with the operation of the channels).

- Claim filed against Diario ABC, S.L. and various journalists by an individual at the Parla Court of First Instance no. 1 for intrusion into the right to honour, privacy and the individual's image, for an amount of EUR 600 thousand. Under a first instance judgment of 30 July 2014 the order was reduced to EUR 60 thousand. However, although a provision was recognised for EUR 60 thousand, an appeal was filed by Diario ABC, S.L. since the legal advisers consider that, if ratified, the order could even be reduced further.

- A judgment handed down at second instance by the Central Economic-Administrative Tribunal in relation to income tax amounting to a maximum of EUR 1,077 thousand against Europroducciones, currently Veralia Contenidos, S.L., is pending appeal for judicial review. Although the payments have been made, the legal advisers expect this appeal to be successful.

- Enforcement proceedings relating to a tax credit for reinvestment, arising from the income tax audits for 2008 and 2009 at the current La 10 Canal de Televisión, S.L.U. initially amounting to EUR 826 thousand. The legal advisers consider that the absence of misconduct or negligence in the error committed by the Company should warrant the non-imposition of a penalty. Pleadings have therefore been filed at the Central Economic Administrative Tribunal (TEAC), and a guarantee of EUR 578 thousand was provided in relation to the subsequent appeal and resulting complaint filed.

- Provisional assessments received by COMERESA PRENSA S.L.U. in relation to income tax for 2006, 2007 and 2008 amounting to EUR 1,826 thousand, EUR 1,819 thousand and EUR 1,701 thousand, respectively. In the opinion of the legal advisers, in the first case, the defects in the investigation phase of the proceedings make it probable that the appeal of Comeresa Prensa, S.L.U. will be upheld, and in the second and third, the obligatory application of a bilateral adjustment at Vocento S.A. make certain the recovery of the deficiency claimed. The assessment relating to 2009 is not expected to have any impact on the Group.

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- Judgment of the Extremadura High Court of 18 December 2013, rendering void the resolution of 13 August 2009 of the General Secretariat of the Presidency of the Extremadura Autonomous Community Government, affecting radio broadcasting licences of Badajoz, Mérida and Cáceres. The judgment is subject to a cassation appeal by the Group subsidiary, Cartera de Medios, S.A., and the legal advisers consider the appeal to be viable.

19. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheets as at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Trade payables-		
Payable to related companies (Note 34)	1,012	813
Trade payables	63,480	78,141
Unreceived invoices	13,673	15,573
Trade notes payable to suppliers	7,045	7,235
Other payables and volume rebates (Note 4-ñ)	(548)	(662)
	84,662	**101,100**
Other current payables-		
Remuneration payable (Notes 22 and 28)	14,023	10,474
Payable to suppliers of intangible assets and property, plant and equipment (Notes 9 and 10)	1,626	3,092
Former-employee benefits payable (Notes 4-j, 6 and 22)	2,096	2,277
Current accruals and deferred income	6,364	6,221
Other	243	2,630
	24,352	**24,694**
	109,014	**125,794**

The carrying amount of these liabilities approximates their fair value.

As at 31 December 2014, "Remuneration Payable" includes EUR 3,672 thousand relating to termination benefits payable, which includes EUR 1,741 thousand with finance costs for termination benefits arising from Diario ABC, S.L.'s collective redundancy procedure, performed in 2009. As at 31 December 2013, termination benefits payable amounted to EUR 3,489 thousand, of which EUR 1,923 thousand related to Diario ABC, S.L.'s collective redundancy procedure.

Disclosures on the payment periods to suppliers. Additional Provision Three "Disclosure Obligation" provided for in Law 15/2010, of 5 July:

With respect to the disclosures required by Additional Provision Three of Law 15/2010, of 5 July, the detail of the payments made to suppliers in 2014 and 2013, the weighted average period of late payment and the balances payable to suppliers past due by more than the maximum payment period as at 31 December 2014 and 2013 is as follows (in thousands of euros):

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Amounts paid and payable at year-end	2014 Amount	2014 Percentage (*)	2013 Amount	2013 Percentage (*)
Within the maximum payment period	217,477	64.38%	222,545	58.91%
Remainder	120,305	35.62%	155,211	41.09%
Total payments for the year	337,782	100%	377,756	100%
Weighted average period of late payment (days)	41	-	55	-
Payments at year-end not made in the maximum payment period	18,876	30.25%	22,611	29.17%

(*) Percentage of total balance as at 31 December 2014 and 2013.

This balance refers to those suppliers which because of their nature are trade creditors for the supply of goods and services and, accordingly, includes the figures relating to "Trade Payables" under current liabilities in the consolidated balance sheet.

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

Article 33 of Law 11/2013, of 26 July, on measures to support entrepreneurs, stimulate growth and create employment, amended Law 3/2004, of 29 December, on combating late payment in commercial transactions.

Article 4 (Determination of payment period) of the aforementioned Law 3/2004, of 29 December, stipulates that the payment period to be observed by the debtor, where no payment date or period has been set in the agreement, shall be 30 calendar days from the date of receipt of the goods or provision of services, including where the invoice or payment request may have been received prior to this date (introduced by Royal Decree-Law 4/2013, as opposed to the 60 days established by Law 15/2010). Payment periods may be extended where the parties agree to do so, although in no case may they be extended beyond 60 calendar days.

20. Bank borrowings and other financial liabilities

The detail of the bank borrowings and other financial liabilities as at 31 December 2014 and the repayment schedules are as follows:

	Thousands of euros					
		Maturity				
		Current	Non-current			
	Balance as at 31/12/14	2015	2016	2017	2018 and subsequent years	Total non-current
Loans and credit facilities payable (Note 6)	123,193	10,091	19,931	14,561	78,610	113,102
Obligations under finance leases (Note 10)	11,630	2,727	2,106	2,155	4,642	8,903
Amounts payable under derivative financial instruments (Note 21)	3,029	558	766	842	863	2,471
Accrued interest payable	61	61	-	-	-	-
TOTAL	**137,913**	**13,437**	**22,803**	**17,558**	**84,115**	**124,476**

The amounts in the foregoing table reflect the amortised cost of bank borrowings and other financial liabilities as at 31 December 2014, the total nominal value of which amounts to EUR 141,207 thousand at this date (see Note 17).

Also, the detail of the bank borrowings and other financial liabilities as at 31 December 2013 and the repayment schedules are as follows:

	Thousands of euros					
		Maturity				
		Current	Non-current			
	Balance as at 31/12/13	2014	2015	2016	2017 and subsequent years	Total non-current
Loans and credit facilities payable	153,851	110,240	13,746	20,593	9,272	43,611
Obligations under finance leases	14,314	2,683	2,728	2,106	6,797	11,631
Amounts payable under derivative financial instruments	216	-	97	43	76	216
Factoring and note discounting	1,371	1,371	-	-	-	-
Accrued interest payable	817	817	-	-	-	
TOTAL	**170,569**	**115,111**	**16,571**	**22,742**	**16,145**	**55,458**

As at 31 December 2014 and 2013, the limit of the Group companies' credit facilities and the amounts drawn down and available were as follows:

	Thousands of euros	
	2014	2013
Amounts drawn down	10,436	102,111
Amounts available	36,989	28,814
Total credit facility limit	**47,425**	**130,925**

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The average annual interest rate for 2014 and 2013 on the loans and credit facilities and on the obligations under finance leases was EURIBOR plus the following spreads:

	2014	2013
Loans and credit facilities	5.41% - 1.5%	6.10% - 1.5%
Obligations under finance leases	2.00% - 0.05%	2.00% - 0.05%

In 2014 the finance costs on bank borrowings and other financial liabilities amounted to EUR 8,459 thousand which are recognised under "Finance Costs" in the accompanying consolidated statement of profit or loss for 2014. The other costs under this heading relate to arrangement fees, translation differences and other items (See Note 31).

The directors consider that the fair value of these loans does not differ significantly from their carrying amount. The sensitivity of the aforementioned fair values to interest rate fluctuations which the Group considers reasonably possible is as follows:

	Thousands of euros			
	Change in interest rates			
	2014		2013	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Change in the value of the borrowings	(434)	434	(424)	424

The Group hedges EUR 79,103 thousand of the risk associated with increases in interest rates using derivative financial instruments (see Notes 6 and 21).

Syndicated loan

On 21 February 2014, the Parent of the Group arranged a long-term syndicated financing transaction for EUR 175,275 thousand, the funds from which will be used to repay existing bilateral credit lines, extend the related maturities and unify management thereof, and to meet the Group's general cash requirements. This agreement consists of two tranches, with the following amounts and maturities:

a) Tranche A, which is divided into:

(i) Sub tranche A1: non-current commercial loan of EUR 75,000 thousand maturing in October 2018 and

(ii) Sub tranche A2: five-year bullet commercial loan of EUR 55,000 thousand.

b) Tranche B: four-year revolving credit line of up to EUR 45,275 thousand.

As at 31 December 2014, the Group had drawn down all of the financing relating to "Tranche A", the amount outstanding at this date being EUR 107,272 thousand, and EUR 10,000 thousand relating to the financing of "Tranche B".

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In 2014 the Group disposed of various assets giving rise to an early repayment of EUR 7,728 thousand, as provided for in the financing agreement. Also in 2014, the Group repaid EUR 15 million of Tranche A1, by the maturity date envisaged in the agreement.

The syndicated financing agreement bears interest at a rate tied to EURIBOR plus a spread negotiated with the banks which is settled quarterly. The applicable spread shall be determined every six months depending on the achievement of certain financial ratios under the aforementioned agreement.

The financing agreement provides certain grounds for obligatory early repayment and acceleration of maturity of the drawn-down amounts including, inter alia, the disposal of assets, the existence of excess cash (see Note 16) or a change of control in the Group.

The aforementioned agreement also stipulates the obligation to achieve certain financial ratios at consolidated level. As at 31 December 2014, the Parent's directors consider the financial ratios stipulated in this agreement to have been achieved.

In addition, upon execution of the syndicated financing agreement the following guarantees (secured and unsecured) and promises to arrange security interests were provided to, and maintained for, the banks to secure the obligations arising from the agreement:

- A first-demand guarantee provided by those Group companies which may at the time be considered Guarantors. As at 31 December 2014, these companies are listed in the attached Appendix.

- A security interest on any shares of those Group companies which are owned directly or indirectly by the Parent. As at 31 December 2014, these companies are listed in the attached Appendix.

- A maximum-amount first mortgage on the properties indicated in the aforementioned syndicated financing agreement, the carrying amount of which amounts to EUR 32,434 thousand as at 31 December 2014.

- A promise of maximum-amount first mortgage on certain properties free of encumbrances, the carrying amount of which amounts to EUR 22,336 thousand as at 31 December 2014.

  The Parent's directors consider that the conditions under which the promise would become a mortgage have not been met as at 31 December 2014.

Finally, under the terms of the aforementioned agreement, the Parent has arranged certain interest rate hedging transactions for at least 50% of the principal outstanding from time to time (see Note 21).

21. Derivative financial instruments

The Group uses derivative financial instruments to hedge the risks, mainly interest rate risk, to which its future activities, transactions and cash flows are exposed. The detail of the balances that reflect the measurement of derivatives in the consolidated balance sheets as at 31 December 2014 and 2013 is as follows (see Note 20):

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	Thousands of euros			
	31/12/14		31/12/13	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
INTEREST RATE HEDGES				
Cash flow hedges:				
Interest rate swaps	491	2,390	-	25
Step-up collars	67	81	-	191
	558	**2,471**	-	**216**

The purpose of the interest-rate derivatives arranged by the Group is to mitigate the effect that interest rate fluctuations may have on any future cash flows from the loans tied to floating interest rates. The detail and maturity of these hedging transactions is as follows:

Bank	Instrument	Average interest rate arranged		Nominal amount (Thousands of euros)		Expiry date	
		31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13
BBVA	Interest rate swaps	1.34%	-	26,444	-	2019	-
Banco Santander	Interest rate swaps	1.34%	-	21,794	-	2019	-
Kutxabank	Interest rate swaps	1.34%	-	10,012	-	2019	-
Bankia	Interest rate swaps	1.34%	-	12,891	-	2019	-
Caixa	Interest rate swaps	1.34%	-	2,166	-	2019	-
Banco Popular	Interest rate swaps	1.34%	-	4,218	-	2019	-
Banco Sabadell	Interest rate swaps	-	4.42%	-	2,750	-	2015
Bankinter	Step-up collars			1,578	1,949	2019	2019
	Total			**79,103**	**4,699**		

The effect of the changes in the hedging derivatives in 2014 was recognised with a credit to "Reserves – Revaluation Reserves for Unrealised Assets and Unsettled Liabilities" and "Equity – Of Non-Controlling Interests" for net amounts of EUR 2,083 thousand and EUR 14 thousand, respectively (a credit of EUR 159 thousand and EUR 42 thousand, respectively, in 2013).

The Group uses a step-up collar to fix the floating-rate interest payments on finance leases within a range spanning from a minimum of 3.95% to a maximum of 5%. The initial cost of the aforementioned financial instrument was zero. The notional amount of the options sold was offset in full by the notional amount of the options purchased, making it a net purchased option. The effectiveness of the step-up collar was measured by offsetting the changes in the flows of the collar against the changes in the flows of the hedged risk through the hypothetical derivative method, thereby fulfilling the conditions required to be considered a hedging instrument.

The interest rate swap derivatives in force as at 31 December 2014 relate to hedging transactions arranged by the Group under the syndicated financing agreement (see Note 20).

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The Group met the requirements described in Note 4-h on measurement bases in order to classify the financial instruments detailed above as hedges. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective. No ineffective portions were detected in the hedges designated by the Group as such.

Also, the measurement of the derivate financial instruments was performed in accordance with IRFS 13 on fair value.

The sensitivity of the fair value of the interest-rate hedges to interest rate fluctuations which the Group considers reasonably possible, and the related impact on profit (loss) for the year and equity as at 31 December 2014 and 2013, is reflected in the following table:

	Thousands of euros			
	Change in interest rates			
	2014		2013	
Change	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Fair value	518	(662)	13	(13)
Profit (Loss)	-	-	-	-
Equity	518	(662)	13	(13)

The analysis of the liquidity of the derivative instruments (which relates to cash outflows), using net undiscounted flows, is as follows:

Bank	Instrument	2015	2016	2017	2018 and subsequent years
BBVA	Interest rate swaps	182	254	280	296
Banco Santander	Interest rate swaps	150	209	231	244
Kutxabank	Interest rate swaps	69	96	106	112
Bankia	Interest rate swaps	89	124	137	144
Caixa	Interest rate swaps	15	21	23	24
Banco Popular	Interest rate swaps	29	41	45	47
Bankinter	Step-up collars	61	46	29	14
	Total	**595**	**791**	**851**	**881**

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Bank	Instrument	2014	2015	2016 and subsequent years
Banco Sabadell	Interest rate swaps	-	25	-
Bankinter	Step-up collars	-	72	119
	Total	-	**97**	**119**

22. Other non-current payables

The detail of "Other Non-Current Payables" as at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Former-employee benefits payable (Notes 4-j, 6 and 19)	1,022	3,048
Termination benefits payable (Notes 6, 19 and 28)	3,760	5,471
Other payables with finance costs (Note 6)	13	65
Other payables without finance costs	24,477	24,739
	29,272	**33,323**

Former-employee benefits payable-

In 2000 various subsidiaries reached agreements with certain of their employees to settle the pension plans at that date in exchange for certain defined-benefit contributions. It was agreed that the contributions would be repaid on the basis of a schedule, discounting the related finance cost.

The repayment schedule including the accrued finance costs is as follows:

Years	Amount (Thousands of euros)
2015	2,096
Total - current (Note 19)	**2,096**
2016	1,022
Total - non-current	**1,022**

On the other hand, the finance costs recognised in this connection in 2014 and 2013 amounted to EUR 24 thousand in each year (see Note 31).

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Termination benefits payable-

As at 31 December 2014, the amount payable at long term by the Group amounted to EUR 3,760 thousand, which corresponded to the termination benefits agreed upon with Diario ABC, S.L., EUR 3,616 thousand of which relate to the redundancy procedure carried out in 2009 by this company (see Note 19). It was agreed that these termination benefits would be repaid on the basis of a schedule, discounting the related finance cost.

The repayment schedule for the termination benefits is as follows:

Maturity	(Thousands of euros)
2016	1,512
2017	1,121
2018	944
2019 and subsequent years	183
Total - non-current	**3,760**

Other payables without finance costs-

In 2009, all the non-controlling shareholders of Federico Domenech, S.A. entered into an agreement with the Group whereby the put option granted in prior years was postponed under the same terms as those under which it was granted. As a result, the same conditions are applicable for the execution of the put option, although with a two-year delay on the schedule envisaged in the agreement.

This agreement was renewed in 2012 (see Relevant event reported to the Spanish National Securities Market Commission -CNMV- on 10 May 2012), thus giving rise to transactions with the non-controlling shareholders of Federico Domenech, S.A. described in the financial statements for 2012, such that the liability for the potential exercise of the put option as at 31 December 2014 amounted to EUR 22,426 thousand.

23. Deferred taxes and income tax expense

Since 1997 Vocento, S.A. and certain of its subsidiaries subject to the Bizkaia Income Tax Regulation pay income tax under the Special Consolidated Tax Regime. Vocento, S.A. is the Parent of the Group. Notification of the composition of the tax group for 2014 was filed at the Bizkaia Provincial Department of Economy and Finance on 29 January 2014 (see Appendix).

On 1 January 2014, (Bizkaia) Income Tax Provincial Regulation 11/2013, of 5 December, entered into force, which includes, inter alia, a time limit on the offset of tax losses and use of tax credits, establishing a maximum period of fifteen years for offset or use.

In addition, Income Tax Law 27/2014, of 27 November (not applicable in relation to the income tax of companies subject to the Bizkaia Income Tax Regulation), which entered into force on 1 January 2015, establishes, inter alia, a reduction over two years of the standard income tax rate (30% at 31 December 2014) as follows:

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Tax periods beginning on or after	Tax rate
1 January 2015	28%
1 January 2016	25%

The aforementioned Law also includes a limitation on the offset of tax losses of between 25% and 100% for 2015 (depending on the net revenue figure), 60% for 2016 and 70% for 2017 and subsequent years. However, the Law allows the offset of up to EUR 1 million in 2016 and subsequent years. In addition, the Law eliminates the time limit of 18 years for the offset of tax losses which has now become a right that is not time-barred.

a) Reconciliation of the accounting loss to the tax loss

The table below shows the calculation of the income tax expense for 2014 and 2013:

	Thousands of euros	
	2014	2013
Consolidated loss before tax	**(5,739)**	**(9,392)**
Increases (Decreases) due to permanent differences		
- Result of companies accounted for using the equity method (Note 11)	2,451	(67)
- Fines and penalties	63	758
- Non-deductible impairment losses on goodwill (Note 8)	15,000	-
- Other losses on financial instruments (Notes 2-d and 13.a)	(8,485)	-
- Other permanent differences	1,620	-
Adjusted accounting profit (loss)	**4,910**	**(8,701)**
Gross tax calculated using the average tax rate	(1,317)	2,665
Sundry tax credits	335	45
Adjustment to prior year's income tax payment	90	(103)
Reversal of unrecovered tax assets	(2,620)	(4,709)
Offset of unrecognised tax losses	681	635
Tax losses recognised from prior years	6,624	-
Unrecognised tax loss carryforwards	54	2
Other	560	(62)
Accrued income tax (expense) benefit	**4,407**	**(1,527)**
Update of tax rates (Note 23-b)	**(18,019)**	-
Provision for tax	-	**(661)**
Income tax - continuing operations	**(13,612)**	**(2,188)**

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The breakdown of the income tax expense (benefit) for 2014 and 2013 (relating to continuing operations) is as follows:

	Thousands of euros	
	2014	2013
Current tax		
For the year	259	3,283
For the year (provision for tax)	-	(661)
From prior years	90	(103)
Deferred tax		
Tax losses recognised from prior years	6,624	-
Reversal of unrecovered tax assets	(2,620)	(4,709)
Unrecognised tax losses	**54**	**2**
Update of tax rates (Note 23-b)	**(18,019)**	-
Income tax - continuing operations	**(13,612)**	**(2,188)**

In 2011 the tax group, headed by Comeresa Prensa, S.L.U., made sales of certain items of its property, plant and equipment (mainly a plot of land owned by the subsidiary Diario ABC, S.L.), which qualified for the regime for tax credits for reinvestment of extraordinary gains stipulated in Article 42 of the Spanish Income Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

The Group's reinvestment obligation in this connection amounted to EUR 20,185 thousand (the base for the tax credit being EUR 16,103 thousand) and, pursuant to Spanish legislation in force, the price obtained on this transfer must be reinvested between one year prior to the date of transfer of the property and the three following years, i.e. prior to 20 January 2014.

At 2014 and 2013 year-end, Comeresa Prensa, S.L.U. had already fully complied with the aforementioned reinvestment obligation by acquiring shares of Federico Domenech, S.L. and Kioskoymas, Sociedad Gestora de la Plataforma Tecnológica, S.L. and by acquiring other non-current assets.

b) Deferred tax assets and liabilities

The detail of “Non-Current Assets - Deferred Tax Assets” and “Non-Current Liabilities - Deferred Tax Liabilities” in the accompanying consolidated balance sheets as at 31 December 2014 and 2013, and of the changes therein is as follows:

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2014

	Thousands of euros						
	31/12/13	Additions	Reductions	Transfers	Changes in the scope of consolidation (Note 2-d)	Update of tax rates	31/12/14
Deferred tax assets-							
Tax loss carryforwards	128,039	7,628	(7,957)	2,111	-	(18,545)	111,276
Other unused tax credits	53,696	2,403	(356)	-	(584)	(979)	54,180
Deferred tax assets	21,941	8,930	(2,957)	(2,448)	(158)	(2,412)	22,896
Total deferred tax assets	**203,676**	**18,961**	**(11,270)**	**(337)**	**(742)**	**(21,936)**	**188,352**
Deferred tax liabilities-	**(37,915)**	**(294)**	**1,422**	**337**	**516**	**3,917**	**(32,017)**

2013

	Thousands of euros				
	31/12/12	Additions	Reductions	Transfers	31/12/13
Deferred tax assets-					
Tax loss carryforwards	125,272	11,568	(8,315)	(486)	128,039
Other unused tax credits	53,697	2,072	(1,863)	(210)	53,696
Deferred tax assets	23,928	7,354	(9,409)	68	21,941
Total deferred tax assets	**202,897**	**20,994**	**(19,587)**	**(628)**	**203,676**
Deferred tax liabilities-	**(41,240)**	**(209)**	**2,906**	**628**	**(37,915)**

The tax assets and liabilities in the accompanying consolidated balance sheet are recognised at their estimated recoverable amount.

The deferred income tax asset relates mainly to timing differences arising from the differences in the timing of recognition for accounting and tax purposes of pension and similar obligations (see Notes 4-j, 18 and 22) and from the tax deductibility of certain items of goodwill (see Notes 8 and 11).

The Group reflected the effect of the update of tax rates under Law 27/2014 by recognising an expense of EUR 18,019 thousand under "Income Tax" in the consolidated statement of profit or loss (See Note 23.a).

The deferred tax assets indicated above were recognised in the consolidated balance sheet because the Parent's directors considered that, based on their best estimate of the future earnings of the Group's various lines of business, it is probable that these assets will be recovered. The periods in which these deferred tax assets are expected to be offset is as follows:

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	(Thousands of euros)		
	1-6 years	7-18 years	Total
Tax loss carryforwards	29,856	81,420	111,276
Other unused tax credits	7,176	47,004	54,180
Other deferred tax assets	13,862	9,034	22,896
Total deferred tax assets	**50,894**	**137,458**	**188,352**

The detail of the time limits for deduction at 31 December 2014 and 2013 of the tax loss carryforwards recognised in the consolidated balance sheet is as follows:

	Thousands of euros	
	2014	2013
Spain (excluding Navarre and the Basque Country)		
1 to 6 years	-	749
7 to 18 years	-	110,114
No time limit for deduction (*)	96,439	
Provinces of the Basque Country and Navarre		
1 to 15 years	14,837	-
No time limit for deduction (**)	-	17,176
Total	**111,276**	**128,039**

(*) No time limit for deduction in accordance with Income Tax Law 27/2014 which entered into force on 01/01/15.

The detail of the time limits for deduction at 31 December 2014 and 2013 of the tax credit carryforwards recognised in the consolidated balance sheet is as follows:

	Thousands of euros	
	2014	2013
Spain (excluding Navarre and the Basque Country)		
1 to 6 years	2,699	827
7 to 10 years	4,234	4,287
11 years or more	9,506	12,240
Provinces of the Basque Country and Navarre		
1 to 15 years	37,741	-
No time limit for deduction (**)	-	36,342
Total	**54,180**	**53,696**

(**) No time limit for deduction, pursuant to the legislation in force at 31 December 2013, which changed to 15 years from 01/01/14 onwards, in accordance with Provincial Regulation 11/2013, approved by the Provincial Assembly of Bizkaia on 5 December 2013.

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The other deferred tax assets recognised in the consolidated balance sheets at 31 December 2014 and 2013 arose mainly due to the temporary differences between the accounting expense and the related tax deductibility and relate mainly to the provision to the allowance for doubtful debts, the provision for termination benefits and provision for pension plans.

In addition, the detail of the losses for which the Group did not recognise deferred tax assets in the consolidated balance sheet and the related time limits for deduction at 31 December 2014 is as follows:

Last year for deduction	Thousands of euros	
	2014	2013
Spain (excluding Navarre and the Basque Country) (*)		
2021	-	5,622
2022	-	1,979
2023	-	7,465
2024	-	7,416
2025	-	21,744
2026	-	17,424
2027	-	5,138
2028	-	2,093
2029	-	4,173
2030	-	257
2031	-	210
No time limit for deduction	62,175	-
Provinces of the Basque Country and Navarre		
2028	1,120	
No time limit for deduction (**)	-	1,038
Total	**63,295**	**74,559**

(*) No time limit for deduction in accordance with Income Tax Law 27/2014 which entered into force on 01/01/15.

(**) No time limit for deduction, pursuant to the legislation in force at 31 December 2013, which changed to 15 years from 01/01/14 onwards, in accordance with Provincial Regulation 11/2013, approved by the Provincial Assembly of Bizkaia on 5 December 2013.

c) Years open for review and other information

At 31 December 2014, the Parent and the other Group companies had the last four years open for inspection by the tax authorities for the taxes applicable to them, provided that the statute-of-limitations period is not tolled by the commencement of a tax inspection.

In this regard, in 2013 tax assessments resulting from tax audits initiated in prior years were issued against several companies of the tax group, the parent of which is Comeresa Prensa, S.L.U. These tax assessments totalled EUR 5,062 thousand for the Group, the detail being as follows: EUR 3,794 thousand of deficiency, EUR 1,130 thousand late payment interest and a EUR 138 thousand penalty.

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The total impact on the consolidated income statement for 2013 was EUR 1,645 thousand. In 2013 a total of EUR 1,418 thousand was paid in this connection, with EUR 2,197 thousand, relating to the assessments against which appeals were filed at the Central Economic-Administrative Tribunal, yet to be paid (See Note 18).

In 2014 tax audits were performed at various companies in the tax group the parent of which is Comeresa Prensa, S.L.U., in relation to income tax for 2008 which concluded with an assessment of a total tax debt of EUR 1,701 thousand, of which only EUR 312 thousand is considered a cost for the Group.

Also, income tax audits for 2009 are being carried out at several companies of the tax group headed by Comeresa Prensa, S.L.U. at 2014 year-end. In the opinion of the Group's directors such audits are not expected to give rise to assessments of significant amounts.

Lastly, certain Group companies are involved in an appeal for judicial review in which a favourable decision has been handed down in relation to a tax credit of 45% for certain investments made in prior years after the regional tax authorities were requested to reverse the proceedings. The judgment was subject to a cassation appeal brought to the Supreme Court by the Bizkaia tax authorities. For the same reason, certain Group companies are involved in an appeal for judicial review at the High Court of Justice of the Basque Country.

Due to the different interpretations afforded to the tax legislation applicable to the transactions carried out by the Group, there may be contingent tax liabilities that cannot be objectively quantified. However, the Group's directors consider that the likelihood of such contingent liabilities arising is remote and, in any case, the tax liability that might arise would not have a material effect on the consolidated financial statements.

24. Tax matters

The breakdown of “Tax Receivables” and “Tax Payables” on the asset and liability sides, respectively, of the accompanying consolidated balance sheets as at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Current assets – Tax receivables-		
Income tax refundable	8,164	6,553
VAT refundable	1,268	1,428
Tax withholdings and pre-payments	351	1,827
Sundry tax receivables	59	94
Accrued social security taxes refundable	58	45
	9,900	**9,947**
Current liabilities – Tax payables-		
VAT payable	3,333	3,317
Tax withholdings payable	7,881	9,603
Income tax payable	898	998
Other tax payables	979	1,003
Accrued social security taxes payable	2,962	3,164

	16,053	18,085

25. Business segment reporting

The main methods used to define the Group's segment reporting included in the accompanying consolidated financial statements are as follows: Segment reporting is based on the organisational units on which information is submitted to an entity's managing body and chief executive officer so that they may assess the unit's past performance and take decisions on the future allocations of resources.

Information is presented on the main segments and the “Structure" and "Other” columns include the data relating to segments which are not broken down individually because they are not considered material, together with adjustments and eliminations on consolidation.

As a result, complete information is provided on the following business segments:

- Newspapers: basically the sale of regional daily newspapers, the ABC daily newspaper and its supplements and magazines, sales of advertising and content, mainly of the various digital press portals, and revenue from printing and distributing press.

- Audiovisual: this encompasses television (national, regional and local DTT), radio and content producers.

- Classified advertisements: sales of advertising and content, mainly of the various classified advertising portals.

- Other businesses: revenue from B2B and other businesses.

The methods used by the Group to obtain the segment-based financial statements were as follows:

- In general, any assets, liabilities, expenses and income corresponding exclusively or directly to each of the aforementioned business segments were allocated thereto.

- Assets for general use are presented in the “Structure" and "Other” columns and are not distributed among segments. However, any costs and income associated with such assets are allocated to segments.

As at 31 December 2014, no discontinued operations, defined as the separation from the Group (either through a sale, spin-off, liquidation or similar operation) of an operating line of business or geographical area, had taken place. Similarly, management does not have any intention to perform any such operation in the near future. The Group does not disclose any information on geographical segments since substantially all the consolidated companies' sales are made in Spain. In addition, the directors do not use geographical segmentation as a management strategy within Spain.

The Group does not disclose any information relating to customers since no one individual customer represents more than 10% of revenue.

The detail of the disclosures, by segment, of the Group's business for 2014 and 2013, based on the above-defined criteria above, is presented below:

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BUSINESS SEGMENTS IN 2014
(Thousands of euros)

	NEWSPAPERS	AUDIOVISUAL	CLASSIFIED	OTHER BUSINESSES	STRUCTURE	OTHER	TOTAL
REVENUE							
External sales	**411.290**	**56.911**	**12.275**	**12.246**	**2.119**	**-**	**494.841**
Sale of copies	205.202	-	-	-	-	-	205.202
Advertising sales	145.136	3.393	11.395	52	(2.051)	-	157.925
Other revenue	60.952	53.518	880	12.194	4.170	-	131.714
Inter-segment sales	**5.186**	**785**	**131**	**471**	**34.031**	**(40.604)**	**-**
Sale of copies	-	-	-	-	-	-	-
Advertising sales	(1.967)	(10)	-	-	1.968	9	-
Other revenue	7.153	795	131	471	32.063	(40.613)	-
Total sales	**416.476**	**57.696**	**12.406**	**12.717**	**36.150**	**(40.604)**	**494.841**
EXPENSES							
Procurements	81.104	3	65	4.878	327	(377)	86.000
Staff costs	120.981	6.319	7.268	3.775	26.212	(95)	164.460
Depreciation and amortisation charge	15.787	5.553	953	865	723	-	23.881
Change in operating allowances and other	1.293	1.309	219	7	(12)	19	2.835
Outside services	175.793	39.285	5.733	1.393	21.942	(40.151)	203.995
Profit (Loss) from operations before impairment losses and gains or losses on disposal of non-current assets	21.518	5.227	(1.832)	1.799	(13.042)	-	13.670
Impairment and gains or losses on disposal of property, plant and equipment and intangible assets	(325)	34	-	-	-	-	(291)
Segment profit/loss	**21.193**	**5.261**	**(1.832)**	**1.799**	**(13.042)**	**-**	**13.379**
Results of investees	183	(4)	(2.383)	-	(247)	-	(2.451)
Finance income	12.836	959	21	105	19.818	(27.060)	6.679
Finance costs	(4.055)	(1.703)	(462)	(3)	(16.010)	11.770	(10.463)
Write-down of goodwill	(6.000)	(9.000)	-	-	-	-	(15.000)
Other impairment losses on financial instruments	(5.586)	62	-	-	(52.093)	52.257	(5.360)
Gains or losses on disposal of financial instruments	-	62	-	-	7.415	-	7.477
Profit before tax	**18.571**	**(4.363)**	**(4.656)**	**1.901**	**(54.159)**	**36.967**	**(5.739)**
Income tax	(23.547)	3.175	(1.194)	(532)	8.486	-	(13.612)
Profit (Loss) after tax in assets held for sale and discontinued operations							-
Profit (Loss) attributable to non-controlling interests	(3.248)	588	77	(281)	(82)	(48)	(2.994)
Profit (Loss) attributable to the Parent	**(8.224)**	**(600)**	**(5.773)**	**1.088**	**(45.755)**	**36.919**	**(22.345)**
OTHER INFORMATION							
Depreciation and amortisation charge and expenses other than depreciation and amortisation not involving an outflow of cash	17.080	6.862	1.171	873	711	19	26.716
Costs incurred in the year in the acquisition of property, plant and equipment and other intangible assets	5.378	393	278	637	267	-	6.953
ASSETS							
Investments accounted for using the equity method	8.105	-	228	-	(237)	-	8.096
Current financial assets	1.160	839	2	-	4.514	(5.311)	1.204
Deferred tax assets:	57.381	23.543	6.925	-	100.503	-	188.352
Other assets	534.318	134.742	13.558	641	631.958	(850.110)	465.107
Total consolidated assets	**600.964**	**159.124**	**20.713**	**641**	**736.738**	**(855.421)**	**662.759**
LIABILITIES							
Bank borrowings and other financial liabilities	154.171	28.628	8.023	-	318.948	(363.363)	146.407
Deferred tax liabilities	8.210	16.543	-	-	7.264	-	32.017
Other liabilities and equity	433.583	108.953	12.690	641	410.526	(492.058)	474.335
Total consolidated liabilities and equity	**595.964**	**154.124**	**20.713**	**641**	**736.738**	**(855.421)**	**652.759**

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BUSINESS SEGMENTS IN 2013
(Thousands of euros)

	NEWSPAPERS	AUDIOVISUAL	CLASSIFIED	OTHER BUSINESSES	STRUCTURE	OTHER	TOTAL
REVENUE							
External sales	**422.669**	**77.419**	**13.163**	**13.916**	**2.590**	**-**	**529.757**
Sale of copies	214.506	-	-	-	-	-	214.506
Advertising sales	144.268	3.485	10.381	203	(1.867)	-	156.470
Other revenue	63.895	73.934	2.782	13.713	4.457	-	158.781
Inter-segment sales	**5.913**	**590**	**168**	**1.034**	**33.980**	**(41.685)**	**-**
Sale of copies	149	-	-	-	-	(149)	-
Advertising sales	(2.118)	18	3	-	1.818	279	-
Other revenue	7.882	572	165	1.034	32.162	(41.815)	-
Total sales	**428.582**	**78.009**	**13.331**	**14.950**	**36.570**	**(41.685)**	**529.757**
EXPENSES							
Procurements	85.292	3	222	5.329	922	(919)	90.849
Staff costs	117.680	7.828	7.967	4.338	23.486	(68)	161.231
Depreciation and amortisation charge	17.894	7.896	1.347	1.200	795	1	29.133
Change in operating allowances and other	2.353	6.576	216	27	52	102	9.326
Outside services	183.202	58.618	6.158	1.801	23.017	(40.801)	231.995
Profit (Loss) from operations before impairment losses and gains or losses on disposal of non-current assets	22.161	(2.912)	(2.579)	2.255	(11.702)	-	7.223
Impairment of and gains or losses on disposal of property, plant and equipment and intangible assets	(133)	(2.546)	1.253	172	(2)	-	(1.256)
Segment profit/loss	**22.028**	**(5.458)**	**(1.326)**	**2.427**	**(11.704)**	**-**	**5.967**
Results of investees	271	(12)	(192)	-	-	-	67
Finance income	6.004	1.026	(34)	93	29.791	(36.161)	719
Finance costs	(4.908)	(2.420)	(371)	(7)	(11.414)	8.454	(10.666)
Write-down of goodwill	-	(2.500)	(3.300)	-	-	-	(5.800)
Other impairment losses on financial instruments	(6)	-	-	-	(70.165)	70.160	(11)
Gains or losses on disposal of financial instruments	(18)	350	-	-	-	-	332
Profit before tax	**23.371**	**(9.014)**	**(5.223)**	**2.513**	**(63.492)**	**42.453**	**(9.392)**
Income tax	(10.838)	2.191	1.572	(730)	5.617	-	(2.188)
Profit (Loss) after tax in assets held for sale and discontinued operations	-	-	-	-	-	-	-
Profit (Loss) attributable to non-controlling interests	(3.583)	821	(407)	(359)	(22)	(5)	(3.555)
Profit (Loss) attributable to the Parent	**8.950**	**(6.002)**	**(4.058)**	**1.424**	**(57.897)**	**42.448**	**(15.135)**
OTHER INFORMATION							
Depreciation and amortisation charge and expenses other than depreciation and amortisation not involving an outflow of cash	20.247	14.472	1.563	1.227	847	103	38.459
Costs incurred in the year in the acquisition of property, plant and equipment and other intangible	4.835	1.553	453	423	363	-	7.627
ASSETS							
Investments accounted for using the equity method	8.056	9	2.611	-	-	-	10.676
Current financial assets	3.628	4.102	512	3.834	2.306	(11.352)	3.030
Deferred tax assets:	64.022	19.667	8.269	742	110.976	-	203.676
Other assets	561.403	153.717	16.740	7.262	400.574	(616.088)	523.608
Total consolidated assets	**637.109**	**177.495**	**28.132**	**11.838**	**513.856**	**(627.440)**	**740.990**
LIABILITIES							
Bank borrowings and other financial liabilities	153.655	37.146	8.093	-	278.582	(293.062)	184.414
Deferred tax liabilities	9.762	19.583	-	515	8.054	1	37.915
Other liabilities and equity	473.692	120.766	20.039	11.323	227.220	(334.379)	518.661
Total consolidated liabilities and equity	**637.109**	**177.495**	**28.132**	**11.838**	**513.856**	**(627.440)**	**740.990**

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26. Revenue

The detail of "Revenue" in the accompanying consolidated statements of profit or loss for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Circulation sales	205,202	214,506
Advertising sales	157,925	156,470
Direct revenue from promotions	15,162	19,860
Revenue from deliveries	4,667	4,746
Other audiovisual-segment revenue	53,518	73,933
Other revenue	57,860	59,493
	494,334	**529,008**

The Group's revenue is generated mainly in the domestic geographical market; foreign market revenue is not material.

27. Procurements

The detail of "Procurements" in the accompanying consolidated statements of profit or loss for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Paper	33,186	33,803
Raw materials	5,437	5,669
Newspaper purchases	31,035	33,106
Other materials consumed	16,342	18,271
	86,000	**90,849**

28. Staff costs

The detail of "Staff Costs" in 2014 and 2013 is as follows:

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	Thousands of euros	
	2014	2013
Wages and salaries	124,738	126,875
Employer social security costs	30,405	30,916
Termination benefit costs (Notes 19 and 22)	6,520	596
Other employee benefit costs	1,937	2,014
Contributions to executive incentive plans (Notes 4-p and 18)	150	-
Contributions to pension plans and similar obligations (Notes 4-j and 18)	710	830
	164,460	**161,231**

The average number of employees at the Group, by professional category, in 2014 and 2013 was as follows:

	Average number of employees			
	2014		2013	
	Group companies	Jointly-controlled entities	Group companies	Jointly-controlled entities
Chief Executive Officer	1	-	1	-
Senior executives	9	-	9	-
Executives	187	1	182	2
Middle management	442	4	443	3
Other employees	2,181	13	2,250	24
Total	**2,820**	**18**	**2,885**	**29**

The detail, by gender, of the employees as at 31 December 2014 and 2013 is as follows:

	Number of persons			
	31/12/14		31/12/13	
	Men	Women	Men	Women
Chief Executive Officer	1	-	1	-
Senior executives	8	1	8	1
Executives	134	49	134	44
Middle management	286	149	308	133
Other employees	1,172	935	1,286	936
Total	**1,601**	**1,134**	**1,737**	**1,114**

As at 31 December 2014, the number of independent directors was 11, 1 of whom was a woman and 10 of whom were men.

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At the date of preparing these financial statements, the Board of Directors is composed of eleven directors.

The average number of employees at the Group with a level of disability of 33% or above, by professional category, in 2014 and 2013 was as follows:

	Average number of employees			
	2014		2013	
	Group companies	Jointly-controlled entities	Group companies	Jointly-controlled entities
Directors	-	-	-	-
Senior executives	-	-	-	-
Executives	1	-	1	-
Middle management	1	-	2	-
Other employees	15	-	14	-
Total	**17**	-	**17**	-

29. Outside services

The detail of "Outside Services" in the accompanying consolidated statements of profit or loss for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Editorial services and artistic media	40,632	48,408
Sales	46,647	56,314
Administrative services	19,118	19,449
Print shop and technical media	29,348	29,693
Distribution	55,178	62,937
Sundry	13,072	15,194
	203,995	**231,995**

Recognised mainly under "Sundry" in the table above, the expenses for operating leases in 2014 amounted to EUR 2,150 thousand (2013: EUR 2,975 thousand). These expenses relate mainly to commercial premises leased by Group companies, for which the related leases have been entered into with the lessors. These leases are automatically renewed for one-year periods up to a maximum of four years from the commencement date. The Parent's directors consider that, based on the terms and conditions of the leases entered into, with regard to the duration or the possibilities of renewal thereof, it will be possible to recover the net investments as at 31 December 2014 made in the facilities during their remaining useful life.

At 2014 and 2013 year-end, the minimum lease payments which the Group had arranged with lessors in accordance with the leases currently in force are not material.

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30. Finance income

The detail of “Finance Income” in the accompanying consolidated statements of profit or loss for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Income from equity investments	6,285	62
Other interest and similar income	316	456
Exchange gains	78	201
Total	**6,679**	**719**

"Income from Equity Investments" includes EUR 6,061 thousand from dividends received from Val Telecomunicaciones, S.L. (see Note 13-a).

"Other Interest and Similar Income" includes basically the finance income from deposits (see Note 16) held by the Group companies during the year.

31. Finance costs

The detail of "Finance Costs" in the accompanying consolidated statements of profit or loss for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Finance costs relating to past-service employee benefits payable (Note 22)	24	24
Interest on bank borrowings (Note 20)	8,459	7,628
Gain on financial derivatives (Note 21)	300	245
Other finance costs	1,680	2,769
Total	**10,463**	**10,666**

32. Acquisition of subsidiaries

In 2014 the Group acquired control of the company "Desde León al Mundo, S.L.", the core business of which is the operation of the local press website www.leonoticias.com (see Note 2-d). The carrying amounts of the assets and liabilities acquired in this business combination, which were not material, coincide with their fair values.

The Group did not acquire any new businesses in 2013.

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33. Earnings per share

The reconciliation as at 31 December 2014 and 2013 of the number of ordinary shares used in the calculation of earnings per share is as follows:

	2014	2013
Number of shares (Note 17)	124,970,306	124,970,306
Average number of treasury shares (Note 17)	(3,866,006)	(3,866,101)
Total	**121,104,300**	**121,104,205**

The basic earnings per share from continuing operations in 2014 and 2013 are as follows:

	2014	2013
Net loss for the year attributable to the Parent (thousands of euros)	(22,345)	(15,135)
Number of shares (thousands of shares)	121,104	121,104
Basic loss per share (euros)	**(0.185)**	**(0.125)**

The basic earnings per share from discontinued operations in 2014 and 2013 are as follows:

	2014	2013
Net profit/(loss) (thousands of euros)	-	-
Number of shares (thousands of shares)	121,104	121,104
Basic earnings / (loss) per share (euros)	-	-

As at 31 December 2014 and 2013, basic earnings per share coincided with diluted earnings per share since the terms and conditions established in the executive incentive plan were not complied with at year-end (see Note 18). Also, as at 31 December 2014 and 2013, Vocento, S.A., the Parent of the Group, had not issued any financial instruments or other items, other than those discussed in Note 18, which entitle the holder to receive ordinary shares of the Company.

34. Balances and transactions with other related parties

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet as at 31 December 2014, and of the transactions (in addition to the dividends received – see Note 11) performed with such companies in 2014 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

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	Thousands of euros						
	Balances			Transactions			
				Income		Expenses	
	Receivable - non-current	Receivable (Note 15)	Payable (Note 19)	Operating	Finance	Operating	Finance
Cipress, S.L.	-	290	92	6,156	-	792	-
Distribuidores Papiro, S.L.	-	775	112	7,406	-	1,383	-
Distrimedios, S.L.	-	1,141	467	14,640	-	4,740	-
Val Disme, S.L.	-	1,340	300	13,712	-	2,985	-
11870 Información en General, S.L.	-	31	21	-	-	1	-
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.	270	283	20	539	-	-	-
Roi Media, S.L.	110	5	-	12	6	160	-
TOTAL	**380**	**3,865**	**1,012**	**42,465**	**6**	**10,061**	-

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet as at 31 December 2013, and of the transactions (in addition to the dividends received – see Note 11) performed with such companies in 2013 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

	Balances		Transactions			
			Income		Expenses	
	Receivable	Payable	Operating	Finance	Operating	Finance
Cipress, S.L.	516	123	6,409	-	770	-
Sector MD, S.L.	22	170	109	-	857	-
Distribuidores Papiro, S.L.	775	114	7,776	-	1,389	-
Distrimedios, S.L.	741	113	15,771	-	4,677	-
Val Disme, S.L.	1,450	273	15,732	-	2,977	-
Grupo Videomedia, S.A.	-	-	8	-	-	-
11870 Información en General, S.L.	22	20	3	-	3	-
TOTAL	**3,526**	**813**	**45,808**	-	**10,673**	-

The principal balances and transactions with companies accounted for using the equity method relate to the sale and distribution of copies of newspapers and supplements performed under normal market conditions. Since the aforementioned balances are trade balances, they are not interest-bearing and, in general, they will be paid at short term. As at 31 December 2014 and 2013, the Group companies had not granted any credit facilities or loans to related parties.

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35. Remuneration of directors

In 2014 and 2013 the consolidated companies paid the following remuneration to the Group's Board members:

	Thousands of euros	
	2014	2013
Fixed and variable remuneration	1,078	625
Board and committee meeting attendance fees	720	752
Profit-sharing payment	-	-
Contributions to pension plans, life insurance and other	5	5
Total	**1,803**	**1,382**

No advances, loans, credit facilities or guarantees were granted to the directors in 2014 or 2013. The life insurance payments made in 2014 in relation to the policies whose coverage affects directors amounted to EUR 5 thousand both in 2013 and 2013. In 2014 and 2013 no contributions were made to pension plans for Board members.

The detail, by Board member, of the remuneration of the directors in 2014 and 2013 is as follows:

REMUNERATION OF DIRECTORS
(Thousands of euros)

2014	Attendance fees – Vocento, S.A. – Board of Direct.	Attendance fees – Vocento, S.A. – Committees	Attendance fees – Subsidiaries	Profit-sharing payment – Vocento, S.A.	Profit-sharing payment – Subsidiaries	Contributions to pension plans, life insurance and other – Vocento, S.A.	Contributions to pension plans, life insurance and other – Subsidiaries	Other remuneration – Vocento, S.A.	Other remuneration of directors – Subsidiaries	Remuneration of directors for senior executive functions – Fixed – Vocento, S.A.	Remuneration of directors for senior executive functions – Variable – Vocento, S.A.	TOTAL
DIRECTORS AS AT 31 DECEMBER 2014												
Mezouna (Santiago de Ybarra y Churruca)	28	16	-	-	-	-	-	-	-	-	-	**44**
Valjarafe, S.L. (Soledad Luca de Tena García Conde)	28	60	-	-	-	-	-	-	-	-	-	**88**
Energay de Inversiones, S.L.. (Enrique Ybarra Ybarra)	40	44	-	-	-	-	-	40	-	-	-	**124**
Onchena, S.L. (Alvaro Ybarra Zubiría)	28	28	-	-	-	-	-	-	-	-	-	**56**
Casgo, S.A. (Jaime Castellanos Borrego)	28	-	-	-	-	-	-	-	-	-	-	**28**
Miguel Antoñanzas Alvear	28	64	-	-	-	-	-	-	-	-	-	**92**
Fernando Azaola Arteche	28	16	-	-	-	-	-	-	-	-	-	**44**
Rodrigo Echenique Gordillo	36	60	-	-	-	-	-	81	-	-	-	**177**
Lima, S.L. (Juan Ramón Urrutia Ybarra)	28	44	-	-	-	-	-	-	-	-	-	**72**
Gonzalo Soto Aguirre	28	44	-	-	-	-	-	-	-	-	-	**72**
Santiago Bergareche Busquet	28	16	-	-	-	-	-	-	-	-	-	**44**
Luis Enríquez Nistal	-	-	-	-	-	5	-	-	-	510	447	**962**
Total directors as at 31 December 2014	**328**	**392**	**-**	**-**	**-**	**5**	**-**	**121**	**-**	**510**	**447**	**1.803**
TOTAL REMUNERATION OF DIRECTORS	**328**	**392**	**-**	**-**	**-**	**5**	**-**	**121**	**-**	**510**	**447**	**1.803**

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REMUNERATION OF DIRECTORS
(Thousands of euros)

2013	Attendance fees – Vocento, S.A. – Board of Direct.	Attendance fees – Vocento, S.A. – Committees	Attendance fees – Subsidiaries	Profit-sharing payment – Vocento, S.A.	Profit-sharing payment – Subsidiaries	Contributions to pension plans, life insurance and other – Vocento, S.A.	Contributions to pension plans, life insurance and other – Subsidiaries	Other remuneration – Vocento, S.A.	Other remuneration of directors – Subsidiaries	Remuneration of directors for senior executive functions – Fixed – Vocento, S.A.	Remuneration of directors for senior executive functions – Variable – Vocento, S.A.	TOTAL
DIRECTORS AS AT 31 December 2013												
Mezouna (Santiago de Ybarra y Churruca)	28	24	-	-	-	-	-	-	-	-	-	**52**
Valjarafe, S.L. (Soledad Luca de Tena García Conde)	28	56	-	-	-	-	-	-	-	-	-	**84**
Energay de Inversiones, S.L.. (Enrique Ybarra Ybarra)	56	64	-	-	-	-	-	120	-	-	-	**240**
Onchena, S.L. (Alvaro Ybarra Zubiría)	28	32	-	-	-	-	-	-	-	-	-	**60**
Casgo, S.A. (Jaime Castellanos Borrego)	24	-	-	-	-	-	-	-	-	-	-	**24**
Miguel Antoñanzas Alvear	24	56	-	-	-	-	-	-	-	-	-	**80**
Fernando Azaola Arteche	28	24	-	-	-	-	-	-	-	-	-	**52**
Rodrigo Echenique Gordillo	20	52	-	-	-	-	-	-	-	-	-	**72**
Lima, S.L. (Juan Ramón Urrutia Ybarra)	28	48	-	-	-	-	-	-	-	-	-	**76**
Gonzalo Soto Aguirre	28	48	-	-	-	-	-	-	-	-	-	**76**
Santiago Bergareche Busquet	-	4	-	-	-	-	-	-	-	-	-	**4**
Luis Enríquez Nistal	-	-	-	-	-	5	-	-	-	505	-	**510**
Total directors as at 31 December 2013	**292**	**408**	**-**	**-**	**-**	**5**	**-**	**120**	**-**	**505**	**-**	**1.330**
DIRECTORS REMOVED DURING THE YEAR												
Bycomels Prensa, S.L. (Santiago Bergareche Busquet)	24	28	-	-	-	-	-	-	-	-	-	**52**
Total directors removed during the year	**24**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**52**
TOTAL REMUNERATION OF DIRECTORS	**316**	**436**	**-**	**-**	**-**	**5**	**-**	**120**	**-**	**505**	**-**	**1.382**

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36. Remuneration of senior executives

The number of general managers and deputy general managers making up the Parent's Management Committee at 2014 and 2013 year-end was twelve, excluding those who are also members of the Board of Directors.

The staff costs (cash remuneration, remuneration in kind, social security, etc.) relating to the general managers and deputy general managers making up the Parent's Management Committee amounted to EUR 2,217 thousand in 2014 (2013: EUR 2,337 thousand). In addition, indemnity payments to senior executives amounted to EUR 167 thousand, whereas in 2013 no amount was recorded in this connection.

Senior management contracts include a clause establishing the termination benefit to be paid in the event of unjustified dismissal, which ranges from the amount set in employment law to up to two years' gross annual salary. The contracts of lower level executives only exceptionally include clauses of this type and provide for a termination benefit of one year's gross salary.

37. Other disclosures concerning the Board of Directors

In accordance with corporate and commercial law in force, at the end of 2014 neither the members of the Board of Directors of the Parent nor the persons related to them as defined in the Spanish Limited Liability Companies Law had notified the other members of the Board of Directors of any direct or indirect conflict of interest they might have with respect to the Parent, except for those described below:

Detail of investments and activities performed by the directors and related parties, as independent professionals or as employees, in companies engaging in similar activities-

Significant ownership interests of the members of the Board of Directors of the Parent in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of both the Parent and the Group, of which the Parent was notified, indicating the positions or functions discharged thereat:

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Directors:

Owner	Investee	Line of business	Percentage of ownership interest	Functions
Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.21%	-
Gonzalo Soto Aguirre	Media Smart Mobile, S.L.	Advertising	0.34%	Director
Santiago Bergareche Busquet	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.2042%	-

Related parties:

Related parties	Relationship with director	Investee	Percentage of ownership interest	Functions
Jorge Bergareche Busquet	Santiago Bergareche Busquet's brother	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
José María Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2780%	Deputy Chairman
Eduardo Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2042%	Director
Juan Luis Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2780%	-
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.6084%	Chairman
		Diario ABC, S.L.	0.0002%	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's brother	Sociedad Vascongada de Publicaciones, S.A.	0.64%	-
Alvaro Ybarra Zubiría	Representative of Onchena, S.L.	Mediaset	0.00499%	-
		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Mariano Angel Ybarra Zubiria	Alvaro Ybarra Zubiría' brother (representative of Onchena, S.L.)	Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Luis Maria Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	Director
Maria Dolores Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Flora Ybarra Zubiria		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Soledad Luca de Tena García-Conde	Representative and joint director of Valjarafe, S.L.	Diario ABC, S.L.	0.0002%	Deputy Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.0841%	-
		Estudios de Política Exterior, S.A.	5.93%	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sister	Diario ABC, S.L.	0.0002%	Chairwoman
		Sociedad Vascongada de Publicaciones, S.A.	0.1076%	-
		Ediciones Luca de Tena, S.L.	95%	Sole director

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Detail of activities performed by the directors and related parties, as independent professionals or as employees, in companies engaging in similar activities-

Also, set forth below are the activities additional to those stated in the foregoing table performed by the directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the Parent's object:

Directors:

Name	Activity performed	Type of arrangement	Company through which the activity is performed	Positions or functions at the company concerned
Luis Enriquez Nistal				
Diario ABC, S.L.	Newspaper publishing	Independent professional	-	Director
Sociedad Gestora de Televisión NET TV, S.A.	Television	Independent professional	-	Chairman
Diario El Correo, S.A.U.	Newspaper publishing	Independent professional	-	Director
Federico Domenech, S.A.	Newspaper publishing	Independent professional	-	Director
Comeresa Prensa, S.L.U.	Holding company	Independent professional	-	Joint director
Corporación de Nuevos Medios Digitales, S.L.U.	Holding company	Independent professional	-	Joint director
Corporación de Medios de Comunicación, S.L.U.	Holding company	Independent professional	-	Joint director
Comeresa Pais Vasco, S.L.U.	Holding company	Independent professional	-	Joint director
Radio Publi, S.L.	Radio	Independent professional	-	Chairman and CEO

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Related parties:

Related parties	Relationship with director	Company in which the positions or functions are exercised	Positions or functions at the company concerned
Enrique de Ybarra	Representative of Energay de Inversiones, S.L.	Diario El Correo, S.A.	Director
		Sociedad Vascongada de Publicaciones, S.A.	Director
		Editorial Cantabria, S.A.	Director
		Diario ABC. S.L.	Director
Víctor Urrutia Ybarra	Brother of the representative of Lima, S.L.	Nueva Rioja, S.A.	Director
Juan Urrutia Ybarra	Representative of Lima, S.L.	Diario El Correo, S.A.U.	Director
Jorge Bergareche Busquet	Santiago Bergareche Busquet's brother	Diario El Correo, S.A.U.	Director
		Corporación de Medios de Andalucía, S.A.	Director
José María Bergareche Busquet		Diario El Correo, S.A.U.	Director
Santiago de Ybarra y Churruca	Representative of Mezouna, S.L.	Diario El Correo, S.A.U.	Chairman
		El Norte de Castilla, S.A.	Director
Emilio de Ybarra y Churruca	Santiago de Ybarra y Churruca's brother	Diario El Correo, S.A.U.	Director
		Estudios de Política Exterior, S.A.	Director
Soledad Luca de Tena García-Conde	Representative and joint director of Valjarafe, S.L.	Radio Publi, S.L.	Director
		Diario El Correo, S.A.U.	Director
		Federico Doménech, S.A.	Director
Catalina Luca de Tena García-Conde	Soledad Luca de Tena García-Conde's sister	ABC Sevilla, S.L.U.	Joint director

38. Guarantee commitments to third parties

As at 31 December 2014 and 2013, the detail of the main guarantees provided by the Group, by type, is as follows:

	Thousands of euros	
	2014	2013
Operation of public digital terrestrial radio broadcasting service (Notes 3 and 18)	184	255
Operation of digital television service and obligations acquired	1,202	1,074
Other	9,794	11,336
Total	**11,180**	**12,665**

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In addition, and under the syndicated financing agreement entered into on 21 February 2014, the Group has provided the guarantees described in Note 20.

The Parent's directors consider that any liabilities additional to the provisions recognised as at 31 December 2014 for such purpose which might arise as a result of the guarantees received would not be material.

39. Fees paid to auditors

The fees for the services provided to the various companies composing the Group by the principal auditor, by other entities related to it and by other auditors in 2014 and 2013 were as follows:

	Thousands of euros	
	2014	2013
Audit services (*)	622	628
Other assurance services provided by the auditor	232	242
Total audit and related services	**854**	**870**
Other services provided by the auditor (**)	271	238
Other services provided by entities related to the auditor	-	-
Total	**1,125**	**1,108**

(*) This amount includes EUR 40 thousand in connection with auditing expenses for 2014 that were rebilled by Deloitte, S.L.

(**) This amount includes EUR 246 thousand in connection with expenses rebilled by Deloitte, S.L. in 2014 to Diario ABC, S.L. for the organisation of events.

40. Authorisation for issue of the consolidated financial statements

The consolidated financial statements for 2014 were authorised for issue by the directors of Vocento, S.A. on 25 February 2015.

41. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2-a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

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APPENDIX

Page 1

SUBSIDIARIES OF THE GROUP OF COMPANIES OF WHICH VOCENTO, S.A. IS THE PARENT

Company							Location/ Registered Office	Line of business	Percentage of Ownership			Thousands of euros						
													Reserves and other	Profit (Loss) for the year (1)			Other equity	Interim
	(2)	(3)	(4)	(5)	(6)	(7)			Direct	Indirect	Control	Paid-in capital	equity items	Profit (Loss) from	Profit (Loss) before tax from	Profit/Loss for the year	items	dividend
GROUP:																		
Newspapers																		
Diario El Correo, S.A.U.	✓		✓		✓		Bilbao	Daily press, local press website and online press edition	-	100,00%	100,00%	8.000	39.684	13.039	15.003	10.712	-	(8.687)
Sociedad Vascongada de Publicaciones, S.A.	✓		✓			✓	San Sebastián	Daily press, local press website and online press edition	-	75,81%	75,81%	4.799	38.055	10.147	11.823	8.480	-	(6.015)
Editorial Cantabria, S.A.				✓		✓	Santander	Daily press, local press website and online press edition	-	90,70%	90,70%	2.308	4.823	2.669	2.728	1.876	-	-
Nueva Rioja, S.A.						✓	Logroño	Daily press, local press website and online press edition	-	58,98%	58,98%	1.000	5.955	-	256	163	-	-
La Verdad Multimedia, S.A.				✓		✓	Murcia	Daily press, local press website and online press edition	-	97,88%	97,88%	3.333	10.220	(936)	(791)	(639)	-	-
Corporación de Medios de Andalucía, S.A.				✓		✓	Granada	Daily press, local press website and online press edition	-	98,74%	98,74%	3.333	11.254	638	990	517	-	-
Corporación de Medios de Extremadura, S.A.				✓	✓		Badajoz	Daily press	-	97,96%	97,96%	408	(619)	(835)	(1.025)	(1.047)	-	-
Prensa Malagueña, S.A.				✓		✓	Málaga	Daily press	-	88,11%	88,11%	4.950	15.621	(1.026)	(593)	(529)	-	-
El Norte de Castilla, S.A.				✓		✓	Valladolid	Daily press, local press website and online press edition	-	77,60%	77,60%	2.168	14.477	607	1.116	763	-	-
El Comercio, S.A.						✓	Gijón	Daily press, local press website and online press edition	-	51,46%	51,46%	105	6.780	(126)	(133)	(176)	-	-
Corporación de Medios de Cádiz, S.L.U.				✓	✓		Cádiz	Daily press, local press website and online press edition	-	100,00%	100,00%	650	1.284	(588)	(649)	(907)	-	-
Federico Domenech, S.A.				✓	✓		Valencia	Daily press, local press website and online press edition	-	78,26%	78,26%	458	17.375	(423)	3.170	2.822	-	-
Diario ABC, S.L.				✓	✓		Madrid	Daily press, local press website and online press edition	-	99,99%	99,99%	6.276	2.278	(5.833)	(7.106)	(28.851)	-	-
ABC Sevilla, S.L.U.				✓	✓		Seville	Publishing house	-	99,99%	100,00%	600	3.300	200	(1.932)	(4.216)	-	-
Ediciones Digitales Hoy, S.L.U.				✓	✓		Badajoz	Local press website and online press edition	-	97,96%	100,00%	100	59	(16)	(16)	(17)	-	-
Bilbao Editorial Producciones, S.L.U.	✓		✓		✓		Bizkaia	Graphic arts	-	100,00%	100,00%	12.000	10.415	(398)	(372)	(272)	-	-
Sociedad Vascongada de Producciones, S.L.U.	✓		✓		✓		San Sebastián	Graphic arts	-	100,00%	100,00%	3.000	4.861	241	354	254	-	-
Printolid, S.L.U.					✓		Valladolid	Graphic arts	-	100,00%	100,00%	3.009	6.989	(60)	(157)	(124)	(104)	-
Guadalprint Impresión, S.L.							Málaga	Graphic arts	-	65,00%	65,00%	1.500	(264)	(19)	(180)	(180)	-	-
Localprint, S.L.						✓	Alicante	Graphic arts	-	50,00%	50,00%	10.000	1.700	208	36	120	-	-
Rotomadrid, S.L.						✓	Madrid	Graphic arts	-	61,23%	61,23%	1.000	20.321	2.203	2.055	1.365	-	-
Andaluprint, S.L.U.				✓	✓		Seville	Graphic arts	-	99,99%	100,00%	411	4.519	(728)	(726)	(703)	-	-
Beralan, S.L.	✓					✓	Gipuzkoa	Distribution	-	50,49%	50,49%	218	2.899	544	819	590	-	-
Banatu, S.L.	✓						Gipuzkoa	Distribution	-	50,49%	99,99%	5	1.133	61	68	49	-	-
CM Norte, S.L.U.	✓		✓		✓		Bilbao	Advertising	-	100,00%	100,00%	88	(74)	26	68	51	-	-
CM Gipuzkoa, S.L.U.	✓		✓				San Sebastián	Advertising	-	75,81%	100,00%	100	161	3	1	-	-	-
Comercializadora Multimedia de Cantabria, S.L.				✓			Santander	Advertising	-	90,70%	100,00%	60	(1)	16	17	(4)	-	-
Rioja Medios, Compra de Medios de Publicidad, S.A.U.							Logroño	Advertising	-	58,98%	100,00%	61	44	33	34	22	-	-
Comercializadora de Medios Andalucía, S.L.U.				✓			Granada	Advertising	-	98,74%	100,00%	300	127	35	45	29	-	-
CM Extremadura Publicidad Multimedia, S.L.U.				✓	✓		Badajoz	Advertising	-	97,96%	100,00%	150	8	-	-	(22)	-	-
Corporación de Medios del Sur, S.L.				✓			Málaga	Advertising	-	88,11%	100,00%	5	72	-	-	(41)	-	-
Comercializadora de Medios de Castilla y León, S.L.U.				✓			Valladolid	Advertising	-	77,60%	100,00%	60	15	-	-	(2)	-	-
Comercializadora de Medios de Asturias, S.L.							Gijón	Advertising	-	51,45%	99,99%	30	(1)	(15)	(10)	(11)	-	-
La Voz de Avilés, S.L.							Avilés	Daily press	-	43,70%	84,92%	52	(4)	(20)	(20)	(17)	-	-
Zabalik 2.000, S.L.U.	✓		✓				San Sebastián	Content exploitation and marketing	-	75,81%	100,00%	3	146	(4)	(1)	(2)	-	-
Fiesta Alegre, S.L.U.				✓	✓		Valencia	Property development and rental	-	78,26%	100,00%	8.489	1.055	(8)	199	139	-	-
El Norte de Castilla Multimedia, S.L.U.				✓			Valladolid	Holding company	-	77,60%	100,00%	1.987	(472)	(62)	(1)	(4)	-	-
Servicios Redaccionales Bilbaínos, S.L.U.	✓		✓		✓		Bilbao	Free press	-	100,00%	100,00%	550	4	51	65	47	-	-
Corporación de Medios de Alicante, S.L.				✓			Alicante	Editorial and sales support services	-	86,83%	100,00%	4	-	-	-	-	-	-
Taller de Editores, S.A.				✓		✓	Madrid	Supplement editing	-	79,39%	79,39%	1.763	10.513	1.475	1.691	926	-	-
Inversor Ediciones, S.L.							Madrid	Economic magazine publishing	-	60,26%	75,91%	96	856	154	173	120	-	-
Desde León al mundo, S.L.							León	Local press website and online press edition	-	80,00%	80,00%	23	18	48	47	33	-	-
Audiovisual																		
Teledonosti, S.L.	✓						San Sebastián	Local television	-	50,06%	66,04%	1.250	39	(30)	(3)	(7)	-	-
Rioja Televisión, S.A.							Logroño	Regional radio broadcasting and television	-	54,41%	92,26%	1.204	(508)	9	12	6	-	-
La Verdad Radio y Televisión, S.A.				✓			Murcia	Local radio broadcasting and television	-	79,50%	81,22%	1.040	(487)	81	81	(12)	-	-
Canal Cultural Badajoz, S.A.U.				✓	✓		Badajoz	Local television	-	97,96%	100,00%	67	271	9	9	12	-	-
El Comercio Televisión, Servicios Audiovisuales, S.L.							Gijón	Local television	-	51,46%	100,00%	357	2	(46)	(46)	(61)	-	-
Las Provincias Televisión, S.A.U.				✓	✓		Valencia	Local television	-	78,26%	100,00%	1.500	(438)	(61)	(36)	(52)	-	-
Sociedad Gestora de Televisión Onda 6, S.A.U.				✓	✓		Madrid	Digital television	-	100,00%	100,00%	7.710	(3.583)	98	300	300	-	-

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APPENDIX
Page 2

SUBSIDIARIES OF THE GROUP OF COMPANIES OF WHICH VOCENTO, S.A. IS THE PARENT

Company	(2)	(3)	(4)	(5)	(7)	(8)	Location/ Registered Office	Line of business	Percentage of Ownership Direct	Percentage of Ownership Indirect	Control	Thousands of euros: Paid-in capital	Reserves and other equity items	Profit (Loss) for the year (1): Profit (Loss) from	Profit (Loss) before tax from	Profit/Loss for the year	Other equity items	Interim dividend
Sociedad Gestora de Televisión NET TV, S.A.						✓	Madrid	Digital television	-	55,00%	55,00%	6.030	6.558	3.797	4.183	2.635	-	-
Avista Televisión de Andalucía, S.A.U.				✓	✓		Seville	Digital television	-	100,00%	100,00%	1.800	(1.710)	(271)	(233)	(231)	-	-
La 10 Canal de Televisión, S.L.U.				✓	✓		Madrid	Digital television	-	100,00%	100,00%	1.000	18.802	(41)	(127)	(993)	-	-
Radio Publi, S.L.				✓		✓	Madrid	National radio broadcasting	-	84,20%	84,20%	32.671	(9.897)	1.963	(8.437)	(3.660)	-	-
Onda Ramblas, S.A.U.				✓			Barcelona	National radio broadcasting	-	84,20%	100,00%	60	1.994	(169)	(99)	(218)	-	-
Radio El Correo, S.L.U.	✓	✓	✓		✓		Bilbao	Local radio broadcasting	-	100,00%	100,00%	6	6	17	11	8	-	-
Cartera de Medios, S.A.U.				✓	✓		Badajoz	Local radio broadcasting	-	97,96%	100,00%	550	(111)	43	43	14	-	-
Radio Gaditana 2005, S.L.U.				✓	✓		Cádiz	Local radio broadcasting	-	100,00%	100,00%	13	78	22	22	-	-	-
Veralia Corporación de Productoras de Cine y Televisión, S.L.					✓		Madrid	Holding company	-	69,99%	69,99%	58.282	(17.961)	(27)	(9.885)	(10.635)	-	-
Proviradio, S.L.U.				✓			Valencia	Local radio broadcasting	-	78,26%	100,00%	270	235	-	-	(1)	-	-
Radio LP, S.L.U.				✓	✓		Valencia	Local radio broadcasting	-	78,26%	100,00%	243	23	29	40	16	-	-
E-Media Punto Radio, S.A.U.				✓	✓		Madrid	Digital radio	-	100,00%	100,00%	60	33	72	72	66	-	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	✓		✓		✓		Bizkaia	Digital radio	100,00%	-	100,00%	5.560	(2.544)	(10)	146	105	-	-
Europroduzione, S.R.L.					✓		Italy	Film and TV programme production	-	69,99%	100,00%	810	(258)	495	441	349	-	-
Veralia Contenidos Audiovisuales, S.L.U.					✓		Madrid	Film and TV programme production	-	69,99%	100,00%	1.000	5.197	(1.214)	(1.378)	(1.166)	-	-
Veralia Distribución de Cine, S.A.U.					✓		Madrid	Motion picture distribution	-	69,99%	100,00%	1.082	1.251	2.781	3.009	2.094	-	-
Editorial Cantabria de Radiotelevisión, S.A.U.				✓			Santander	Radio broadcasting	-	90,70%	100,00%	650	(168)	25	25	(62)	-	-
Classified advertisements																		
Desarrollo de Clasificados, S.L.U.				✓	✓		Madrid	Holding company for classified advertisements	-	100,00%	100,00%	1.500	18.435	(530)	(2.729)	(3.850)	-	-
Infoempleo, S.L.							Madrid	Employment search services and consulting	-	51,00%	51,00%	1.269	-	(195)	(204)	(278)	-	-
Autocasión Hoy, S.A.							Madrid	Online magazine and car sales classified advertisements	-	60,00%	60,00%	77	2.102	243	249	147	-	-
Habitatsoft, S.L.U.				✓	✓		Barcelona	Property listings and classified advertisements for services	-	100,00%	100,00%	3	1.134	(1.260)	(1.345)	(1.228)	-	-
Contact Center Venta Interactiva, S.L.U.				✓	✓		Madrid	Sale of classified advertisements		100,00%	100,00%	4	296	(88)	(88)	(88)	-	-
Others																		
Factoría de Información, S.A.U.					✓		Madrid	Free press	100,00%	-	100,00%	301	250	33	49	49	-	-
Structure																		
Comercial Multimedia Vocento, S.A.U.				✓	✓		Madrid	Advertising	-	100,00%	100,00%	600	(959)	(466)	(422)	(535)	-	-
Distribuciones COMECOSA, S.L.U.	✓		✓		✓		Bizkaia	Holding company	-	100,00%	100,00%	451	16.260	(47)	1.263	1.174	-	-
Comeresa Prensa, S.L.U.				✓	✓		Madrid	Holding company	100,00%	-	100,00%	403.069	127.404	(5.876)	(62.066)	(94.302)	-	-
Comeresa Pais Vasco, S.L.U.	✓		✓		✓		Bizkaia	Holding company	100,00%	-	100,00%	9.686	60.382	(5)	14.422	18.306	-	-
Corporación de Medios Internacionales de Prensa, S.A.U.	✓		✓		✓		Bizkaia	Holding company	100,00%	-	100,00%	60	841	(1)	2.431	2.431	-	-
Corporación de Medios de Comunicación, S.L.U.	✓		✓		✓		Bizkaia	Holding company	100,00%	-	100,00%	12.064	22.363	(11)	16.807	16.634	-	-
Comeco Impresión, S.L.U.	✓		✓		✓		Bizkaia	Holding company	-	100,00%	100,00%	9.249	43.092	(196)	(6.401)	(5.351)	-	-
CSC Madrid, S.L.U.				✓	✓		Madrid	Corporate administrative services	-	100,00%	100,00%	66	357	(30)	(30)	(46)	-	-
Corporación de Nuevos Medios Digitales, S.L.U.				✓	✓		Madrid	Holding company	-	100,00%	100,00%	1.500	44.206	(20)	528	(4.031)	-	-
Agencia Colpisa, S.L.U.				✓	✓		Madrid	News agency	-	100,00%	100,00%	92	170	(19)	-	(7)	-	-

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**ASSOCIATES OF THE GROUP OF COMPANIES
OF WHICH VOCENTO, S.A. IS THE PARENT**

Company	(2)	(3)	(4)	(5)	(7)	(8)	Location/ Registered Office	Line of business	% of Ownership Direct	% of Ownership Indirect	Thousands of euros Capital	Reserves and other equity items	Profit (Loss) for the year (1)	Other equity items	Interim dividend
ASSOCIATES:															
Classified advertisements															
11870 Información en General, S.L.							Madrid	Classified advertisements	-	35,15%	23	(6)	(137)	-	-
Newspapers															
Distribuciones Papiro, S.L.							Salamanca	Distribution	-	26,35%	37	1.496	281	-	-
Cirpress, S.L.							Asturias	Distribution	-	27,88%	12	1.959	265	-	-
Distrimedios, S.L.							Cádiz	Distribution	-	22,50%	100	4.329	77	22	-
Val Disme, S.L.							Valencia	Distribution	-	22,75%	144	8.552	356	-	-
Servicios de impresión del Oeste, S.L. (Corp. de Medios de Extremadura, S.A. UTE, Ley 18/1982, de 26 de Mayo)							Badajoz	Preparation of editorial supplements	-	48,98%	-	-	-	-	-
Structure															
Kioskoymas, sociedad gestora de la plataforma tercnológica, S.L.							Madrid	Digital kiosk	-	50,00%	53	(277)	(275)	-	-
Roi Media, S.L.							Madrid	Advertising	-	50,00%	155	92	(221)	-	-

(1) Estimated and/or pending approval by the shareholders at the respective Annual General Meetings and before the distribution of dividends. None of the companies have profit or losses from discontinued operations.

(2) Subsidiaries subject to provincial income tax legislation.

(3) Inactive at the present date.

(4) Companies composing the Basque Country consolidated Tax Group.

(5) Companies composing the consolidated Tax Group whose parent is Comeresa Prensa, S.L.U.

(6) Guarantor under the syndicated loan transaction (Note 20)

(7) Pledgor under the syndicated loan transaction (Note 20)

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VOCENTO, S.A. and Subsidiaries

Management report 2014

I. INTRODUCTION: VOCENTO AND THE ECONOMIC ENVIRONMENT

In 2014, Spanish GDP expanded by 1.4% according to the INE, after three years of decreasing activity, and the recovery gathered pace over the course of the year (with GDP rising +2.0% year-on-year in 4Q14 according to the advance indicator from the INE). This performance was driven by a rise in household consumption, a consequence of improvements to the labour market and to household confidence. This recovery was reflected in the advertising market, which expanded by 5.0% in 2014 according to i2p and by 7.2% in the fourth quarter. The press market decreased by 1.1% in 2014 while the Internet market grew by 5.0%.

For 2015, a higher rate of growth is expected in the economy and in the advertising market. According to the Funcas panel, GDP will expand by 2.1% driven by internal demand and in particular household consumption (2015e +2.5%). i2p is estimating 5.8% growth in the advertising market (with press up 1.9% and Internet rising by 7.0%).

Since the beginning of the economic crisis, VOCENTO has based its performance on three main elements that differentiate it from the rest of the market: its leading brands, its profitability and effectiveness, and its operating cash flows. 2015 is an opportunity to achieve growth in advertising revenues, supported by proactive commercial strategies, and to increase market share as a result of new circulation strategies, especially in the national press, while also continuing to consolidate the growth of the digital business in recent years.

This consolidation of the digital business is focused on three areas: understanding users (using databases and optimizing the user experience, unifying and assessing audiences, and launching loyalty programmes), improving our existing platforms and vehicles (such as a *Mobile First* strategy and second screen experiences), and developing new products and services (in areas such as e-commerce, social networks and video).

II. PERFORMANCE OF VOCENTO'S BUSINESSES

VOCENTO is a multimedia group, whose parent company is VOCENTO, S.A., and it is dedicated to the various different areas that comprise the media business.

After the changes made in 2013 to the organization of management information, the new lines of activity are Newspapers, Audiovisual, Classifieds and Others. Reports to the market are based on this organization of information, which covers all the newspapers, digital editions, radio stations, digital television channels etc., in which VOCENTO is present, assigned to their respective business segments. The comments and comparisons included in this Management Report are based on this segmentation of the information.

The next page summarises the new segments. The "Others" area includes the B2B business Sarenet which was sold at the end of 2014 (see Relevant Fact of 15 December 2014) and Qué!, whose offline business was closed in June 2012 (Relevant Fact of 28 June 2012) and whose online business was sold in September 2013. All these businesses are outside the perimeter for 2015.

Detail of VOCENTO's areas of activity

NEWSPAPERS

REGIONALS

- El Correo
- La Verdad
- El Diario Vasco
- El Norte de Castilla
- El Diario Montañés
- Ideal
- Sur
- Las Provincias
- El Comercio
- Hoy
- La Rioja
- Regional printing plants
- Regional sales companies
- Other regional companies

ABC

- ABC
- National printing plants
- Sales company

SUPPLEMENTS & MAGAZINES

- XL Semanal
- Mujer Hoy
- Hoy Corazón
- Inversión y Finanzas
- Mujerhoy.com
- Finanzas.com

AUDIOVISUAL

DIGITAL TERRESTRIAL TELEVISION

- National DTT
  – Net TV
- Regional DTT

RADIO

- Analog radio licenses
- Digital radio licenses

CONTENT

- Veralia

Production:
- Veralia Contenidos (Boca Boca, Europroducciones, Europroduzione and Hill Valley)

Distribution:
- Veralia Cinema

CLASSIFIEDS

- Pisos.com
- Infoempleo
- Autocasión

OTHERS

- Sarenet (out of perimeter in 2015)

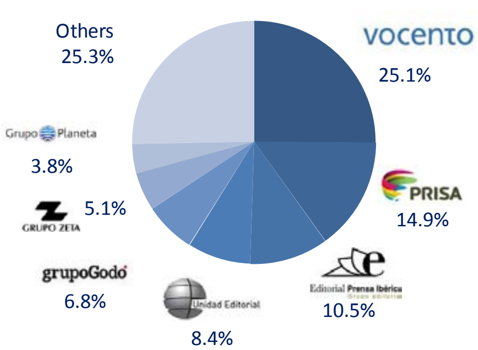
IMPORTANT NOTE: To facilitate the analysis of the information and understand the organic performance of the Company, it is always indicated in this report when operating expenses, EBITDA and/or EBIT and the Net Result are affected by non-recurring or extraordinary items. These items are mentioned and explained as appropriate throughout the report, including in the tables and appendices.

The financial information contained in this report has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

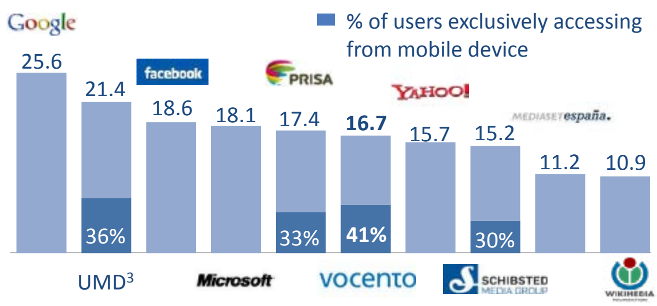
Newspapers (including offline + online activity)

VOCENTO has consolidated its undisputed leadership of the general press sector with a market share of circulation of 25.1% (35.9% including the circulation of newspapers which form part of Tarifa Comercial Única 3.0), almost 10 p.p. more than the number two media group. It is also the leader in readership, with more than 2.5 million readers, according to the 3rd EGM survey of 2014. It is a leader on the Internet with almost 17 million unique monthly users according to comScore (December 2014).

Share of ordinary circulation[1](%)



Ranking of Internet audiences[2] (thousand u.m.u.)



Note 1: source OJD 2014. Note 2: source comScore. Note 3:UMD= Unidad de Medios Digitales including Unidad Editorial, Zeta and Prensa Ibérica.

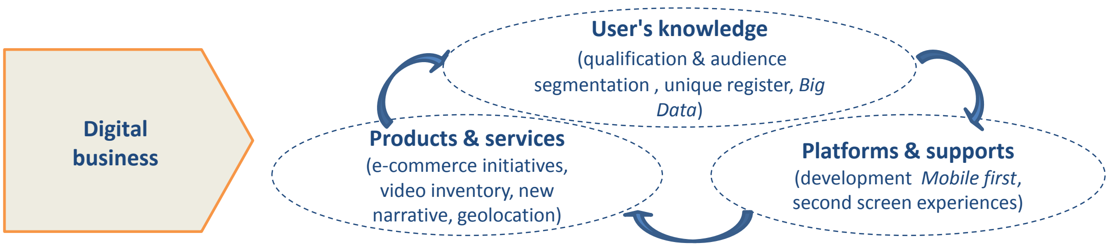
The increased consumption of news on mobile devices is an opportunity for VOCENTO, not only to attract new readers but also to understand them and register them so that the Group can improve its offering and add new businesses that are complementary (such as e-commerce), as well as giving advertisers new ways for reaching their users. The penetration of smartphones in Spain has reached 84% and 41% of households have a tablet, according to the 2014 Digital Consumer Survey España from Accenture. In December 2014, 66% of the combined readership of the 11 local portals and ABC.es came from mobile devices and 53% of users only used these devices.

As the previous chart shows (ranking of Internet audiences), in the profile of unique users in the media sector there is an increasing proportion of users from mobile devices such as tablets and mobile telephones. VOCENTO, as well as being in the top 10 companies in Spain for unique users, is also ahead of its peers in terms of exclusively mobile users, both at the group level and in particular at ABC.

VOCENTO is working on a number of strategic digital initiatives that aim, i) to deepen the understanding of users and their behaviour, based on Big Data, which enables the capture, storage, mining, sharing and analysis of large volumes of data, which will steadily build up single view of users and enable their segmentation; ii) to develop platforms and technologies which enable multi-screen publishing, with 'mobile first' as the main driver, and iii) to develop new products and services that respond to this social reality, such as e-commerce services (including Oferplan), a presence on social media, and greater use of video content.

As an internal mechanism for accelerating this process of transformation, VOCENTO has created VOCENTO Media Lab, which has the aim of researching, experimenting and providing training in interesting and innovative trends for the press sector. VOCENTO Media Lab is working on areas ranging from data-driven journalism to new digital narratives, as well as training journalists internally and the dynamics of sharing know-how between technical areas and editorial and business areas. As a result, VOCENTO is reinforcing its focus on new technologies for current journalistic trends with a venture that will contribute to the profitability of the business.

Summary of the VOC digital business

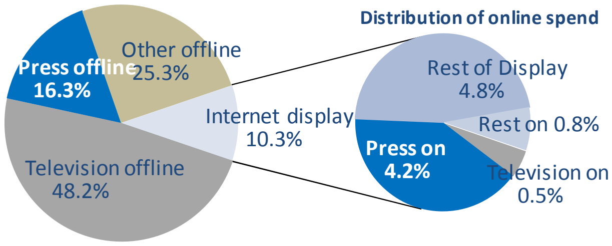


Advertisers are also responding to digital transformation. According to i2p, in 2014 the advertising spend on the Internet was 10.3% of the total, or 386.9 million euros. It should be noted that:

i. The press absorbs part of the online advertising spend: of the 386.9 million euros, 40.4% was spent on the press.
ii. The total share of advertising spend of the press in 2014 was 20.4%, of which 16.3% was offline and 4.2% online.
iii. There was a 14.7% rise in advertising spend on the online press in 2014.

Press maintains its share of online advertising[1]

Breakdown of advertising spend (%), offline and online



Share on+off	2013	2014	Var p.p.
TV	46.9%	48.7%	1.8 pp
Press	21.1%	20.4%	(0.7 pp)
Radio, cinema, other	26.9%	26.1%	(0.8 pp)
Rest of display	5.2%	4.8%	(0.4 pp)

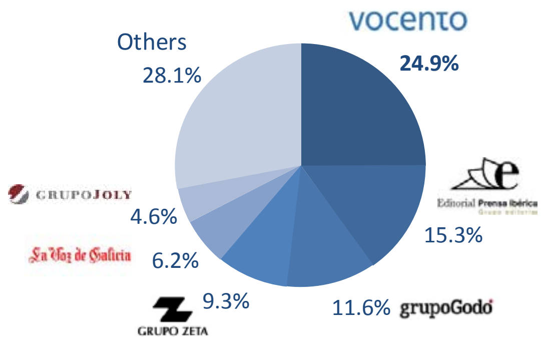
Note 1: source i2p.

Regional Newspapers

VOCENTO is the undisputed leader of the regional press markets of Spain due to the deep roots and excellent positioning of its 11 regional newspapers: El Correo, El Diario Vasco, El Diario Montañés, El Norte de Castilla, La Verdad, Ideal, Las Provincias, Sur, El Comercio, Hoy and La Rioja. The strength of these titles, some of which are over 100 hundred years old, their high level of local recognition and their strong links to their regions have turned them into clear references in their markets. Our newspapers are committed to journalism which is dedicated to accuracy, independence and freedom of expression.

VOCENTO's regional newspapers maintained their leadership in terms of circulation in 2014, with market share in the regional press of 24.9%, with the number two group on 15.3%.

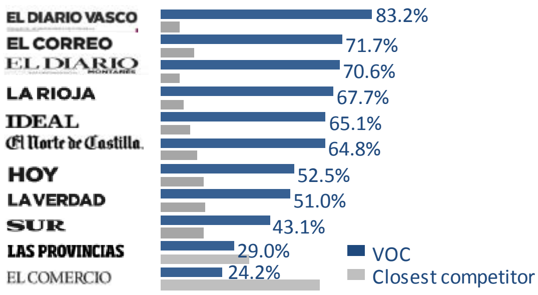
Share of circulation of the regional press 2014 (%)[1]



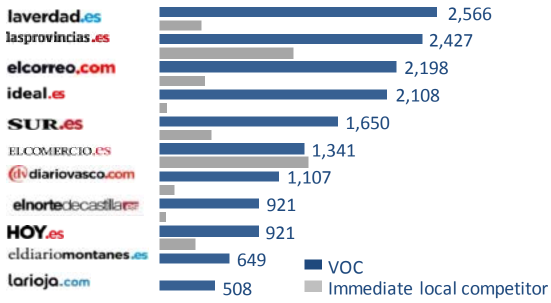
Note 1: source OJD.

In terms of the readership for regional newspapers, VOCENTO remains the leader both in the offline market (with over 2[1] million readers, 0.7 million readers more than the number two regional press group), and also online, with a readership of close to 16[2] million unique monthly users. Every one of the eleven portals is the audience leader in their markets, except for El Comercio Digital.

Circulation share in region of newspaper[1] (%)



Readership of local portals (thousand u.m.u)[2]



Note 1: source OJD.Note 2: source comScore.

In 2014, the main focus has been on reinforcing the leadership of the newspapers, regardless of the device used to read them, and on optimizing processes and resources, while continuing to invest in the quality of the editorial product.

For 2015, the various newspapers are focused on maintaining their leadership and their profitability. The steady evolution of journalism calls for continued investment in high quality content to differentiate from third parties, and for the development of new revenue sources, which will maintain current readers and attract new audiences. In addition, non-organic growth continues to be an option, as illustrated by the acquisition in 2014 of León Noticias, a digital portal that has a readership that complements el Norte de Castilla.

There are three main lines of work in this effort to develop and maintain revenues:

- **Strengthening e-commerce ventures: more resources, investment and technology.** Oferplan, Ticketing and Guapabox are being reinforced and extended, both in terms of the product and also in improving the platform for readers and advertisers.
- **Local commercial initiatives**: increasing revenues from digital advertising inventories and offline commercial initiatives, which will increase regional and local advertising spends, such as special events, microeditions in some markets, or new hyper-local editions.
- **Consolidating the digital business,** to improve the positioning and perception of our newspapers: enhancing our understanding of users and analyzing and unifying readerships, to develop new mobile products and continuously improve the digital editions. In 2015, the company is also working on ways to introduce paid-for premium content.

National Newspaper - ABC

ABC is VOCENTO's national newspaper, with over 110 years of history. It is one of the country's leading newspapers, with a vocation to maintain this leadership in a profitable way.

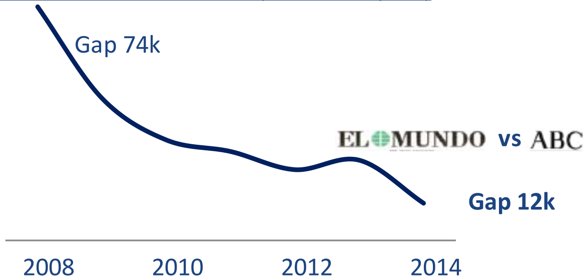
To achieve this, ABC has developed a **multi-media presence:** ABC in press + ABC on Kiosco y Más + ABC.es + ABC mobile (with applications for different multi-screen environments), as well as benefitting on the radio from the support of the agreement with COPE (see Radio section). This combination of different media types enables the development of editorial synergies and the capture of new audiences, mainly digital audiences.

In its print edition, ABC is focusing part of its efforts on **ordinary circulation** (sales including individual subscriptions and kiosk sales), which are the most profitable, while voluntarily reducing non-ordinary circulation (block and collective sales) in a controlled way. According to data for 2014, it is the national newspaper which has the highest quality basic sales, with a proportion of ordinary sales to total circulation of 89.6% at ABC compared to an average of 81.3% at its peers (El País 87.2%, El Mundo 85.0% and La Razón 71.6%).

(i) ABC is gaining market share[3], 0.5 p.p., in ordinary circulation in Spain: ABC continues to narrow the gap to the number two player in Spain, El Mundo, to 12 thousand copies, from 26 thousand copies in January-December 2013.

[1] *Source EGM 3rd survey 2014.*
[2] *Source comScore MMX Multiplataforma December 2014. Total audience as an aggregation of the eleven Local Portals audiences.*
[3] *Source: OJD. Share of national press (sum of El País, El Mundo, La Razón and ABC).*

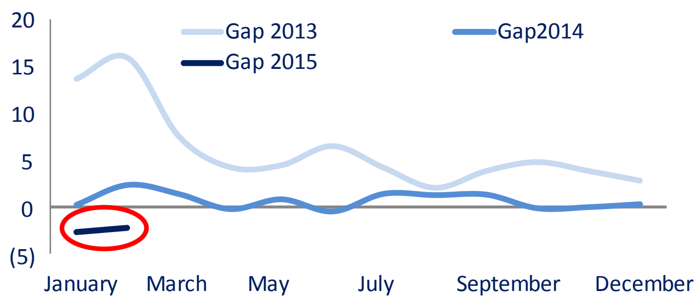
Performance of ordinary circulation ABC vs El Mundo (thousand copies[1])



Note 1: source OJD. Includes kiosk sales and individual subscriptions.

(ii) ABC is the number two national newspaper for **kiosk sales** in Madrid, the main market for the national press, ahead of El Mundo. As the following chart shows, the gap has fallen over recent years, to almost nothing in 2014, and then in January and February 2015 outselling El Mundo.

Performance of ABC kiosk sales vs El Mundo in Madrid (thousand copies[1])

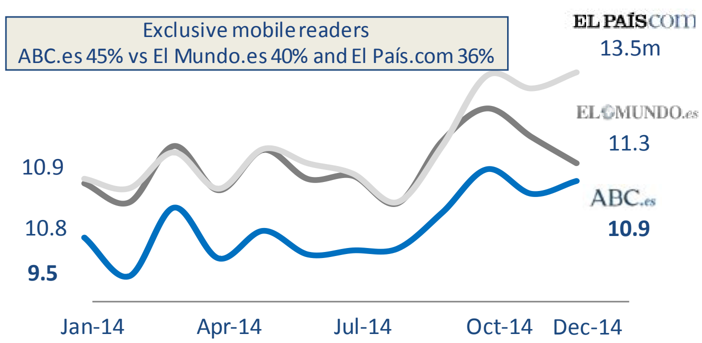


Note 1: source internal data.

(iii) ABC is also the number two newspaper nationwide, for **ordinary circulation on Sundays**, the day with the highest sales: ABC sells 10,165 copies more than El Mundo (177,850 copies of ABC vs 167,685 copies of El Mundo), while at the end of 2013 El Mundo led by 11,789 copies.

In digital terms, abc.es continues to increase market share and to strengthen its position. According to data for December 2014, it has 11 million unique monthly users. Of these, 5 million or 45% of the total come exclusively from mobile, reflecting the high value of ABC users and its leading position in this segment. ABC now competes almost on an equal footing with the other national digital editions.

Performance of unique monthly users ABC.es vs competitors (u.m.u.[1])



Note 1: source comScore.

In 2014, in order to **improve market share and profitability,** various actions were undertaken: i) compensating for the fall in circulation by increasing cover prices (carried out in January 2014, with a cover price increase on Monday-Friday from €1.3 to €1.4, and on Sundays from €2.5 to €2.8), ii) maintaining the focus on high quality circulation while optimizing promotions, iii) continuing to develop new lines of revenues, such as ABC on Kiosko y Más, targeting the profitable growth of user numbers on the digital platform, iv) improving the offering for mobile devices, including both editorial content and products such as Oferplan, and finally v) continuing with savings measures, enabling current levels of positive EBITDA to be maintained.

For 2015, ABC has defined three priorities, which reflect its aim to **continue strengthening its current position**:

1) Digital business:
    a. **Redesign the ABC portal** to strengthen online leadership, and optimize the user experience on mobile devices.
    b. **Improve the overall offering** of services to the client: Oferplan, Ticketing, ABC Foto.
    c. Continue working on improving **user understanding,** assessing readers and using this information to improve services and advertising results.

2) A new strategy for circulation:
    a. **Increase market share**, both in ordinary circulation and in terms of users of the Kiosco y Más platform. We will formally request the OJD to carry out a combined survey of the ABC circulation.
    b. **Increasing the loyalty of kiosk buyers**: ABC Oro card. Pilot carried out in Toledo (with an increase in circulation of +3%). Extension to the rest of Spain in 1Q15.
    c. **Cover price increases** on Monday-Friday (from €1.4 to €1.5) and on Saturday (from €1,8 to €2.00) in January 2015.

3) Improving profitability, as follows:
    a. **Logistical restructuring of ABC in the Balearic Islands and Canary Isles** from 1/1/2015: eliminating the print version and becoming a 100% digital newspaper on Kiosko y Más.
    b. **Optimizing the print centres.**

Supplements and Magazines

VOCENTO publishes the two most read supplements in the ranking of supplements in Spain: XL Semanal and Mujer Hoy. Their success is due to the quality of the contributors and the overall commitment to accuracy, differentiating them from their main competitors. The supplements are distributed with all VOCENTO newspapers during the weekends and with other leading regional newspapers.

XL Semanal is the most read Sunday supplement in Spain, with journalists including Carlos Herrera, Arturo Pérez-Reverte, Juan Manuel de Prada, Carmen Posadas and others.

Mujer Hoy is the second most widely read supplement in Spain and is the leading women's supplement in its category in an increasingly competitive market. To celebrate its fifteenth anniversary, the supplement has undergone a major redesign and its editorial offering has been strengthened, with more pages and more content.

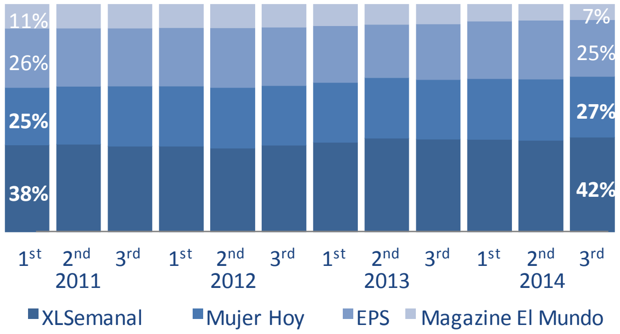
Hoy Corazón, a magazine which covers celebrity news and which has been well received by readers, has no competition in the weekend supplements market.

In the financial information segment, Inversión y Finanzas is the leading weekly finance magazine by kiosk sales (with 53,000 readers according to the 3rd EGM survey of 2014), and covers stock market and financial news with accuracy and professionalism.

The Magazines and Supplements of VOCENTO have a combined readership of 4 million readers, with XL Semanal the clear leader in its sector (2.3 million readers, around 1 million readers more than its most immediate competitor according to the third EGM survey of 2014), while Mujer Hoy has 1.4 million readers.

In recent years, the supplements of VOCENTO have improved their position notably, in both terms of readers and in their share of the advertising market. According to internal data, both supplements continue to increase their share of the advertising market. For the Sunday publications, and in a weakened advertising market, XL Semanal has a share of 53.4%; in the women's market, where advertising has stabilized, Mujer Hoy improved its share by 4.8 p.p. in 2014.

Readership share of the main supplements in Spain[1]



Note 1: EGM.

In the digital business, Mujerhoy.com with 1.1[4] million unique users is in the number five position in its category.

In 2014, as well as maintaining its leadership position, the Group was focused on increasing its sources of revenues, maintaining a rational approach to costs, without reducing the editorial quality of the area. Reflecting this, various initiatives were carried out, including encouraging e-commerce ventures, such as Guapabox, increasing the events business, and editing various corporate magazines.

In 2015, the Group will continue to invest in its differentiated products to attract both readers and advertisers. **A key part of the business** will be to increase activity in events and special actions, and to drive forward **digital initiatives.**

Printing and Distribution

The Print Media activity is supported by Printing and Distribution businesses.

In the Printing area, the company remains focused on improving profitability by making the most of its technical resources, enabling it to improve print quality while reducing unit costs.

In the Distribution business, again to improve processes and margins, VOCENTO is looking to achieve savings by automating manual tasks, implementing point-to-point control of the distribution of newspapers and optimizing the structure and points of sale based on financial criteria.

Audiovisual

VOCENTO has a presence in the audiovisual market, with a national DTT license, regional DTT licenses, a network of radio licences, shareholdings in content producers and the management of a catalogue of film rights.

Television

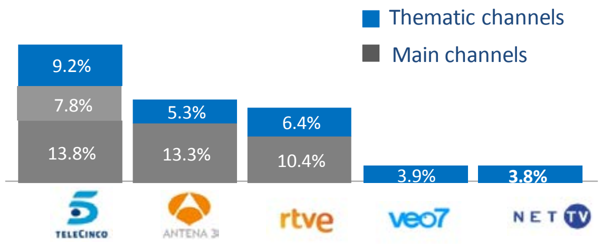
VOCENTO via its 55% stake in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV") is one of four private companies to have a national free-to-air DTT license.

Following the Government's decision to close nine DTT channels in 2014, NET TV continues to broadcast Disney Channel and Paramount Channel. This means that VOCENTO remains present in the niche television market with international partners who are global leaders in entertainment, guaranteeing the medium and long term future of NET TV.

The broadcast channels had combined market share of 3.8%[5] in December 2014. This positioning in the television sector enables VOCENTO to reduce its exposure to the economic cycle, while contributing to its overall goal of profitability.

[4] *Source: MMX Multiplataforma December 2014.*
[5] *Source: Kantar Media December 2014. Not including DTT pay channels.*

Audience share by channels, December 2014 (%)[1]



Note 1: Source Kantar media.

Radio

The radio business is based on the alliance with Cadena COPE that was authorized by the Comisión Nacional de Competencia (CNC) on 15 March 2013. This is a strategic agreement that aims to reinforce a shared editorial line, especially with ABC, and to defend the same values.

Following the agreement, the broadcasters owned by various subsidiaries of COPE transmit channels including COPE, Cadena 100, Rock FM and Mega Star and close links have been created between the COPE and ABC brands. As well as working together, ABC also highlights the programmes, presenters and contents of COPE in its pages.

Likewise, the two groups have integrated the radio portals COPE, Cadena 100 and Rock FM on the ABC website to strengthen both media in the competitive online market for information and news.

Audiovisual Production and Distribution -Veralia

The presence of VOCENTO in the audiovisual production sector (the production of entertainment and drama programmes and the distribution of films) is based on: i) Veralia Contenidos, a holding company for audiovisual production companies, which includes BocaBoca Producciones, Europroducciones (with a presence in Italy through its subsidiary Europroduzione Italia), and Hill Valley and ii) Veralia Distribución de Cine, which has a catalogue of rights for 220 films.

2014 has been a year of repositioning for the area, with significant improvements in results. 2015 should be a year of consolidating these trends. In the cinema segment, the aim is to continue to maximise the revenues of the catalogue, while in the production area, the target is to focus on international markets and on successful formats for the main TV channels.

- The Veralia production companies currently have various formats in development, preproduction, production, and broadcasting, including the sixth series of "Conexión Samanta," "A Tu Vera" (Castilla la Mancha TV) and "Guinness World Records" (Canale5, Italy). Other successful shows include "Hit, la canción," the end-of-year gala "Parte de tu vida" and "!qué noche la de Reyes!" for Epiphany, both on TVE, the latter featuring los Morancos.

  Veralia is also internationalizing its output. The "21 días" format has been successfully adapted in the Netherlands, Italy, France, Canada and Chile. In addition, Grand Prix has been sold to Mexico. Agreements have also been reached with various international companies to introduce new formats into the Spanish market.

- In the film distribution segment, Veralia Cine, the agreement in 2013 with some minority partners of Veralia has reduced the risk of the impact of the business's volatility and improved its prospects of profitability.

Classifieds

The nationwide Classifieds network of VOCENTO is unique in the Spanish media sector, thanks to its specialist team and its customer-focused service culture. These characteristics are supported by ABC.es and the 11 regional digital editions of VOCENTO, providing a nationwide service that is characterised by its content as well as by its understanding of the segment.

The portals are present in the three main markets for Internet classified advertising: in real estate with pisos.com (top#3 in its category), employment with Infoempleo.com (top#3) and automotive with autocasion.com (top#7).

In 2014, the company continued to focus on optimizing revenue generation from advertising and on implementing its sales strategy, while maintaining its cost structure. In addition, it reached an agreement with Schibsted for the commercial operation of the automotive business from the Mil Anuncios portal, a very attractive opportunity.

For 2015, VOCENTO aims to focus on the development of each vertical, especially on the B2B sector, to strengthen and improve the customer base. As with its others business area, VOCENTO will be committed to developing high added value products and services that are based on its deeper understanding of clients and users and its use of new technologies. The Classifieds Area will make selective investments, while controlling costs, in each segment depending on the maturity of the business, in both commercial operations and technology in order to guarantee sustained growth rates.

Others

Includes the B2B business Sarenet, which was sold at the end of 2014 (see Relevant Fact of 15 December 2014) and Qué!, where offline activity ended in June 2012 (see Relevant Fact of 28 June 2012).

III. Highlights of the financial performance of the business

- **Targets met: stable advertising, higher profitability, lower debt**
- **Advertising in 2014: +0.9%, with digital contributing 25.2% of advertising revenues**
- **Comparable EBITDA 2014 improves to €44.1m, with a margin of 8.9%**
- **Reduction in Net Financial Debt to €125.9m and NFD/EBITDA 2.9x**

Annual advertising revenues stabilize for the first time since the start of the recession

i. VOC advertising revenues increased by 0.9% in 2014, thanks to rising advertising spend at VOCENTO's newspapers[6] (offline and online): 2014 +0.9% and 4Q14 +4.2%.
ii. Advertising spend in the online press offsets the lower share of the offline press: 40.4% of the market's advertising spend online goes towards the press, according to i2p. The combined advertising market share of the offline and online press was 20.4% in 2014. A highlight was the rise in advertising on VOCENTO's digital editions, up 17.0% vs 5.0%[7] for the market.
iii. VOCENTO's revenue profile continues to migrate towards digital: Internet and e-commerce advertising revenues represent 25.2% of total advertising revenues (+3.2 p.p. vs 2013).
iv. ABC improves market share, consolidates its number two position in ordinary circulation in Madrid[8].

Comparable EBITDA +19.3%, profitability improves based on rise in advertising and cost savings

i. The Comparable EBITDA margin was 8.9% in 2014, up 1.9 p.p. Total comparable costs decreased by -8.5%[9] from 2013 and personnel expenses were down -1.7%[4].
ii. Newspapers: increase in Comparable EBITDA at ABC by +1,930 thousand euros.
iii. Audiovisual: measures implemented in all businesses enabled a 6,003 thousand euros improvement in Comparable EBITDA.

	Comparable EBITDA			Advertising
IFRS thousand euros	**2014**	**2013**	**Var Abs**	**Var Abs**
Newspapers	41,696	40,939	756	1,019
Audiovisual	11,214	5,212	6,003	(120)
Classified	(708)	(1,268)	560	1,011
Other	2,663	3,474	(811)	(151)
Corporate	(10,795)	(11,406)	611	(304)
Total	**44,070**	**36,951**	**7,119**	**1,455**

Operating profit doubles in 2014 as a result of increased EBITDA and lower depreciation

Consolidated net result excluding one-offs (tax reforms and goodwill writedown) reaches a positive 4,279 thousand euros

Reduction of net financial debt 2014 to 125,869 thousand euros: NFD/Comparable EBITDA 2.9x

i. Cash flow of 14,863 thousand euros generated, excluding non-recurring items.
ii. There was a net non-recurring cash inflow of 8,552 thousand euros, mainly because of the sale of 0.36% of ONO and 80% of Sarenet (see Relevant Fact of 15 December 2014), and payments for restructuring totalling 6,255 thousand euros
iii. VOCENTO has cash and cash equivalents of 23,451 thousand euros and has credit lines that it has not drawn down of 36,941 thousand euros.
iv. The NFD/Comparable EBITDA ratio has fallen to below 2.9x vs 4.0x in 2013.

[6] *Sum of ABC and the regional newspapers.*
[7] *Source i2p.*
[8] *Internal sources.*
[9] *Excluding restructuring costs 2014 -6,520 thousand euros and 2013 -596 thousand euros.*

IV. RIESGOS E INCERTIDUMBRES

The Financial Department is responsible for the management of the financial risks faced by the Company. It has established the mechanisms needed to monitor the exposure to credit risks and liquidity risks. The management of the financial structure of the Company is also coordinated with the financial policies of the Group of which it is a part. The main financial risks with an impact on the Company are described in the following section:

Strategic and operational risks-

In general, as for any company in a market there is the possibility of a loss of value or earnings because of changes to the business environment, competition and market conditions, strategic uncertainty, or possible customer defaults. Specifically for the company, revenues and advertising sales may be affected by macroeconomic conditions and their effect on consumption, and it may be harder to retain the talent needed for internal transformation. In particular, credit risk materializes for receivables from clients, including receivables that are pending and transactions that have been agreed. The Company assesses the credit quality of its clients, based on their financial position, past experience and other factors. Individual credit limits are established according to internal assessments and following the procedures of the Department. The use of credit lines is monitored on a regular basis.

A major part of this credit risk corresponds to sales to the Group. The Company assumes the credit risk for advertising sales made by Comercial Multimedia Vocento, S.A.U. (a subsidiary of Grupo Vocento), which is only an intermediary and does not assume the risk of the insolvency of the end client. However, this company applies the same criteria and procedures for assessing clients. Generally, the Company maintains its cash and equivalent liquid assets in financial institutions with a high credit rating.

The Department monitors the estimated liquid reserves of the Company (which consist of the credit available to it and its cash and cash equivalents) and their relation to expected cash flows.

Market risk-

Certain items are exposed to interest rate risks, as increases or decreases in interest rates can impact financial expenses and cash flows. However, this does not have a major impact on the Company. The interest rate on the syndicated debt of the parent company is hedged, and this substantially mitigates the effect of possible interest rate rises.

Others-

The risks of compliance, especially tax compliance, are associated with the possibility of a different interpretation of the tax norms by the competent tax authorities, as well as with the generation of positive taxable bases that would lead to any tax credits used to be recovered, and new regulations about these areas. Moreover, publishing activities also imply a risk of lawsuits, which depending on their materiality and any provision made are detailed in the annual report.

There is also the risk of attacks on information systems, and the risk of technological changes which would require the media in general to invest in these areas.

V. EVOLUCIÓN PERIODO MEDIO DE PAGO

In accordance with the information about the delays to payments made to suppliers which is detailed in note 19 of the annual accounts, the company, in order to comply with the maximum legal deadline for payment according to the legislation on late payments, will work to reduce its average payment period as its average period for receivables also diminishes. The Optimization Plans for costs that have been implemented in recent years have improved our financial situation and point to a promising outlook for the future.

The Directors understand that in 2015 the Management of the Company expects to reduce the average payment period and to reach agreements with creditors and customers.

VI. SHAREHOLDER REMUNERATION

In 2014 and 2013 the Parent did not distribute any dividends and at 31 December 2014 and 2013 the Parent did not have any amounts payable in this connection.

VII. TREASURY SHARES

The Parent holds 3,867,298 treasury shares, equivalent to 3.09% of its share capital, which may be freely transferred.

The changes in treasury shares in 2014 and 2013 were as follows:

	No. of shares	Cost (Thousands of euros)
Shares at 31/12/12	**3,870,101**	**32,572**
Acquisitions	157,499	205
Sales (*)	(156,099)	(1,303)
Shares at 31/12/13	**3,871,501**	**31,474**
Acquisitions	260,940	531
Sales (*)	(265,143)	(2,131)
Shares at 31/12/14	**3,867,298**	**29,874**

(*) Sales recognised at weighted average cost.

The loss resulting from the sales of treasury shares in 2014 was recognised with a charge of EUR 1,595 thousand to "Reserves".

Pursuant to the Spanish Limited Liability Companies Law, a restricted reserve was recognised for an amount equal to the cost of the treasury shares held. The balance of this reserve will become unrestricted when the circumstances that made it necessary to record it cease to exist.

The average number of treasury shares in 2014 was 3,866,006

VIII. SHARE PRICE PERFORMANCE

VOCENTO shares ended 2014 at 1.75 euros, corresponding to market capitalization of 218.7 million euros on 31 December 2014. The average traded volume in the year was 72,313 shares per day. VOCENTO shares are listed on the stock markets of Barcelona, Bilbao and Valencia.

IX. SHARE-BASED PAYMENT

The shareholders at the Annual General Meeting held on 26 June 2012 resolved to approve an incentive plan addressed to the CEO and senior executives of Vocento, consisting of establishing a single variable remuneration which will be settled solely with shares of Vocento, S.A. and is conditional upon the creation of shareholder value measured in accordance with certain financial parameters throughout the duration of the plan (until 2014) and the assessment of the performance of its beneficiaries. When drafting this plan, the maximum number of shares that could be used to settle the aforementioned plan was set at 2,154,600 shares, of which a maximum of 241,228 shares could be used to settle the part of the plan corresponding to the CEO.

Since the plan targets were assessed as not being met, the Group had not recognised any provision in that connection at 31 December 2014 and, accordingly, there was no impact on the consolidated statement of profit or loss or on consolidated equity for 2014 and 2013.

In addition to the share-based incentive plans, in 2013 the Board of Directors of the Parent approved the implementation of a long-term incentive plan addressed to the CEO and certain senior executives of the Parent and the Group.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 20% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for 2015. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved, with a limit of EUR 1.3 million.

In accordance with the assessment and estimated non-achievement of the aforementioned plan, the Group has not recognised any provision in this connection in the consolidated balance sheet at 31 December 2014.

Lastly, in 2014 the Board of Directors of the Parent approved the implementation of a long-term incentive plan addressed to the CEO and certain senior executives of the Parent and Group.

This plan will include a single variable remuneration equal to a percentage of the fixed annual remuneration of each director included in the plan, which will range between 20% and 50% and be paid entirely in cash. This remuneration is conditional upon the estimated profit from operations for 2016. However, this amount will be adjusted (upwards or downwards) by a factor that depends on the extent to which the profit from operations target is achieved, with a limit of EUR 1.3 million.

In accordance with the assessment of the plan and the estimate that the plan target will be met, the Group has recognised a provision for EUR 150 thousand in this connection with a charge to "Staff Costs" in the accompanying consolidated statement of profit or loss for 2014

X. RESEARCH AND DEVELOPMENT ACTIVITIES

In 2014, the Group did not make any significant investments in Research and Development activities.

XI. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge the risks, mainly interest rate risk, to which its future activities, transactions and cash flows are exposed. The detail of the balances that reflect the measurement of derivatives in the consolidated balance sheets as at 31 December 2014 and 2013 is as follows (see Note 20):

	Thousands of euros			
	31/12/14		31/12/13	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
INTEREST RATE HEDGES				
Cash flow hedges:				
Interest rate swaps	491	2,390	-	25
Step-up collars	67	81	-	191
	558	**2,471**	-	**216**

The purpose of the interest-rate derivatives arranged by the Group is to mitigate the effect that interest rate fluctuations may have on any future cash flows from the loans tied to floating interest rates. The detail and maturity of these hedging transactions is as follows:

Bank	Instrument	Average interest rate arranged 31/12/14	Average interest rate arranged 31/12/13	Nominal amount (Thousands of euros) 31/12/14	Nominal amount (Thousands of euros) 31/12/13	Expiry date 31/12/14	Expiry date 31/12/13
BBVA	Interest rate swaps	1.34%	-	26,444	-	2019	-
Banco Santander	Interest rate swaps	1.34%	-	21,794	-	2019	-
Kutxabank	Interest rate swaps	1.34%	-	10,012	-	2019	-
Bankia	Interest rate swaps	1.34%	-	12,891	-	2019	-

Caixa	Interest rate swaps	1.34%	-	2,166	-	2019	-
Banco Popular	Interest rate swaps	1.34%	-	4,218	-	2019	-
Banco Sabadell	Interest rate swaps	-	4.42%	-	2,750	-	2015
Bankinter	Step-up collars			1,578	1,949	2019	2019
	Total			**79,103**	**4,699**		

The effect of the changes in the hedging derivatives in 2014 was recognised with a credit to “Reserves – Revaluation Reserves for Unrealised Assets and Unsettled Liabilities” and “Equity – Of Non-Controlling Interests” for net amounts of EUR 2,083 thousand and EUR 14 thousand, respectively (a credit of EUR 159 thousand and EUR 42 thousand, respectively, in 2013).

The Group uses a step-up collar to fix the floating-rate interest payments on finance leases within a range spanning from a minimum of 3.95% to a maximum of 5%. The initial cost of the aforementioned financial instrument was zero. The notional amount of the options sold was offset in full by the notional amount of the options purchased, making it a net purchased option. The effectiveness of the step-up collar was measured by offsetting the changes in the flows of the collar against the changes in the flows of the hedged risk through the hypothetical derivative method, thereby fulfilling the conditions required to be considered a hedging instrument.

The interest rate swap derivatives in force as at 31 December 2014 relate to hedging transactions arranged by the Group under the syndicated financing agreement (see Note 20).

The Group met the requirements described in Note 4-h on measurement bases in order to classify the financial instruments detailed above as hedges. Specifically, these instruments were formally designated as hedges and the hedges were assessed as being effective. No ineffective portions were detected in the hedges designated by the Group as such.

Also, the measurement of the derivate financial instruments was performed in accordance with IRFS 13 on fair value.

The sensitivity of the fair value of the interest-rate hedges to interest rate fluctuations which the Group considers reasonably possible, and the related impact on profit (loss) for the year and equity as at 31 December 2014 and 2013, is reflected in the following table:

	Thousands of euros			
	Change in interest rates			
	2014		2013	
Change	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Fair value	518	(662)	13	(13)
Profit (Loss)	-	-	-	-
Equity	518	(662)	13	(13)

The analysis of the liquidity of the derivative instruments (which relates to cash outflows), using net undiscounted flows, is as follows:

Bank	Instrument	2015	2016	2017	2018 and subsequent years
BBVA	Interest rate swaps	182	254	280	296
Banco Santander	Interest rate swaps	150	209	231	244
Kutxabank	Interest rate swaps	69	96	106	112
Bankia	Interest rate swaps	89	124	137	144
Caixa	Interest rate swaps	15	21	23	24
Banco Popular	Interest rate swaps	29	41	45	47
Bankinter	Step-up collars	61	46	29	14
	Total	**595**	**791**	**851**	**881**

Bank	Instrument	2014	2015	2016 and subsequent years
Banco Sabadell	Interest rate swaps	-	25	-
Bankinter	Step-up collars	-	72	119
	Total	-	**97**	**119**

XII. BALANCES AND TRANSACTIONS WITH OTHER RELATED PARTIES

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet as at 31 December 2014, and of the transactions (in addition to the dividends received – see Note 11) performed with such companies in 2014 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

	Thousands of euros						
	Balances			Transactions			
				Income		Expenses	
	Receivable - non-current	Receivable (Note 15)	Payable (Note 19)	Operating	Finance	Operating	Finance
Cipress, S.L.	-	290	92	6,156	-	792	-
Distribuidores Papiro, S.L.	-	775	112	7,406	-	1,383	-
Distrimedios, S.L.	-	1,141	467	14,640	-	4,740	-
Val Disme, S.L.	-	1,340	300	13,712	-	2,985	-
11870 Información en General, S.L.	-	31	21	-	-	1	-
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.	270	283	20	539	-	-	-
Roi Media, S.L.	110	5	-	12	6	160	-
TOTAL	**380**	**3,865**	**1,012**	**42,465**	**6**	**10,061**	-

The detail, by company accounted for using the equity method, of the balances of "Trade and Other Receivables - Receivable from Related Parties" and "Trade and Other Payables - Payable to Related Parties" in the accompanying consolidated balance sheet as at 31 December 2013, and of the transactions (in addition to the dividends received – see Note 11) performed with such companies in 2013 by Vocento, S.A. and by the fully consolidated subsidiaries is as follows:

	Balances		Transactions			
			Income		Expenses	
	Receivable	Payable	Operating	Finance	Operating	Finance
Cipress, S.L.	516	123	6,409	-	770	-
Sector MD, S.L.	22	170	109	-	857	-
Distribuidores Papiro, S.L.	775	114	7,776	-	1,389	-
Distrimedios, S.L.	741	113	15,771	-	4,677	-
Val Disme, S.L.	1,450	273	15,732	-	2,977	-
Grupo Videomedia, S.A.	-	-	8	-	-	-
11870 Información en General, S.L.	22	20	3	-	3	-
TOTAL	**3,526**	**813**	**45,808**	-	**10,673**	-

The principal balances and transactions with companies accounted for using the equity method relate to the sale and distribution of copies of newspapers and supplements performed under normal market conditions. Since the aforementioned balances are trade balances, they are not interest-bearing and, in general, they will be paid at short term. As at 31 December 2014 and 2013, the Group companies had not granted any credit facilities or loans to related parties.

XIII. EVENTS AFTER THE REPORTING PERIOD

From 31 December 2014 to the date of formulation of these consolidated annual accounts, there has been no significant fact that may affect the fair and true view of the consolidated accounts for 2014.

XIV. OUTLOOK

Given current positive expectations for the economy and the advertising market, VOCENTO is focused on growth in 2015, in advertising revenues and also in total operating revenues, and it will compensate for the decrease in circulation with cost savings and increases to cover prices, enabling the company to improve its overall profitability.

Improving profitability will also increase cash generation and will reduce financial gearing. This will reinforce the trend of recent years, in which profitability has

XV. ANNUAL REPORT ON CORPORATE GOVERNANCE

Annual Report on Corporate Governance consists of 51 pages. It is attached to the Consolidated Management Report in accordance with Article 538 of the Law on Corporations. In addition, the report is available on the website of the CNMV, www.cnmv.es.

XVI. ANNUAL REPORT OF ACTIVITIES

The Annual Report of Activities from the Audit and Compliance Committee consists of 18 pages and is attached to the Consolidated Management Report, in accordance with Article 18.9 of the Rules of the Board of Directors.

vocento

APPENDIX

The Directors of VOCENTO, S.A. formulated on 25 February 2015 the annual consolidated accounts of VOCENTO, S.A. and its subsidiaries and the corresponding management report, resulting in the following documents: the consolidated balance sheet, consolidated profit and loss account, consolidated statement of recognised revenues and expenses, consolidated statement of changes to shareholder equity, and the consolidated statement of cash flows, each on one page numbered from 1 to 5, an annual report of 85 pages numbered from 6 to 90 and an appendix of 3 pages, a management report of 20 pages including as point xv the annual corporate governance report and as point xvi the annual report of activities of the Audit and Compliance Committee. These documents can be found on paper with the letterhead of the company, numbered and written on one side only, as well as the current appendix, signed by each and every one of the members of the Board of Directors who have formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Madrid, 25 February 2015

D. Santiago Bergareche Busquet	D. Gonzalo Soto Aguirre
LIMA, S.L. (representada por D. Juan Ramón Urrutia Ybarra)	D. Luis Enríquez Nistal
D. Miguel Antoñanzas Alvear	D. Fernando Azaola Arteche
CASGO, S.A. (representada por D. Jaime Castellanos Borrego)	MEZOUNA, S.L. (representada por D. Santiago de Ybarra y Churruca)
ONCHENA, S.L. (representada por D. Alvaro Ybarra Zubiría)	VALJARAFE, S.L. (representada por Dña. Soledad Luca de Tena García Conde)
ENERGAY DE INVERSIONES, S.L. (Representada por D. Enrique Ybarra Ybarra)	D. Carlos Pazos Campos (Secretario no Consejero)

APPENDIX I

ANNUAL CORPORATE GOVERNANCE REPORT

DATE OF END OF YEAR: 31/12/2013

C.I.F.

A-48001655

COMPANY NAME

VOCENTO, S.A.

COMPANY RESIDENCE

PINTOR LOSADA, 7, 48004, BILBAO, BIZKAIA

A.- STRUCTURE OF SHARE OWNERSHIP

A.1 Complete the following table for the company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
31/12/2001	24,994,061,20	124,970,306	124,970,306

Indicate if there are different classes of shares with different rights associated to them:

NO

A.2 Detail the direct and indirect owners of significant stakes at the end of the year, excluding directors:

Via: name or company name of direct shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
LIMA, S.L.	12,672,313	0	10,14%
ENERGAY DE INVERSIONES, S.L.	8,167,106	0	6,54%
ONCHENA, S.L.	6,836,456	0	5,47%

Indicate the most significant shareholder movements in the year:

A.3 Fill in the following tables for members of the Board of Directors of the company with voting rights in company shares:

Name or company name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
DON SANTIAGO BERGARECHE BUSQUET	700	5,986,113	4.79%
DON FERNANDO AZAOLA ARTECHE	6,710	0	0.01%
DON MIGUEL ANTOÑANZAS ALVEAR	10,178	0	0.01%
DON LUIS ENRIQUEZ NISTAL	314	0	0.00%
DON GONZALO SOTO AGUIRRE	100	7,980,242	6.39%
CASGO, S.A.	4,993,201	0	4.00%
MEZOUNA, S.L.	13,843,275	0	11.08%
LIMA, S.L.	12,222,826	0	9.78%
ONCHENA, S.L.	6,836,456	0	5.47%
ENERGAY DE INVERSIONES, S.L.	8,167,106	0	6.54%
VALJARAFE, S.L.	12,609,314	0	10.09%

Name or company name of indirect owner of shares	Via: Name or company name of direct owner of shares	Number of voting rights
DON SANTIAGO BERGARECHE BUSQUET	OTHER COMPANY SHAREHOLDERS	5,986,113
DON GONZALO SOTO AGUIRRE	OTHER COMPANY SHAREHOLDERS	7,980,242

% total voting rights held by the Board of Directors: 53.60%

Fill in the following tables for members of the Board of Directors of the company with rights on company shares:

Name or company name of director	Number of direct rights	Number of indirect voting rights	Number of equivalent shares	% of total voting rights
DON LUIS ENRIQUEZ NISTAL	336,178	0	336,178	0.27%

A.4. State any relationships of a family, commercial, contractual or company nature between major shareholders, to the extent that the company is aware of this, unless of little relevance or derived from ordinary business:

A.5. State any relationships of a family, commercial, contractual or company nature between major shareholders, and the company and/or group, unless of little relevance or derived from ordinary business:

A.6. State if the company has been informed of the shareholder agreements which affect it, in accordance with Articles 530 and 531 of the Law on Corporations. Describe briefly the shareholders bound by the pact, if applicable:

YES

Participants in the shareholder agreement
EDULA, S.L.
BORATEPA, S.L.
MECAMUR, S.L.

Percentage of share capital involved: 4.79%

Brief description of the agreement:

On 17-2-2014, the shareholders of Vocento, S.A., Boratepa, S.L., and Edula, S.L., holders of 1,995,078 and 1,995,077 shares in Vocento respectively, representing 3.193% of share capital and linked to José María Bergareche Busquet and Jorge Bergareche Busquet, brothers of directors Santiago Bergareche Busquet, stated their irrevocable commitment to vote in the same way as Mecamur, S.L., a company linked to Santiago Bergareche Busquet and the holder of 1,995,078 shares representing 1.597% of share capital, or alternatively to delegate the exercise of their vote and other political rights of their shares or any other Vocento shares that may be acquired in the future to Mecamur, S.L., at all of the Shareholder Meetings of Vocento that are held during the period of this commitment.

Participants in the shareholder agreement
AMANDRERENA 1, S.L.
GOAGA 1, S.L.
MIRVA, S.L.
ALBORGA DOS, S.L.
ALBORGA UNO, S.L.
LIBASOLO, S.L.
BELIPPER, S.L.

Participants in the shareholder agreement
DON GONZALO SOTO AGUIRRE
DOÑA MARÍA ISABEL LIPPERHEIDE
DON GONZALO AGUIRRE ALONSO-ALLENDE
DON EDUARDO AGUIRRE ALONSO-ALLENDE
DOÑA PILAR AGUIRRE ALONSO-ALLENDE
DOÑA DOLORES AGUIRRE YBARRA Y OTROS

Percentage of share capital involved: 6.39%

Brief description of the agreement:

On 21/4/2014, shareholders connected to the Aguirre family owning 7,989,012 shares (6.393%) reached an agreement which ended the pact dating from 11/3/2009 and extendable automatically for one year, to appoint directors, recognising Gonzalo Soto Aguirre as the Director nominated by the participants to exercise their combined voting rights in the Shareholder Meeting. On 26/5/2014 Libasolo, S.L. assumed the place of Magdalena Aguirre Azaola and Carmen Aguirre Azaola. On 3/12/2014, Pilar Aguirre Alonso-Allende sold 8,670 shares in Vocento and the share capital covered decreased to 7,980,342 shares (6.386%).

State if the company is aware of the existence of concerted actions between its shareholders, and if so describe briefly:

NO

The only concerted actions that the company was aware of at the end of 2014 are the shareholder agreements described above.

The Shareholder Agreement signed by members of the Aguirre family, of 11 March 2009, was replaced by that of 21 April 2014 as explained previously.

A.7. State if there is any individual or legal entity who exercises or could exercise control of the company, in accordance with article 4 of the Securities Market Law, and indicate them.

NO

Observations

A.8. Fill in the following tables about the company's treasury stock:

At the end of the year:

Number of direct shares	Number of indirect shares (*)	% of total share capital
3,871,501	0	3.10%

(*) Via:

Detail any major variations in the year, in accordance with Royal Decree 1362/2007

A.9. Detail the conditions and the duration of the mandate in force from the General Shareholder Assembly to the Board to acquire or transfer treasury stock.

The Annual General Meeting of shareholders held on 14 April 2010 agreed, in the sixth point of the order of the day, the following:

In accordance with the terms of Articles 75 and following of the Law on Corporations, and leaving without effect the authorisation awarded in the same area by the shareholder meeting of 29 April 2009, authorise and award powers to the Board of Directors for the company to acquire shares in the company itself under the following conditions:

1.- Means of acquisition: by trade or any other inter vivos transaction of those shares in the company that the Board of Directors considers appropriate, in the limits established in the following sections.

2.- Maximum number of shares to acquire: a number of shares whose nominal value, in addition to those the acquiring company and its subsidiaries already possess, is not more than 10% of the total paid in share capital.

3.- Minimum and maximum acquisition price: the acquisition price will not be less than the nominal share price, or 20% more than the market price, on the working stock market day, the day before the acquisition.

4.- Duration of the authorisation: five years, from the adoption of this agreement.
The acquisition, including all the shares that the company has acquired before and holds in its portfolio, must in all events allow the company to establish the reserve stated in article 79.3 of the revised text of the Law on Corporations, without leading to shareholder equity, as defined in article 75 of the revised text of the Law on Corporations in the version of Law 3/2009 of 3 April, being less than the sum of share capital plus the reserves that are not available in law or in bylaws. The shares are not sold or amortized. The shares to be acquired must be fully paid in.

It is expressly authorised that the shares acquired by the company in the use of this authorisation may be used, partly or in full, to be sold or amortized and also to be delivered or sold to the workers, employees, directors or service providers of the company, when there is a recognised right, either directly or as a result of the exercise of options belonging to them, in accordance with the last paragraph of Article 75, section 1, of the Law on Corporations.

A.10. State any legal and statutory restrictions on the transfer of shares and/or the exercise of voting rights. In particular, state any restrictions that could obstruct the acquisition of control of the company by the acquisition of its shares in the market.

NO

A.11. Indicate if the Shareholder Meeting has agreed to adopt measures for neutralisation of a public takeover bid as described in Law 6/2007.

NO

If applicable, describe the measures approved and the terms in which the restrictions will become ineffective.

A.12. Indicate if the company has issued securities that are not traded in a regulated Community market.

NO

If applicable, indicate the different classes of shares and for each class, the rights and obligations they grant.

B.- SHAREHOLDER MEETING

B.1. Indicate and detail any differences from the minimum quorum regime of the Law on Corporations (LSC) in terms of the quorum for a Shareholder Meeting:

NO

B.2. Indicate and detail any differences with the minimum quorum regime of the Law on Corporations (LSC) for the adoption of shareholder agreements:

NO

Describe any differences from the LSC.

B.3. Indicate the norms applicable to the modification of company bylaws. In particular, indicate the majorities needed for the modification of the bylaws and any rules for protecting shareholder rights when bylaws are modified.

In accordance with Article 12 of Vocento's company bylaws and the Rules for the General Shareholder Meeting, for a valid agreement to modify the bylaws at an ordinary or extraordinary shareholder meeting, it will be necessary for shareholders present or represented at the meeting to own at least fifty per cent of paid in capital with voting rights, at the first call. At the second call, the level will be twenty five per cent. When shareholders representing less than fifty per cent of paid in capital with voting rights meet, the agreements covered by this paragraph can only be adopted with the favourable vote of two thirds of the capital present or represented at the meeting.

B.4. 4 Provide attendance data for the general shareholder meetings held in the year covered by this current report and previous years.

	Attendance data				
Fecha junta general	% present	% represented	% distance voting		Total
			Electronic votes	Others	
16/042013	28.16	50.77	0.00	0.00	78.93
29/04/2014	21.02	58.02	0.00	0.00	79.04

B.5. Indicate if there are any restrictions in the bylaws on the number of shares needed to attend the shareholder meeting:

YES.
Number of shares needed to attend the shareholder meeting: 50

B.6. Indicate if it has been agreed that decisions which consist of structural modification of the company ("subsidiarisation", sale of essential operating assets, transactions that are equivalent to winding up the company, etc.), must be submitted to the shareholder meeting, although not expressly required in corporate law.

NO

B.7. State the web site address for information on corporate governance and other information about general shareholder meetings that must be made available to shareholders on the Company's web site.

The web page http://www.vocento.com/accionistas_e_inversores.php provides access to the following sections for Vocento shareholders and investors:
• Vocento: Profile of the Company and Management Team.
• Shareholder Office: Shares, Share Capital, Calendar for the Investor, Links of Interest and Contact Data.
• Relevant Facts.
• Financial Information: Annual Reports, Regular Information, IPO Prospectus and Corporate Presentations.
• Corporate Governance: Company Bylaws, General Shareholder Meeting, Board and Committees, Rules and Organisation, Annual Report on Corporate Governance, Annual Report on Director Remuneration, and Shareholder Agreements.

The General Shareholder Meeting of Vocento held on 26 June 2012, in accordance with Article 11 bis of the revised text of the Law on Corporations, approved its corporate website at www.vocento.com

C.- ADMINISTRATIVE STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Detail the maximum and minimum number of directors established in the bylaws:

Maximum number of directors	18
Minimum number of directors	3

C.1.2 Complete the following table with members of the Board::

Name or company name of director	Representative	Position on board	Date of first appointment	Date of last appointment	Electoral procedure
DON RODRIGO ECHENIQUE GORDILLO	--	CHAIRMAN (*)	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON GONZALO SOTO AGUIRRE	--	DEPUTY CHAIRMAN	26/04/2012	26/04/2012	AGREEMENT AT AGM
LIMA, S.L.	JUAN RAMON URRUTIA YBARRA	DEPUTY CHAIRMAN	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON LUIS ENRIQUEZ NISTAL	--	CEO	18/07/2011	26/04/2012	AGREEMENT AT AGM
CASGO, S.A.	JAIME CASTELLANOS BORREGO	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON FERNANDO AZAOLA ARTECHE	--	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM

MEZOUNA, S.L.	SANTIAGO YBARRA CHURRUCA	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON MIGUEL ANTOÑANZAS ALVEAR	--	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
ONCHENA, S.L.	ALVARO DE YBARRA ZUBIRIA	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
ENERGAY DE INVERSIONES, S.L. (*)	ENRIQUE DE YBARRA E YBARRA	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
VALJARAFE, S.L.	SOLEDAD LUCA DE TENA GARCIA- CONDE	DIRECTOR	26/04/2012	26/04/2012	AGREEMENT AT AGM
DON SANTIAGO BERGARECHE BUSQUET	--	DIRECTOR	12/11/2013	12/11/2013	COOPTATION

Total number of directors: TWELVE (12)

State any terminations which have occurred at the Board of Directors in the period

C.1.3 Complete the following tables for members of the board and their conditions:

EXECUTIVE DIRECTORS

Name or company name of director	Committee that proposed appointment	Role in company structure
DON LUIS ENRIQUEZ NISTAL	REMUNERATION AND APPOINTMENT	CHIEF EXECUTIVE

Total number of executive directors	1
% of total board	8.333

EXTERNAL NOMINEE DIRECTORS

Name or company name of director	Committee informing appointment	Name or company name of significant shareholder represented or proposing appointment
DON SANTIAGO BERGARECHE BUSQUET	REMUNERATION AND APPOINTMENT	DON SANTIAGO BERGARECHE BUSQUET
DON GONZALO SOTO AGUIRRE	REMUNERATION AND APPOINTMENT	DOÑA DOLORES AGUIRRE YBARRA Y OTROS
CASGO, S.A.	REMUNERATION AND APPOINTMENT	CASGO, S.A.
MEZOUNA, S.L.	REMUNERATION AND APPOINTMENT	MEZOUNA, S.L.
LIMA, S.L.	REMUNERATION AND APPOINTMENT	DON VICTOR URRUTIA VALLEJO

ONCHENA, S.L.	REMUNERATION AND APPOINTMENT	DOÑA MARIA DEL CARMEN CAREAGA SALAZAR
ENERGAY DE INVERSIONES, S.L.	REMUNERATION AND APPOINTMENT	DON ENRIQUE YBARRA YBARRA
VALJARAFE, S.L.	REMUNERATION AND APPOINTMENT	VALJARAFE, S.L.

Total number of nominee directors	8
% of total board	66.667

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
DON FERNANDO AZAOLA ARTECHE	BUSINESS
DON MIGUEL ANTOÑANZAS ALVEAR	BUSINESS
DON RODRIGO ECHENIQUE GORDILLO	BUSINESS

Total number of independent directors	3
% of total board	25.000

State if any director with the status of independent receives from the company or its group any amount or benefit other than a director's remuneration, or maintains or has maintained in the last year any business relationship with the company or any group company, in his own name, or as a significant shareholder, director or manager of any entity which has or has had such a relationship.

Don Rodrigo Echenique Gordillo, Chairman of the Board of Directors, has received since his appointment on 29 April, and until 31 December 2014 an additional remuneration for his representative duties, as did his predecessor as Chairman. This additional remuneration is proportionate to the period spent as Chairman in 2014, to the amount of 120,000 euros per year.

The Board of Directors, following a report from the Appointments and Remuneration Committee and after corresponding analysis, considers that this additional remunerations is not significant for Mr. Echenique and hence that he can continue to be considered as an independent directors

If applicable, include a statement from the board for the reasons why they believe this director can carry out his functions as an independent director.

OTHER EXTERNAL DIRECTORS

Indicate the reasons why they cannot be considered to be nominee or independent, and any ties to the company, its managers or shareholders:

Indicate any variations that may have occurred in the year in the status of each director:

C.1.4 Complete the following table with information about the number of female directors in the last 4 years, and the status of these directors:

	Number of female directors				% of total directors of each type			
	2014	2013	2012	2011	2014	2013	2012	2011
Executive	0	0	0	0	0%	0%	0%	0%
Nominee	1	1	1	2	12.25%	12.25%	12.25%	18.18%
Independent	0	0	0	0	0	0	0	0
Other External	0	0	0	0	0	0	0	0
Total:	1	1	1	2	8.33%	8.33%	8.33%	12.5%

C.1.5 Explain any measures taken to try to include on the board a number of women which allows for a balanced presence of men and women.

As a result of the mandate established by Article 75 of the Ley Orgánica 3/2007, of 22 March, for the equality of women and men, and recommendation 15 of the Unified Code on Good Governance, the Appointments and Remuneration Committee will try to achieve a balance between women and men on the Board of Directors as the mandates of current directors expire.

C.1.6 Explain any measures adopted by the appointments committee so that selection procedures do not suffer from the implicit biases that may prevent the selection of female directors, so that the company deliberately looks for women with the right professional profile and includes them in its potential candidates:

The Appointments and Remuneration Committee is committed to finding the best candidates for directors. In accordance with article 22.9 of the Rules for the Board of Directors, when the number of female directors is low or zero, the Board will explain the reasons for this and the measures taken to correct the situation. In particular, the Appointments Committee will ensure that when there are new vacancies: a) the selection procedures do not suffer from the implicit bias that are an obstacle to selecting women; b) the company deliberately looks for women with the right professional profile and includes them as potential candidates.

When despite any measures adopted, the number of female directors is low, explain the reasons for this:

Vocento has responded to the requests of significant shareholders to appoint nominee directors, all of whom have been ratified by the General Shareholder Meeting.

C.1.7 Explain the representation on the board of shareholders with significant stakes.

All shareholders with a stable shareholding considered by the Board of Directors as Vocento as significant, and who have requested a position, are represented on the Board of Directors.

C.1.8 Explain if applicable the reasons why nominee directors have been appointed by shareholders with a stake of under 5% of share capital.

Name or company name of shareholder:

DON SANTIAGO BERGARECHE BUSQUET

Explanation:

D. Santiago Bergareche Busquet was appointed a nominee director on Vocento, with the approval of the Appointments and Remuneration Committee, who considered his stake of 4.79% to be sufficient, in light of the explanation given in item A.6.

Name or company name of shareholder:

CASGO, S.A.

Explanation:

As mentioned in last year's corporate governance report, the company CASGO, S.A. was appointed a nominee director of Vocento with the approval of the Appointments and Remuneration Committee, with its stake of 3.996% considered to be sufficient.

Indicate if any formal requests for a position on the Board from shareholders with an equal or higher stake than others with nominee directors have been granted. If not, explain why

NO

C.1.9 Indicate if any director has abandoned his role before the expiry of the mandate, if the director has explained their reasons and in what medium to the Board, and if this has been in writing to the entire Board, explain the motives given:

C.1.10 State, if applicable the powers delegated to the executive director(s):

Name or company name of director

DON LUIS ENRIQUEZ NISTAL

Brief description:

DON LUIS ENRIQUEZ NISTAL, in carrying out his role as chief executive officer, can exercise all powers except for those which legally or statutorily cannot be delegated in accordance with Article 19 of the company bylaws and Article 14 of the Rules for the Board of Directors, with the limitation of the second paragraph of the last article of these rules, which says that any operation of over 3 million euros must be informed to the executive committee by the chief executive officer prior to being carried out.

C.1.11 Identify if applicable the members of the Board who have a director's or management role in other companies that form part of the group of the listed company:

Name or company name of director	Company name of group entity	Position
DON LUIS ENRIQUEZ NISTAL	FEDERICO DOMENECH, S.A.	DIRECTOR
DON LUIS ENRIQUEZ NISTAL	DIARIO EL CORREO, S.A.	DIRECTOR

DON LUIS ENRIQUEZ NISTAL	SOCIEDAD GESTORA DE TELEVISION NET TV, S.A.	CHAIRMAN
DON LUIS ENRIQUEZ NISTAL	RADIO PUBLI, S.L.	CHAIRMAN AND CEO
DON LUIS ENRIQUEZ NISTAL	COMERESA PRENSA, S.L.	JOIN ADMINSITRATOR
DON LUIS ENRIQUEZ NISTAL	CORPORACIÓN DE NUEVEOS MEDIOS DIGITALES, S.L.	JOIN ADMINSITRATOR
DON LUIS ENRIQUEZ NISTAL	DIARIO ABC, S.L.	DIRECTOR
DON LUIS ENRIQUEZ NISTAL	COMERESA PAIS VASCO, S.L.	JOIN ADMINSITRATOR
DON LUIS ENRIQUEZ NISTAL	CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.L.	JOIN ADMINSITRATOR

C.1.12 Detail if applicable the directors of the company who are members of the Board of Directors of other companies, distinct from the group, that are listed on Spanish stock markets and of which the company has been notified:

Name or company name of director	Company name of listed entity	Position
DON RODRIGO ECHENIQUE GORDILLO	NH HOTELES. S.A.	CHAIRMAN
DON RODRIGO ECHENIQUE GORDILLO	BANCO SANTANDER. S.A.	DIRECTOR
DON SANTIAGO BERGARECHE BUSQUET	DINAMIA CAPITAL PRIVADO, S.A., S.C.R.	CHAIRMAN
DON SANTIAGO BERGARECHE BUSQUET	FERROVIAL, S.A.	1st DEPUTY CHAIRMAN
DON FERNANDO AZAOLA ARTECHE	ELECNOR. S.A.	CHAIRMAN
DON RODRIGO ECHENIQUE GORDILLO	INDUSTRIA DE DISEÑO TEXTIL, S.A.	DIRECTOR

C.1.13 State and explain if the company has established rules on the number of boards which its directors may be part of:

YES

EXPLANATION OF THE RULES
In accordance with Article 30.3 of the Rules of the Board, the directors may not, except for express authorisation of the board, after a report from the appointments and remuneration committee, form part of more than 8 boards, excluding (i) companies which are part of the same group as the company, (ii) the boards of family companies of directors or their families, and (iii) the boards of which they form part because of professional relations.

C.1.14 Indicated the policies and general strategies for the company that the full board needs to approve:

Policies for investment and financing	YES
The definition of the structure of the group of companies	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
The strategic plan or business plan, and management targets and annual budgets	YES
Remunerations policy and the evaluation of the performance of senior management	YES
Risk control and risk management policy, and the regular monitoring of internal systems for information and control	YES
Dividend policy, and treasury stock policy and limitations	YES

C.1.15 State the total remuneration of the Board of Directors

Remuneration of the board of directors (thousand euros)	1,798
Amount of total remuneration corresponding to pension rights for directors (thousand euros)	0
Total remuneration of the board of directors (thousand euros)	1,798

C.1.16 Identify the members of senior management who are not executive directors and indicate the total remuneration paid them in the year:

Name or company name	Position
DON JUAN LUIS MORENO BALLESTEROS	DIRECTOR GENERAL OF DIGITAL STRATEGY
DON IÑAKI ARECHABALETA TORRONTEGUI	DIRECTOR GENERAL OF BUSINESS
DON EMILIO YBARRA AZNAR	DIRECTOR GENERAL OF COMMUNICATION AND INSTITUTIONAL RELATIONS
DON IÑIGO ARGAYA AMIGO	DIRECTOR GENERAL OF HR AND ORGANISATION
DOÑA ANA DELGADO GALÁN	DIRECTOR GENERAL ABC

DON FERNANDO GIL LÓPEZ	DIRECTOR GENERAL OF OPERATIONS AND QUALITY
DON JOSÉ LUIS PUIGDENGOLAS CARRERA	DIRECTOR GENERAL OF SALES
DON ENRIQUE MARZAL LÓPEZ	DIRECTOR OF INTERNAL AUDIT
DON JOAQUÍN VALENCIA VON KORFF	CHIEF FINANCIAL OFFICER
DON RAFAEL MARTÍNEZ DE VEGA	DIRECTOR GENERAL OF CM VOCENTO (FROM 1/3/2014)

Total remuneration of senior management (in thousand euros): 1,827

C.1.17 State the identity of any members of the board who are also members of the board of directors of companies who are significant shareholders and/or in group entities:

Detail any relevant relationships apart from those in the previous ítem, between members of the board and significant shareholders and/or group entities:

C.1.18 Indicate if there have been any modification to the rules of the board in the year:

NO

C.1.19 State the procedures for appointment, re-election, evaluation and removal of the directors. Detail the competent bodies, the procedures to be followed, and the criteria used in each procedure.

In accordance with Article 16 of the company bylaws, the designation of the directors corresponds to the AGM, the mandate will last for six years, and they may be re-elected one or more times.

According to Article 24 of the rules of procedure for the board, the directors will leave their position after the expiry of the period for which they were appointed, applying Article 145 of the rules of the mercantile registry, and when the shareholder meeting decides this in the use of the attributions it has been awarded.

Persons appointed as directors will have to meet the conditions demanded by law or by the bylaws.

The regulation of these procedures is found, in addition to the legislation, also in Article 16 of the company bylaws which establish the composition of the board of directors and the duration of the role, and in Articles 10, 11, 22, 23 and 24 and of the procedures of the board of directors, which establish the qualitative and quantitative composition of the board, and the procedures for appointment and re-election, and the duration and dismissal of directors.

C.1.20 Indicate if the board of directors has carried out in the year an assessment of its activity:

YES

If applicable, explain to what event the assessment led to major changes in internal organisation and to the procedures applicable to its activities:

NOT APPLICABLE

C.1.21 State the circumstances in which directors are obliged to resign

Article 24 of the Rules for the Procedure of the Board covers the circumstances in which a director must resign.

Mainly, directors must leave their position when the mandate for which they were nominated expires, upon application of Article 145 of the Rules of the Mercantile Registry and when the General Shareholder Meeting so decides in the use of the powers delegated to it.

In addition, a director must inform the board and resign in those cases which could damage the standing and reputation of the company, and in particular:

a) when the reasons for their appointment disappear, when there is a circumstance in which the entity or business group represented by a director no longer have a significant shareholding in the share capital of the company or reduces its holding to a level that requires the reduction of the number of its nominee directors, or when independent directors are no longer seen as such in accordance with the terms of the rules.

b) when there are found to be infractions of the criteria for compatibility and non-prohibition that have been legally established.

c) when they are seriously warned by the Audit and Compliance Committee or by the Appointments and Remuneration Committee for breaking one of their obligations as director.

C.1.22 State if the role of leading executive is also the position of Chairman of the Board. If applicable, state the measures taken to avoid the accumulation of powers in one person:

NO

State and explain if rules have been established which enable an independent director to request a meeting of the Board or the inclusion of new points in the order of the day, to coordinate and articulate the concerns of external directors and to direct their assessment by the Board of Directors.

YES

Article 20 of the Rules for the Board of Directors states that any director can propose other points in the order of the day which initially were not proposed, ahead of the board meeting, informing the secretary. In addition it establishes that the chairman will propose to the Board of Directors any business that is appropriate for the good performance of the company, regardless of whether they appear on the order of the day.

C.1.23 Are there greater majorities required for any sort of decision except for those in legislation?

NO

If so, describe the differences.

C.1.24 Indicate if there are specific requirements, different from those concerning directors, for appointments to the position of Chairman of the Board.

NO

C.1.25 Indicate if the Chairman has a casting vote:

YES

In accordance with Article 17 of the company bylaws and 12.3 of the Rules for the Board of Directors, in the event of a drawn vote the Chairman has the casting vote.

C.1.26 State whether the Bylaws or Rules for the Board establish an age limit on directors:

NO

C.1.27 State whether the Bylaws or Rules for the Board establish limits on the mandate for independent directors, which are different to those established in legislation:

NO

C.1.28 State whether there are specific rules in the bylaws or Rules for the Board for the delegation of votes in the Board of Directors, describe these procedures and in particular the maximum number of delegations that a director can award, and whether it is obligatory to delegate votes only to directors of the same class. If applicable, briefly detail these rules.

In accordance with Article 17 of the company bylaws the directors may only be represented in the board by another member of the Board. The representation must be awarded in writing to the Chairman of the Board, and must be specific for each meeting.

Article 21.1 of the Rules of the Board establishes that when representation of directors is indispensable, it must be awarded to another member of the board in writing to the Chairman, with instructions and of a specific nature for each meeting.

C.1.29 State the number of meetings of the Board of Directors in the year. Indicate any times that the board has met without the presence of the Chairman. Include as attendances any delegations established with specific instructions.

Number of Board Meetings	7
Number of Board Meetings without the presence of the Chairman.	0

State the number of meetings held in the year by the various committees of the Board:

APPOINTMENTS AND REMUNERATION COMMITTEE	4
AUDIT AND COMPLIANCE COMMITTEE	7
EXECUTIVE COMMITTEE	8

C.1.30 State the number of meetings held by the Board of Directors in the year without the full attendance of all members, including as attendances any proxies established with specific instructions.

Attendance of directors	7
Attendance as % of total votes in the period	100%

C.1.31: State if the annual individual and consolidated accounts that are presented for approval of the board are previously certified:

YES

Identify, if applicable, the person(s) who have certified the individual and consolidated annual accounts of the company, for their formulation by the board:

Name	Position
DON LUIS ENRIQUEZ NISTAL	CHIEF EXECUTIVE OFFICER
JOAQUÍN VALENCIA VON KORFF	CHIEF FINANCIAL OFFICER

C.1.32 Explain any mechanisms established by the Board of Directors to avoid the individual and consolidated accounts drawn up by it from being presented in the General Shareholder Meeting with qualifications in the audit report.

Article 18 of the Rules for the Board establish the functions of the Audit and Compliance Committee and specify that it is the task of the Committee to assist the Board of Directors in supervising the effectiveness of the company's internal controls and in the preparation and presentation of financial information, so that it complies with all regulations for both the company and the group. Likewise it must inform the board about the financial information that, as a listed company, the company must publish regularly.

C.1.33 Is the secretary of the Board also a director?

NO

C.1.34 Explain the procedures for the appointment and dismissal of the Secretary of the Board, indicating if these are informed by the Appointments Committee and approved by the full Board.

Although Article 16 of the bylaws only indicates that the Board of Directors will choose the person to carry out the functions of Secretary, Article 15.2 of the Rules for the Board, in order to protect the independence, impartiality and professionalism of the Secretary, establishes that his appointment and dismissal will be subject to a report by the Appointment and Remuneration Committee and approved by the Board of Directors in full.

Does the Appointments Committee report on the appointment?	**YES**
Does the Appointments Committee provide a report on the dismissal?	**YES**
Does the full Board approve the appointment?	**YES**
Does the full Board approve the dismissal?	**YES**

Does the Secretary of the Board have the function in particular of monitoring good governance recommendations?

YES

In accordance with Article 15.2 of the Rules for the Board, the Secretary of the board of directors must at all times ensure the formal and material legality of the actions of the Board and guarantee that its procedures and governance rules are respected and regularly reviewed. In addition, the Secretary of the Board will ensure in particular that the Board's actions: a) are in accordance with the letter and spirit of the Laws and regulations, b) are in accordance with the company Bylaws and Rules for the Shareholder Meeting, Board and any other company rules, and c) reflect the good governance recommendations accepted by the company.

C.1.35 State, if applicable any mechanisms established by the company to preserve the independence of the external auditor, of financial analysts, of investment banks and of rating agencies.

In accordance with Article 18.5.2.c of the Rules for the Board, the Audit and Compliance Committee has among its functions that of ensuring the independence of the external auditors, and to this end it is obliged to:

i) Make sure that the company informs the CNMV as a relevant fact of any change to the auditor, accompanied by a declaration about any eventual disagreements with the outgoing auditor and the substance of any disagreement.

ii) Ensure that the company and the auditor respect current legislation about the delivery of non-audit services, limits to the concentration of business with the auditor and in general those norms established to ensure the Independence of auditors. An annual report must be received from the external auditor confirming in writing their independence from the company and any company or entity linked directly or indirectly to it, as well as information on the additional services of any kind provided to these entities by the external auditor or people or entities related to the auditor in accordance with the legislation in force.

iii) Each year publish a report, prior to the report from the account auditors, in which it gives the Committee's opinion of the independence of the external auditor and the additional services apart from auditing provided, referred to in point ii).

iv) In the event of the resignation of the external auditor, examine the circumstances which have led to this.

C.1.36 State if during the year the Company has changed external auditor and if applicable identify both outgoing and incoming auditor:

NO

In the event of disagreements with the outgoing auditor, explain their substance.

C.1.37 State whether the audit firm carries out other work for the company and/or group apart from auditing, and if so declare the amount of fees and the percentage of these as a proportion of the fees billed to the company and/or group.

YES

The General Shareholder Meeting of Vocento on 16 April 2013 agreed to appoint DELOITTE, S.L., resident in Madrid, Edificio Torre Picasso, Plaza de Pablo Ruiz Picasso 1, inscribed in the Mercantile Registry of Madrid, volume 13,650, section 8, folio 188, page M-54414 and with CIF B-79104469, and number S0692 in the Official Register of Account Auditors, as the auditor of the individual and consolidated accounts of Vocento for one year, i.e. for 2013.

Deloitte, S.L., as well as auditing the individual and consolidated annual accounts, also carries out other activities for Vocento, including advice on employment issues, analysis of accounts, due diligence, etc.

	Company	Group	Total
Total received for work other than audit (thousand euros)	7	264	**271**
Total for non-audit work as a % of total billed by the audit firm	1.72%	36.22%	**24.11%**

C.1.38 State whether the Auditors Report on the Annual Accounts of the previous year has reservations or qualifications. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of these reservations or qualifications.

NO

C.1.39 State the number of years that the current audit firm has without interruption

audited the annual accounts of the company and/or group. Also indicate the percentage which this number of years audited by the firm is of the total number of years in which annual accounts have been audited:

	Company	Group
Number of consecutive years	25	25
Number of years audited by the current firm/years the firm has been audited (%)	100%	100%

C.1.40 State and detail if there is a procedure by which Directors may use external advice:

YES

In accordance with Articles 26.3 and 27 of the Rules for the Board of Directors, so that they can be supported in carrying out their functions, external directors may agree as a majority to hire at Vocento's expense legal, accounting, financial and other expert advice. This must be in connection with specific problems of a certain kind that are encountered in their work as director. The decision to hire these services must be informed to the Chairman and may be vetoed by the Board of Directors if a) it is no considered necessary for the performance of the functions of external Directors, b) the expense is not reasonable given the importance of the problem, c) the technical advice needed can be provided adequately by the Company's own experts and technicians, or d) it may result in risks to the confidentiality of the information that is to be handled.

C.1.41 Indicate and detail if there is a procedure by which Directors can have the information necessary for preparing the meetings of administrative bodies with sufficient time:

YES

In accordance with Articles 20 and 27 of the Rules for the Board of Directors, duly summarised and prepared information will be presented to the Board if enough notice is given before a Board meeting. When the Chairman believes this unadvisable for reasons of security, the information will not be sent and directors will be advised that they may examine it at the company headquarters. In addition, as indicated above, in order to be supported in carrying out their functions, external directors may agree by majority to hire the services of legal, accounting, financial and other experts at the Company's expense.

C.1.42 State and detail if the company has established rules which oblige directors to report on and resign in cases where the reputation of the company could be damaged:

YES

According to Article 24 of the Rules for the Procedure of the Board, directors must inform the board and resign in those cases which could damage the standing and reputation of the company, and in particular: a)when the reasons for their appointment disappear, i.e. when there is a circumstance in which the entity or business group represented by a director no longer has a significant shareholding in the share capital of Vocento or reduces its holding to a level that requires the reduction of the number of its nominee directors, or when independent directors are no longer seen as such in accordance with the terms of the Rules; b) when there are found to be infractions of the criteria for compatibility and non-prohibition that have been legally established; and c)when they are seriously warned by the Audit and Compliance Committee or by the Appointments and Remuneration Committee for breaking one of their obligations as director.

C.1.43 State if a member of the Board of Directors has informed the company if he has been tried or a trial will start against him for any of the crimes indicated in article 213 of the Law on Corporations:

NO

State if the Board of Directors has analysed the case. If so, explain the reasoning for the decision made about the appropriateness of the director continuing or not in the position, or if applicable detail the steps taken by the Board of Directors by the date of publication of this report or the steps planned.

NOT APPLICABLE

C.1.44 Detail any significant agreements that the company has reached that enter into force, are modified or are terminated in the event of a change in control of the company following a public takeover offer, and the effects of these agreements.

NOT APPLICABLE

C.1.45 Identify on an aggregate basis and detail the agreements between the company and directors, managers or employees that provide for compensation payments, protection clauses or guarantees in the event of their resignation or unfair dismissal or if the contractual relationship changes following a public takeover bid or other operation.

Number of beneficiaries: 8

Type of beneficiary

CEO, Senior Management and Other Managers

Description of the agreement

The Chief Executive Officer has in his contract the right to compensation of three times the amount received in the previous 12 month if the labour relationship is terminated by Vocento with no justified reason.

Algunos miembros del equipo de Alta Dirección cuentan con una cláusula en sus contratos que incluye una indemnización en caso de despido improcedente, con una cuantía que varía desde la establecida por la legislación laboral, hasta 2 años de salario bruto anual.

Some members of Senior Management have a clause in their contracts that includes compensation for unfair dismissal, with an amount that varies from that established in law to 2 years of gross annual salary.

On an exceptional basis, the contracts of managers at lower levels also include, in some cases, clauses of this nature, establishing 1 gross year's salary of compensation

Before being approved by the Board of Directors, these contracts must be analysed by the Appointments and Remuneration Committee.

State if these contracts must be informed to and/or approved by company or group bodies

	Board of Directors	Shareholder
Body authorising the clauses	**Yes**	**No**

Yes
Is the Shareholder Meeting informed about the clauses NO

C.2. Committees of the Board of Directors

C.2.1. Detail all the committees of the Board of Directors and their members and the proportion of nominee and independent directors on them:

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
DON MIGUEL ANTOÑANZAS ALVEAR	CHAIRMAN	INDEPENDENT
DON FERNANDO AZAOLA ARTECHE	MEMBER	INDEPENDENT
DON GONZALO SOTO AGUIRRE	MEMBER	NOMINEE
LIMA, S.L.	MEMBER	NOMINEE
MEZOUNA, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	0	0%
Nominee directors	3	60%
Independent directors	2	40%
Other external	0	0%

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Type
DON GONZALO SOTO AGUIRRE	CHAIRMAN	NOMINEE

DON MIGUEL ANTOÑANZAS ALVEAR	MEMBER	INDEPENDENT
LIMA, S.L.	MEMBER	NOMINEE
VALJARAFE, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	0	0%
Nominee directors	3	75%
Independent directors	1	25%
Other external	0	0%

EXECUTIVE COMMITTEE

Name	Position	Type
DON RODRIGO ECHENIQUE GORDILLO	CHAIRMAN	INDEPENDENT
DON SANTIAGO BERGARECHE BUSQUET	MEMBER	NOMINEE
DON LUIS ENRIQUEZ NISTAL	MEMBER	EXECUTIVE
DON MIGUEL ANTOÑANZAS ALVEAR	MEMBER	INDEPENDENT
ONCHENA, S.L.	MEMBER	NOMINEE
ENERGAY DE INVERSIONES, S.L.	MEMBER	NOMINEE
VALJARAFE, S.L.	MEMBER	NOMINEE

	Number	Percentage
Executive directors	1	14.28%
Nominee directors	4	57.14%
Independent directors	2	28.57%
Other external	0	0%

C.2.2. In the following table provide information on the number of female directors on the committees of the board of directors in the last four years:

Number of female directors

	2014 Number - %	2013 Number - %	2012 Number - %	2011 Number - %
Executive Committee	1 (14.28%)	1(14.28%)	1(14.28%)	1(14.28%)
Audit and Compliance Committee	1(25%)	1(25%)	1(25%)	1(25%)
Appointments and Remuneration Committee	0 (0%)	0 (0%)	0 (0%)	0 (0%)

C.2.3. Indicate if the Audit Committee has the following functions:

Monitoring the process of preparing accurate financial information for the company and for the group, reviewing compliance with the legal requirements, the correct setting of the consolidation perimeter, and the correct application of accounting criteria.	YES
Regularly reviewing the systems for internal control and risk management, so that the main risks are identified, managed and fully understood.	YES
Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment, re-election and dismissal of the head of the internal audit service; proposing the budget for this service; receiving regular information on their activities; and verifying that senior management considers the conclusions and recommendations of its reports	YES
Establishing and supervising a mechanism which allows employees to report confidentially and if appropriate anonymously of potentially significant irregularities, especially financial and accounting irregularities, detected at the company.	YES
Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract.	YES
Receiving regularly from the external auditor information on the audit plan and its results, and verifying that senior management consider its recommendations	YES
Ensuring the Independence of the external auditor	YES

C.2.4. Describe the rules for the organisation and functioning, and the responsibilities attributed to them, of each of the committees of the Board.

The APPOINTMENTS AND REMUNERATION COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 19 of the Rules for the Board of Directors.

The Committee will comprise of a minimum of three and a maximum of five external directors, appointed by the Board of Directors. The chair must be an external director and will be appointed by the Board. The Secretary of the Committee will be the Secretary of the Board. Members of the Committee will resign when they are no longer directors of the company. Notwithstanding other responsibilities assigned to it by the Board, the Appointments and Remuneration Committee will have the following responsibilities: a) assessing the competencies, know-how and experienced needed by the Board and consequently to define the functions and skills needed from candidates for each vacancy, and assessing the time and dedication needed so that each person may perform well in their position; b) analyse or organise in an adequate way the succession of the Chairman and the chief executive, and if applicable make proposals to the Board so that this succession is orderly and well planned; c) report to the Board about the appointments and dismissals of senior executives proposed by the chief executive; d) report to the Board about questions of gender equity as noted in Article 22.9 of the Rules for the Board; e) propose to the Board: i) the remuneration policy for directors and senior management; ii) individual remuneration of executive directors and other conditions in their contracts; and iii) the basic conditions of the contracts of senior managers; f) ensure that the company's remuneration policy is observed.

To better carry out its functions, the Committee can propose the hiring of external independent advisers. The Committee will meet each time that the Board or the Chair request a report or proposals covered by its competencies and whenever the Chairman, or two members of the Board call it or whenever a report is needed for the Board to come to the corresponding agreements. The committee will meet in any event to review information that is within its competencies and which will be included in regular public information that will be sent to the markets and the regulator, and to prepare the information about the remuneration of directors, which the Board must approve and include within its annual public documentation. Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have.

The EXECUTIVE COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 17 of the Rules for the Board of Directors. The Board of Directors may appoint an Executive Committee or one or several Executive Officers who will keep it informed about the functions that have been delegated to them and the Committee. The Committee will be composed of a minimum of five and a maximum of eight directors, and will be chaired by the Chairman of the Board. The Secretary of the Board will serve as Secretary of the Committee. The Board of Directors will ensure that the size and composition of the Committee is efficient and that the participation of the various categories of director is similar to the composition of the Board. The permanent delegation of faculties to the Executive Committee and the agreements to appoint its members will require the favourable vote of at least two thirds of the Board of Directors. The permanent delegation of faculties from the Board of Directors to the Executive Committee will include all faculties of the Board except that those that cannot be delegated under these Rules. The agreements of the Executive Committee will be adopted by absolute majority, either in person or by proxy. The Executive Committee will meet whenever called by its Chairman. The Board will always be aware of the issues discussed and the decisions made by the Executive Committee. All members of the Board will receive at the end of the year a copy of the minutes of the meetings of the Executive Committee. Notwithstanding this, the minutes will be available to Directors when they are approved, to be consulted in the Secretary's office of the Board.

The AUDIT AND COMPLIANCE COMMITTEE is governed by Article 19 of the company bylaws and mainly by Article 18 of the Rules for the Board of Directors. It will consist of a minimum of three and a maximum of five external directors appointed by the Board. At least one of them will be independent. The Chair will be appointed by the Board and must be substituted every four years, and can be re-elected one time one year after leaving the position. The Secretary of the Board will serve as Secretary of the Committee. The members of the Audit and Compliance Committee and in particular the Chair will be appointed on the basis of their knowledge and experience and at least two members must have experience of accounting, audits or risk management. The members of this Committee will resign as soon as they resign as directors of the Board. The Audit and Compliance Committee will meet whenever the Board or its Chair requests a report or the adoption of proposals, within the scope of its competencies and whenever the committee's chair or two members request it or it is appropriate to produce a report for the corresponding agreements to be adopted. In any event, it will meet on a quarterly basis to review the information that is within its competencies and which will be included in the regular public information to be provided to markets and regulators. Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have. The Committee may require them to appear without the presence of another manager. The Committee can also require the attendance of the account auditors at its meetings.

C.2.5. State, if applicable, the existence of any regulations for the board committees, the place where these can be consulted and the modifications made in the year. Also

indicate if on a voluntary basis any annual report has been made of the activities of each committee.

There are no specific regulations for committees, as their regulation is contained, as indicated in section C.2.4, in the Rules for the Procedure of the Board. This is available on the web site of the group at: http://www.vocento.com/accionistas_e_inversores.php

C.2.6. State whether the composition of the executive committee reflects the participation in the board of the various different types of directors:

YES

D.- TRANSACTIONS WITH RELATED PARTIES AND INTRA-GROUP TRANSACTIONS

D.1. Identify the relevant body and if applicable the procedure for approving transactions with related parties and intra-group transactions.

Relevant body for approving transactions

The Board of Directors, following a report from the Audit and Compliance Committee

Procedure for approving transactions with related parties and intra-group transactions

In accordance with Article 5.4 and 18.5.4.c of the Rules for the Board, the approval of transactions with related parties corresponds to the Board of Directors, following a report from the Audit and Compliance Committee. The Board in full will reserve the right to authorize transactions between Vocento and directors, significant shareholders or those represented at the Board, and people linked to them, except when these transactions meet the following three conditions simultaneously: i) they are carried out under standard contracts; i) they are carried out prices or rates that are established in general terms by the supplier of the good or service in question; and iii) that the amount does not exceed 1% of the annual revenues of the company.

Explain if the approval of transactions with related parties has been delegated, indicating if applicable to what person(s) or body they have been delegated.

The Internal Rules of Conduct in Securities Market approved by the Board of Directors on 14 January 2014 establishes in Article 8.1 of the Rules that the Corporate Compliance Unit, which reports to the Audit and Compliance Committee and which comprises (i) the Secretary of the Board of Directors, as Chair, (ii) the Chief Financial Officer of the Company, as Deputy Chair, (iii) the Director of Internal Audit, (iv) the Director of Communications, (v) the Director of Investor Relations and (vi) the Director of the Legal Department, as Secretary, will be the body responsible for approving transactions with related parties..

D.2. Detail those transactions that are significant in terms of amount or relevant because of their substance between the company or group entities and significant shareholders:

D.3. Detail those transactions that are significant in terms of amount or relevant because of their substance between the company or group entities and company directors or managers:

D.4. Detail any significant transaction between the company and other group entities, whenever these are not eliminated in the consolidated financial statements and do not form part of the normal business of the company's business.

Detail any intra-group transaction made with entities established in countries or territories that are considered to be tax havens:

D.5. Indicate the amount of transactions made with related parties.

52,532 (thousand euros).

D.6. Detail the mechanisms, for detecting, determining and resolving possible conflicts of interest with the company and/or group, and directors, management or significant shareholders.

In accordance with Article 5.3 of the Internal Code of Conduct, those persons subject to the Code must avoid as much as possible any situation which could lead or potentially lead to a conflict of interest. When there is a situation which represents or potentially could represent a conflict of interest, the person submitted to the code must immediately inform the Corporate Compliance Unit (UCC), making available as much information as they request to evaluate the circumstances of the case. The UCC will transfer the case to the Audit and Compliance Committee to make the appropriate decisions. Any uncertainty about the possible existence of a conflict of interest must be notified to the Audit and Compliance Committee before any decision is made which could be affected by this conflict of interest. The UCC will advise the persons or people involved in the situation about the conflict of interests and about the decisions made concerning this conflict. The person who is subject to the Code and affected by a situation of conflict of interest will abstain from intervening or influencing, directly or indirectly, the transaction, decision or situation where there is a conflict. In the event of a conflict of interest, and as a general rule derived from the duty of loyalty to the Company, the interest of Vocento will prevail over that of the person subject to the Code and involved in the conflict.

For their part, in accordance with Article 33 of the Rules for the Board of Directors, a Director must abstain from intervening in discussions about affairs in which he is directly or indirectly interested. The Director must notify the Board of any situation of direct or indirect conflict of interest that he may have with the interest of the company, so that this can be assessed by the Appointments and Remuneration Committee, who will decide if this situation is compatible or not with the role of Director. Directors must disclose any shareholding in a company with the same, similar or complementary activity as the business of the company, as well as the positions and functions they carry out there and whether they carry out for themselves or for a third party the same, similar or complementary activity. This information will be included in the annual report. Situations of conflicts of interest involving directors will be mentioned in the annual corporate governance report. Nominee directors must disclose to the Board any possible situation of conflict of interest between the Company and the shareholder they represent, and abstain from participating in the adoption of the corresponding agreements. The Director will not be able to carry out professional or commercial transactions with the Company or any group companies, unless he informs these in advance to the Board of Directors and the Board, following a report from the Appointments and Remuneration Committee, approves the transaction. Likewise, the Board of Directors, following a report from the Appointments and Remuneration Committee, must authorise the ordinary transactions of the Director with the Company or group entities, it being enough to provide a generic authorisation of the sort of operations and their conditions.

D.7. Is more than one company of the Group listed in Spain?

NO

Identify listed subsidiaries in Spain:

State if there has been a public definition of their respective areas of business and of any business relations between them, and between the listed subsidiary and other group companies:

Identify the mechanisms to be used to resolve any conflicts of interest between the listed subsidiary and other group companies;

E.- RISK CONTROL AND MANAGEMENT SYSTEM

E.1. Describe the scope of the company's risk management system.

Vocento has long established and approved a risk management system (SGR) driven by the Board of Directors and Senior Management, with the aim of understanding and controlling the risks to which the Company is exposed, obtaining an overall view of these risks, and aligning business objectives with the risks identified and with the response measures and controls defined to minimize these risks.

In 2014, the system was subject to an extensive review process supported by an external consultant, and this resulted in the approval by the Board of Directors on 13 November 2014 of a new Risk Management Policy for Vocento and group companies.

Vocento's risk management system is based on methodological frameworks including COSO II (COSO: Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000, adapted to the specific requirements of the Group. Furthermore, the definition of responsibilities reflects the recommendations of the 'three lines of defence model of FERMA (the Federation of European Risk Manager Associations) and ECIIA (the European Confederation of Institutes of Internal Auditors).

This system works in an integrated way across various business and functional areas of the company, including business areas and supporting areas. The policy for controlling and managing risks is based on identifying and assessing the different types of risk that the company faces (a risks map), separating them by relevance, and then determining measures to mitigate the impact of these risks, if they should materialise, and the information and internal control systems used to manage risks at the individual and group level.

E.2. Identify the company bodies responsible for preparing and implementing the Risk Management System.

As risk management is integrated throughout the company, there are various bodies with responsibilities for preparing and implementing the risk management system. The functions and responsibilities of each are established in the Risk Management Policy mentioned previously.

a) Board of Directors / Audit and Compliance Committee:
In accordance with the terms of the Rules for the Board of Directors of Vocento, the board is responsible for approving risk control policies and management and for regularly monitoring internal information and control systems. As a result, it is the ultimate responsible party for the Group's Risk Management.

The Audit and Compliance Committee is responsible for supervising the effectiveness of risk control systems and regularly reviewing internal control and risk management systems, so that the main risks are sufficiently identified, understood and managed.

b) Risks Committee
A new Risks Committee has been established, a new permanent body with a consultative role in the high level risk management area, with powers to inform, coordinate and make proposals, reporting to the Audit and Compliance Committee. It comprises of all the members of the Executive Committee, and it meets on at least a quarterly basis.

The functions of the committee include: (i) to drive forward the understanding of the Group's risk management policy and the maintenance of a risk-focused culture; (ii) to drive the integration of risks management in all the organisation's processes and procedures; (iii) to provide the Executive Committee, the Audit and Compliance Committee and the Board with overall strategies for risk management and risk appetite for each type of risk; (iv) to ensure the correct updating of the Risks Map; and (v) to validate the risks identified as those to be managed and propose risks for preferential monitoring.

c) Corporate Risks Management Function

The function of Corporate Risks Management is exercised by the financial department and includes coordinating and grouping the processes for identifying, assessing and measuring risks, and the controls and procedures needed to mitigate them, as well as supervising and coordinating front line work, Risk Managers in each unit or business or corporate area, centralizing and managing the information about key risks that they provide.

d) Risk Managers

The risk management system involves the entire organization, with the Management Team responsible for its formalization, functioning and updating. However, for each key risk at least one risk manager has been identified, who among other tasks monitors the evolution of the risks that are their responsibility and proposes the most appropriate management strategy, as well as the responses and improvements needed to be implemented to cover any weaknesses of the system. They also provide information to the Corporate Risk Manager.

e) Internal Audit

Supports the Audit and Compliance Committee in the functioning and effectiveness of risk management processes and their assessment, and also evaluates risk management processes including the supervision of controls and procedures. Internal Audit collaborates and provides support and methodology in assessing risks, but is not responsible for evaluating them or for making decisions about the level of exposure to risks.

E.3. Indicate the main risks that could compromise the achievement of business targets.

Vocento defines as a risk any event or contingency, either internal or external, which if it materialized would prevent or make it hard to achieve the targets set by the Group. In 2014, the risk management system was reviewed, and the Vocento Risks Map, which the main risks identified. Listed below are the 18 (eighteen) main risks detected and which are subject to special monitoring, in the following categories:

- Strategic
1. Fall of offline advertising revenues / obsolescence of offline products
2. Fall of advertising revenues in the digital market
3. Fall of circulation market share
4. Movements by the competition

5. Editorial line with little relevance for maintaining influence

- Organizational
6. Insufficient capacity for growth / digital transformation
7. Talent retention

- Operational
8. Failing to meet tangible product quality levels
9. Kiosko y Más ineffective as a product
10. Restrictions in supporting the distribution network

- Compliance
11. Reputational damage
12. Non-compliance with internal and external norms
13. Reliability of financial information
14. Tax breaches

- Financial
15. Capturing funds/access to finance
16. Failure to meet bank covenants
17. Late payments, default

- Technological:
18. Information security

E.4. State if the entity has a level of tolerance to risk

The process of risk management is based on the identification and assessment of the main risks that could prevent Vocento from reaching its goals, and aims to reduce or mitigate these risks to an acceptable level, by establishing the appropriate controls for the importance of each risk, in every process, hence enabling the objectives of internal control to be achieved. Risk appetite and tolerance do not aim to eliminate risk but to control it efficiently, enabling the Group to implement strategies and reach its business objectives.

Risk tolerance is defined as the level of variation that the Group accepts in achieving its targets. It is the acceptable threshold for the target and the associated risk.

According to Vocento's Risk Management Policy, and in order to make risk management strategies and activities in line with Vocento's risk appetite, the acceptable level of tolerance is established by Senior Management, reflecting the Group's interests and objectives, and those of its various key stakeholders. The Board of Directors regularly approves the proposals of the Risks Committee about the risk limits and tolerances to be applied by the Group.

E.5. Indicate which risks materialised during the year.

- Fall of offline advertising revenues / obsolescence of offline products

This risk is a result of the economic crisis, the fall in advertising spend and the fall in consumption. In addition to the strategic measures taken by the company to mitigate this risk, the information and internal control systems that have been established have worked correctly, effectively mitigating the impact of these risks.

- Late payments, default

This risk reflects the increase in payment delays from both private sector clients and public administration and local institutions. It has been judged that the internal control and information systems established have functioned correctly (guarantees for payment, credit limits, etc.), effectively mitigating the impact of these risks

E.6. Explain the plans for responding to and monitoring the main risks of the entity.

Risk control activities represent the response of the organisation to the coverage or mitigation of the risks that have been identified and assessed, enabling internal control objectives to be achieved. They occur across the organisation, at all levels and in all functions, and include a range of varying activities, such as approvals, authorisations, verifications, and segregation of functions, which are carried out systematically in time and which are documented in the internal norms, procedures and instructions that must be complied with.

In Vocento's new risk management system, each one of the Risk Managers is responsible for identifying existing management measures and for proposing the right management strategy, as well as the responses and improvements needed to make up for any weaknesses in the system. The supervising body of the system is the Audit and Compliance Committee, which regularly reviews the internal control and risk management systems, so that the main risks are appropriately identified, managed and understood.

F.- INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT FOR THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (SCIIF)

F.1. The control environment of the entity

Indicate and describe the main characteristics of:

F.1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective SCIIF; (ii) its implementation; and (iii); its supervision.

Governance bodies and functions responsible for the SCIIF

1. Rules of the Board of Directors

The Board of Directors formally assumes in its Rules the final responsibility for the existence and maintenance of an adequate internal control system for financial information, including responsibility for its supervision.

Article 5.4 of the Rules for the Board of Directors of Vocento, establishes, among others, the following functions of the Board:

- The policy for risk control and management and the regular monitoring of internal information and control systems.

- The financial information that the company must publish regularly as a listed company.

Article 8 of the Rules for the Board refers to the specific functions concerning the Annual Accounts and Management Report:

"The Board of Directors will prepare in clear and precise terms that are easy to understand the annual accounts and management report, both individual and consolidated. The Board of Directors will ensure that these present a fair view of the equity, financial situation and results of the company, in accordance with the law.

The Board of Directors will present the accounts to the General Meeting without reservations or qualifications in the auditor's report, and in the event of any qualifications the Chairman of the Audit Committee and the auditors will clearly explain to shareholders the content and scope of these."

Article 18.4 of the Rules for the Board of Directors establishes that the Audit and Compliance Committee has the following responsibilities, among others, in accordance with the Eighteenth Additional Provision of the Law on Securities Markets:

- Supervision of the effectiveness of the internal controls of the company, of the internal audit services and risk control systems.

- Understanding and supervision of the process of preparing and presenting the financial information required.

- Supervision of the process of preparing and the integrity of the financial information of the company and group, reviewing compliance with legislative requirements, the correct consolidation perimeter and the correct application of accounting standards.

- Regularly reviewing the internal control and risk management systems so that the main risks are identified, managed and understood appropriately.

- Informing the Board prior to its adoption of any decisions reserved for the Board by the Rules for the Board, about the following issues:

a) The financial information that the company, as a listed company, must regularly publish. The Committee will ensure that the intermediate accounts are prepared to the same accounting standards as the full year results and hence should consider whether they be subject to a limited review by the external auditor.

b) The creation or acquisition of stakes in special purpose vehicles or those incorporated in countries or territories that are considered to be tax havens, and any other similar transactions or operations that could reduce the transparency of the group.

The Company has available an internal audit function that under the supervision of the Audit and Compliance Committee ensures the smooth functioning of internal control and information systems. Article 46 of the Rules for the Board refer to the relationship with securities markets and establishes the responsibilities of the Board in the supervision of the regular public information to be supplied to markets and regulators:

- The Board of Directors will adopt the measures needed to ensure that six-monthly, quarterly and any other financial information that it is appropriate to provide to the markets is prepared in accordance with the same principles, criteria and professional practices that are used for the annual accounts, and that they have the same accuracy as these. To this end, the information will be reviewed by the Audit and Compliance Committee and by the Appointments and Remuneration Committee in accordance with their respective competencies.

2. Internal norms

The internal norms on the Internal Control System for Financial Information (hereinafter, the SCIFF), signed by the CEO and corporate financial managers and disclosed to the organisation, establish the following responsibilities:

a) The Board of Directors holds the final responsibility for the accuracy of the financial information required and published for the market and regulators, and is responsible for the existence of an adequate and effective SCIIF

b) Senior Management, via the financial department, is responsible for the design, establishment and operation of this system.

c) The Director Generals of the companies have the final responsibility for the internal control over financial information in each company and for making sure that this functions properly, as well as monitoring its efficacy and the accuracy of the financial information that is prepared and reported.

d) The Audit and Compliance Committee has delegated to it by the Board of Directors the function of supervising the process of preparing and presenting the financial information and assessing the SCIIF, supported by the internal audit services

F.1.2. If there are the following elements, especially in the process of preparing financial information:

Departments and/or mechanisms charged with: (i) the design and review of the organisational structure; (ii) defining clearly lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) sufficient procedures for their correct application in the entity.

The responsibility for the process of preparing and monitoring the internal norms at Vocento is delegated to the General Management of Human Resources and Organisation, whose functions include that of maintaining the norms and organisation, coordinating the documentation of the processes and controls, and preparing and publishing the norms, procedures and instructions prepared by management. Compliance with these is obligatory in Vocento. These standards include norms for the preparation of financial information.

The design, review and updating of the organisational structure is permanently documented in the Vocento Organisational Handbook, signed by the CEO, available to all members on the corporate intranet. This handbook established the lines of responsibility and authority of the various management departments and levels and the distribution of tasks.

Code of conduct, approving body, level of awareness, principles and securities covered (indicating if there is a specific mention for recording transactions and preparing financial information), and the body responsible for analysing non-compliance and proposing corrective and disciplinary measures.

On 21 January 2014 the Board of Directors unanimously approved Vocento's Internal Rules of Conduct in Security Market, substituting the Internal Code of Conduct for Securities Market in force until that data. All people affected in the organisation were informed, and the Rules are published on the company website. They cover personal transactions, inside information, transactions with related parties and treasury stock. The Corporate Compliance Unit, which reports to the Audit and Compliance Committee, regularly updates and monitors compliance with the terms of the Rules.

In addition, on 13 November 2014 the Board of Directors of Vocento approved a Code of Ethics that reflects the practices that Vocento applies and the principles, values and behaviour expected of managers and employees when carrying out their functions.

The Code includes the practices that Vocento follows, and reflects the company's commitment to legality, good governance, transparency, responsibility, independence, and good behaviour in all actions, and to avoid any action that could damage the company's reputation for upholding socially accepting ethical standards.

There are in the Code specific mentions regarding recording transactions and preparing financial information, so that all transactions must be recorded in accounts at the right time, in accordance with the applicable accounting law, so that financial information is reliable and reflects all the rights and obligations of Vocento and its companies.

The Code of Ethics has been distributed to all employees at Vocento and its subsidiaries, by email, and has been formally signed by the parties, with their receipt and acceptance of it registered. The Code is available to the public on the Vocento web site, www.vocento.com, in the Corporate Governance section.

A communications has been carried out for managers, and a training plan in 2015 will target employees by segment and area.

The body responsible for analysing non-compliance with the Code of Ethics and for taking any corrective action required is the Ethics Committee, which reports to the Audit and Compliance Committee.

Reporting channel, enabling employees to inform the Audit Committee of financial and accounting irregularities, in addition to any non-compliance with the code of conduct and irregular activities at the organisation, and whether this channel is confidential.

In 2014, Vocento established a specific communications procedure, the Ethics Channel, by which anyone can report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable, including accounting norms.

The Ethics Channel consists of a specific email address and a postal address. Communications received by this channel will be treated confidentially, and measures have been implemented to guarantee this confidentiality at all times.

To ensure the accuracy of the information received, complaints will only be accepted when the person sending them identifies themselves. All complaints will be analysed and assessed by the Ethics Committee, which has supervisory powers and which will propose any actions to be taken to the Audit and Compliance Committee, the final authority.

Regular training and updating programmes for people involved in the preparation and review of financial information and in assessing the SCIIF, covering at least accounting standards, internal controls and risk management.

On a regular basis, depending on the resources available, personnel involved in financial functions receive specific training for their functions (e.g. updates about tax, etc.).

There is a specific annual training plan for the personnel of internal audit responsible for reviewing and assessing the SCIIF, covering corporate governance, risks, advanced accounting and fraud. This plan includes the hours per year needed to maintain the certifications CIA (Certified Internal Auditor) and CRMA (Certification in Risk Management Assurance) of staff in the area.

F.2 Assessment of risks of financial information. State, at least

F.2.1. The main characteristics of the process for identifying risks, including errors and fraud, in particular:

- **If the process exists and is documented.**

- **If the process covers all the objectives of the financial information (existence and incidents; completeness; valuation; presentation, breakdown and comparability; and rights and obligations), and if it is updated, and how often.**

Objectives

The objectives of internal control of financial information, in accordance with the scope defined by the SCIIF Norm, compliance with which will ensure the accuracy of the financial information to a reasonable degree, are as follows:

Completeness
Valuation
Presentation, breakdown and comparability
Rights and obligations

Frequency

The SCIIF Norm of Vocento establishes that the process of identifying and assessing risks is carried out every year.

- **The existence of a process for identifying the consolidation perimeter, including, among others, the possible existence of complex company structures, with special vehicles.**

The risks associated with the achievement of these objectives of controlling risks are identified in the processes of preparing the financial information, in all the accounting items of the profit and loss account and the balance sheet, for all group companies, and are assessed in terms of importance, which is determined by the probability of the risk resulting in a material impact on the individual and consolidated financial statements of Vocento that are provided to the regulator and the market.

The risk assessments weigh the following indicators:

- Complexity of transactions and of the applicable accounting standards.
- Volume of transactions and the quantitative importance for the parties involved
- Complexity of the calculations needed.
- Need to make estimates or forecasts.
- Application of professional judgement
- Qualitative importance of the information.

In addition, the following factors have been considered when assessing the risks:

- Known and mature business/process.
- Existence of documented processes and controls-
- Automation and use of systems.
- Existence of incidents in the past.

- **If the process also covers the effects of other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) that may affect financial statements**

Scope

The result of the annual assessment of risks is the identification of the total processes and companies to which the SCIIF is applied each year.
In the risks universe used, the probability of an error with a material impact due to fraud or manipulation of financial information is considered.

All the risks assessed are included in the IT system for the SCIIF, in the risk files that contain the following information:

- Process
- Name and description of risk
- Items/financial information affected
- Potential error
- Assessment of the impact on relevant financial information
- Assessment of the frequency
- Inherent risk
- Assessment of the risk indicators (see before in this section)
- Perceived Risks (high, medium, and low, and this is the basis for its inclusion in the SCIIF).
- Existing controls over the process
- Residual risk
- Need or not to establish controls within the SCIIF.

In addition, a Risks Map for each process is prepared to visualise the impact and probability of each risk in each process

Risks universe considered

The risks associated with the achievement of the objectives of accurate financial information form part of the risks universe that is considered in Vocento's general risk assessment, and considers the effect on financial information of other types of risks

• The institution of the entity that supervises the process.

The establishment and maintenance is the responsibility of the Financial Department via the Financial Planning and Control Department, supervised by the Audit and Compliance Committee, which analyses these risks and forms the base for the other components of the SCIIF. Internal Audit provides support to the Financial Planning and Control Department in the annual risk assessment process.

F.3 Control activities

Indicate, describing their main characteristics, if the company has in place at least:

F.3.1. The procedures for reviewing and authorising financial information and the description of the SCIIF, to be published for securities markets, indicating responsible parties, documentation of flows of activities and controls (including those relating to the risk of fraud) over the various types of transactions that could have a material impact on financial statements, including the procedures for closing the accounts and specifically reviewing relevant estimates, valuations and forecasts.

Procedure for reviewing and authorizing financial information:

The consolidated information of Vocento uses information supplied by the various companies: the aim is that the financial information presented to the Board of Directors of Vocento for formulation of accounts have undergone the levels of review needed for those responsible for their preparation.

The responsibility for preparing financial information is of Corporate Financial Management. To achieve the fair accuracy of this information, it has a system for internal controls of financial information, or SCIIF.

At each period of publication of financial information to the securities markets, the Audit and Compliance Committee monitors the process and reviews the controls established to ensure that they have worked effectively, informing the Board for formulation and publication of the information.

The controls established in the SCIIF are considered key to the achievement of the internal control objectives of the system, according to the scope described above, and have been designed to prevent and mitigate the potential material impact on the consolidated and individual financial information of Vocento of the most important risks identified in the risk assessment, including the procedure for closing accounts and specifically reviewing relevant opinions, estimates, valuations and forecasts.

These controls are implemented at all stages of the process of preparing and presenting the financial information.

- Start
- Authorisation
- Recording
- Processing
- Presentation
- Communication

All the controls that have been implemented, including the key controls, are homogeneous across all the companies in which the SCIIF is applied. There is a responsible party designated for their execution and monitoring, and they are documented in the IT system for the SCIIF..

The control activities are carried out at various levels of the organisation to reduce the risks of errors, omissions or fraud that may affect the financial information in each of the reporting periods (annual, half-yearly and quarterly).

The SCIIF is supported by an IT system that supplies relevant information about the level of control and monitoring undertaken by those responsible for this, delivering enough evidence for conclusions to be made about the system's overall functioning.

The designated responsible people for the execution of the controls designed and implemented under the SCIIF will document the controls made and state that they have been carried out, informing any instance in which the control has not been carried out or in which significant incidents have been detected during the monitoring.

The documentation required as evidence that the control has been carried out is included in the IT system for the SCIIF, so that at any time Senior Management and the Audit and Compliance Committee of Vocento have available to them updated information about the level of compliance with the controls and hence of the exposure of Vocento to the risks of reporting inaccurate financial information and the coverage of these risks.

The level of evidence required to be able to make a conclusion about the level of implementation of a control is directly proportionate to the risk of a material error in the individual and consolidated financial information of Vocento.

There are controls throughout the entire process of preparing the financial information, both at source (the companies) and in the corporate department in charge of consolidating and preparing the financial information, including the IT processes for the end users, such as spread sheets and other specific programs for presentations.

Vocento has a centralised SCIIF and it is the responsibility of the Control and Financial Planning Department to maintain it updated, to monitor compliance with controls and update the IT application. Internal Audit is responsible for reviewing controls for their effectiveness and for making any recommendations needed.

The SCIIF includes key controls about the recovery of certain inherently high risk assets such as deferred taxes, goodwill and securities, which require financial forecasts to be made based on estimates and professional opinions. In these sorts of controls, the Director Generals of the companies leave evidence of their supervision and assent in the IT application.

In addition, the Audit and Compliance Committee carries out half-yearly and annual monitoring, with the external auditors, of these valuations and impairment tests and proposes to the Board any possible adjustments to be made to the financial information.

Internal certifications of financial information

Vocento's SCIIF contains a cascading system of responsibilities in which every person responsible for preparing, monitoring and reporting financial information at each company/business unit, functional area and relevant location, formally assumes their responsibility for the accuracy of the information provided to those responsible for preparing consolidated financial information and publishing it externally, with a signed, written certification every half-year and year.

In this Certification they also state their awareness of the existence and correct operation of the SCIIF in the period. The Director Generals of the companies, the corporate Director Generals and the DGs of each area, the corporate financial department and the CEO are all required to make this certification. The certification forms and the management levels affected are described in the Norm for the SCIIF, and the evidence for the certifications is documented in the SCIIF IT system.

This system of certifications is designed to obtain a level of sufficient commitment from those responsible for preparing the financial information, in processes that do not fall under the direct responsibility of the corporate financial area, and to achieve a higher level of security about the accuracy of the financial information for those finally responsible for its formulation and approval. Notwithstanding this, the existence of this system of certifications does not exempt the Board, Senior Management and the Audit and Compliance Committee from the responsibility of supervising financial information and the SCIIF.

F.3.2. Internal control policies and procedures for information systems (including security of access, control over changes, operations, continuity and separation of functions) that support the relevant processes of the entity for preparing and publishing financial information.

In 2014, there was an upgrade of the Management System for Information Security (SGSI), redefining the control system according to the ISO 27002, LOPD and ISO 22301 standards.
Within this scope are all the ERP systems on which financial information is based and which is used directly to prepare this information.

The full project will be completed in 2015 and will also review current procedures and general controls in accordance with the generally accepted internal control framework for information systems, Cobit, which includes principles for maintaining appropriate access to systems and installations, modifications to applications, and the recovery of information in the event of losses, as well as back-up systems to ensure continuity in the process of recording transactions, in the event of any incidents in the main systems.

The internal control policies and procedures that are currently documented include a passwords policy for all applications that are involved in the process of preparing financial information, divided into two classes: applications that are integrated in the corporate Active Directory and the corporate ERP, which has its own password policy. The policy includes the expiry time of passwords, their length and the obligatory alpha-numeric requirements.

In addition, user access to each application is controlled by group. This is done centrally using functional systems and the administrators of the applications.

F.3.3. Internal control policies and procedures for supervising activities that are subcontracted to third parties, such as aspects of assessment, calculation or valuation that independent experts undertake and that can have a material impact on financial statements.

No activities are subcontracted to third parties responsible for executing and processing transactions that are reflected on the financial statements.

F.4 Information and communication

State whether the company has available, and the main characteristics of this, at the least:

F.4.1. A specific function responsible for defining and updating accounting policies (an area or department of accounting policies) and resolving any doubts or conflicts about their interpretation, with a fluid dialogue with those parties responsible for operations in the organisation and an up to date handbook of accounting policies that has been released to the units via which the entity operates.

Corporate Financial Management, via the Control and Financial Planning Department, is responsible for:

- Defining, establishing, updating and formally communicating via the channels that have been established, to all people involved in the process of preparing the financial information of Vocento, the Handbook of Accounting Policies, which contains the criteria, necessary accounts and procedures for entering and preparing the information on a homogeneous basis across all the companies of Vocento, It is updated annually.

- Resolving any doubts or conflicts about the handbook's interpretation, maintaining a fluid dialogue with those parties responsible for operations in each company. In addition, Corporate Financial Management is responsible for defining and formally establishing the channels for the financial information to be disclosed, and for the SCIIF, based on the type of information to be published, its origin, the people responsible for preparing and distributing the information, its destination and frequency.

F.4.2. Mechanisms for entering and preparing financial information in a homogeneous format, to be used by all the units of the entity or group for the main financial statements and notes, and information about the SCIIF.

Vocento uses a common IT system for all its companies (ERP) which supports the process of preparing the financial information. The companies of the group in the audiovisual production and distribution sector use their own specific ERP systems, which transfer their information over interfaces to the common ERP for the rest of the companies included in the consolidation perimeter.

In addition, there is a specific application for accounting consolidation, which is directly fed by the accounting information stored on the common ERP system. All the individual and consolidated information is reported under homogeneous formats defined by the Control and Financial Planning Department.

The entire process of obtaining accounting information for consolidation and reporting is the responsibility of the Corporate Financial Department, via the Control and Financial Planning Department and Investor Relations.

The IT application that supports the SCIIF includes a reporting module which supplies relevant information about the level of compliance and effectiveness of the controls, both by the people responsible for execution and supervision, and per accounting process and company, generating enough evidence for conclusions to be made about the overall functioning of the system.

F.5 Supervision of the functioning of the system

Supervision of the functioning of the system

F.5.1. The supervisory activities of the SCIIF undertaken by the Audit Committee and if the entity has an internal audit function that has amongst its competencies that of supporting the committee in its task of supervising the internal control system, including the SCIIF. In addition, the scope of the assessment of the SCIIF carried out in the year and the procedure by which the person responsible for its assessment discloses the results, and if the entity has an action plan that details any corrective measures to be taken, and if the impact on financial information has been considered.

Supervisory model for the SCIIF.

The supervisory and assessment activities of the SCIIF that have been established at Vocento are included in the Norm for the SCIIF and based on the theory of three lines of defence, established by FERMA (the Federation of European Risk Manager Associations) and ECIIA (the European Confederation of Institutes of Internal Auditors).

1st line of defence - Operational management: self-assessment by those in charge of carrying out the controls (executor and supervisor), confirming the correct execution of the controls or any incidents identified. Six-monthly and yearly certifications from the Director Generals, CFO and CEO.

2nd line of defence - Functions of assurance: the Planning and Control Department supervises the correct functioning of the SCIIF, assessing the compliance and supervision of controls carried out by those responsible on site, and notifying any incidents reported by executors and supervisors, as well as ensuring compliance with Certifications for every period in which financial information is published.

3rd line of defence - Internal Audit reviews the effectiveness of the controls in each period of publication of regular financial information, and carries out an annual assessment of the SCIIF based on the 5 internal control components of COSO.

The Audit and Compliance Committee is the governance body that is responsible for supervising and assessing the SCIIF and making reports about its effectiveness and the results obtained to the Board of Directors of Vocento and to Senior Management, and it has the following supervisory responsibilities for the SCIIF, included in the Rules for the Board of Directors of Vocento in accordance with legislation:

a) Supervision of regulatory required financial information and regular public information.

b) Supervision and assessment of the functioning of the SCIIF.

There is a procedure by which the Audit and Compliance reviews, analyses and comments on the financial statements and other relevant financial information, prior to their publication, with Senior Management, internal and external auditors, to confirm that the information is reliable, clear and relevant and that accounting criteria have been followed that are consistent with the previous year and that the information supplied is complete and consistent with operations.

In particular, it supervises in specific sessions the process implemented by Senior Management to carry out critical judgements, valuations, forecasts, estimates and relevant closing entries, with a significant and/or material impact on financial statements

<u>Assessment of the functioning of the SCIIF.</u>

For the assessment of the SCIIF, the Audit and Compliance Committee uses the services of Internal Audit, which has the necessary resources, and is devoted exclusively to this function.

The internal auditor reports to the Audit and Compliance Committee and to the CEO of Vocento, and this status and its responsibilities and functions are included in the Internal Audit Bylaws, signed by the Chairman of the Audit and Compliance Committee.

Internal Audit is responsible for assessing the overall operations and effectiveness of the SCIIF, based on the five internal control components of COSO, (i) Control Environment, (ii) Risk Assessment, (iii) Control Activities, (iv) Information and Communication, and (v) Monitoring, based on the information provided to it by the SCIIF IT system as well as any complementary substantive checks deemed necessary about the compliance and effectiveness of the controls, both in terms of the accounting process and at the company level, considering the centralization/dispersion and the uniformity of the controls, and the level of evidence needed to make conclusions about whether these controls are functioning effectively.

All the review process is carried out within the IT system itself, providing evidence about any weaknesses found in the design and operations of the controls, of recommendations made, proposed action plans and communications with those responsible for the controls.

The Audit and Compliance Committee approves the Annual Internal Audit Plan for the assessment of the SCIIF and receives regular information about the results of its work and of the action plan agreed with Management to correct any deficiencies observed.

The review plan for the SCIIF in 2013/2014 aims to increase significantly the scope of the review by internal audit and the assessment of the operational effectiveness of the SCIIF controls, so that at the end of the annual Plan it will have been possible to carry out an assessment covering the complete SCIIF in terms of controls, processes, companies and geographical locations.

To achieve this, a new process of sampling controls was implemented, applying statistical techniques that resulted in a representative sample leading to a higher degree of security for making conclusions about the overall effectiveness of the SCIIF in each period for reporting financial information to the market.

The first step was to organise the universe of controls by different types of sampling, with exhaustive 100% sampling applied to those final processes directly associated with the preparation, presentation and publication of regulated public financial information (consolidation and external reporting).

The target of the Plan has been met, with all controls, processes, companies and locations reviewed.

The result of the application of this model has been a significant increase in the coverage of audited controls and an increase in the accuracy of the financial information published

SCIIF controls are subject to a quarterly review in each reporting period and there is an annual SCIIF global review in accordance with the 5 components of the COSO Framework (Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring).

Internal Audit is responsible for disclosing the results of the assessment regularly to the Audit and Compliance Committee after completing its work.

Any significant and/or material weaknesses identified in the internal controls of the SCIIF are informed by the Audit and Compliance Committee to the Corporate Financial Management and to the Board of Directors for correction, with Internal Audit monitoring the corrective actions taken to quickly resolves issues, considering the materiality for the accuracy of the individual and consolidated financial information of Vocento.

F.5.2. Whether there is a procedure for debating via which the account auditor (in accordance with the terms of the Audit Technical Notes), the internal audit function and other experts can inform senior management and the Audit Committee or directors of any significant weaknesses identified in internal controls during the processes of reviewing the annual accounts or other accounts that have been requested. In addition, whether there is an action plan to correct or mitigate any weaknesses observed.

As covered by the Norm for the SCIIF, the external auditors, in their audit of the annual accounts, assess the internal controls thoroughly to establish the nature, date and extent of the auditing procedures that may enable them to express an opinion on the annual accounts, informing the Audit and Compliance Committee of any significant weaknesses detected. The auditors supply the following information to the Audit and Compliance Committee:

- Auditor's report on Vocento's individual and consolidated Annual Accounts.
- Report of limited review of the consolidated half-yearly accounts.
- Annual memorandum of recommendations for internal control.
- Report about past adjustments and proposed adjustments to the accounts, if applicable.

In addition, in accordance with the Audit Technical Notes, the external auditor confirms that the information contained in the Management Report is in accordance with the data that have served as the basis for the annual audited accounts.

The external auditor has full unrestricted access to the Audit and Compliance Committee and can be present at meetings on request and without the presence of any financial manager to present the results of their reviews and of the information highlighted above.

The scope of the annual external audits does not only include those Vocento companies with a legal obligation to be audited but also other companies where limited audits and reviews are undertaken by the external auditors, depending on their relative importance and the risks detected.

In addition, on a voluntary basis, the consolidated six-monthly financial information is also subject to a limited review by the external auditor.

F.6 Other relevant information

NOT APPLICABLE.

F.7 External auditor's report

F.7.1. Whether the information about the SCIIF disclosed to markets has been reviewed by the external auditor, in which case the entity should include the corresponding report as an Appendix. If not, state the reasons.

Audit and Compliance Committee has not considered it necessary for there to be an additional report from the external auditor to confirm that the information disclosed to the markets about the SCIIF of Vocento is duly supported, because the Committee has obtained enough evidence over the course of the year, based on its legal responsibility to supervise the SCIIF, of its existence and proper functioning.

G.- LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the level to which the company follows the recommendations of the Unified Code of good governance.

If a recommendation is not complied with, or is complied with only partly, provide a detailed explanation of the reasons, so that shareholders, investors and the market in general have sufficient information to assess the company's behaviour. General explanations will not be acceptable.

1. That the bylaws of listed companies should not limit the maximum number of votes that one single shareholder can cast, or contain other restrictions which make it hard to take control of the company by buying shares in the market.

See items: A.10, B.1, B.2, C.1.23 and C.1.24.

COMPLIANT

2. That when the parent company and a dependent company are listed, both publicly and accurately define:
a) The respective areas of business and any business relationship between them, and those of the dependent listed company with other group companies;
b) Mechanisms for resolving any conflicts of interests which could arise.

See items: D.4 and D.7

NOT APPLICABLE

3. That, although not expressly required by company law, Shareholder Meetings approve operations which lead to a structural modification of the company, in particular the following:

a) The transformation of listed companies into holding companies, by incorporating activities that were essentially carried out until then by the company into subsidiary companies, even though the company continues to control those companies;

b) The acquisition or sale of essential operating assets, when this entails an effective change in the company's business

c) Operations whose effect will be the liquidation of the company.

See item: B.6

COMPLIANT

4. That the detailed proposals for agreements to be adopted at the General Shareholder Meeting, including information referred to by recommendation 27, are made public when the call to attend the Meeting is made.

COMPLIANT

5. That at the General Shareholder Meeting substantially independent matters are voted on separately, so that shareholders may exercise their voting preferences separately, and that this rule is applied, in particular:
a) To the appointment or ratification of directors, who should be voted on individually:
b) For modifications of Bylaws, for each article or group of articles that are substantially independent.

COMPLIANT

6. That companies allow votes to be aggregated by financial intermediaries who appear as legitimate shareholders, but act for various clients, and can vote in accordance with the instructions of those shareholders.

COMPLIANT

7.That the Board carries out its functions with unity of purpose and independently, treats all shareholders equally and is guided by the interest of the company, understood as sustainably maximising the value of the company.

And that in its relations with stakeholders the company respects laws and regulations, complies with its obligations and contracts in good faith, respects the uses and good practices of the sectors and regions where it operates, and observes those principles of social responsibility that it has voluntarily accepted.

COMPLIANT

8. That the Board assumes as the core of its mission to approve the strategy of the company and the organisation needed to put this into practice, and also to monitor and ensure that management complies with the goals set and respects the company's purpose. And, to this end that the Board in full reserves the right to approve:
a) The general policies and strategies of the company, in particular:
i) The strategic plan or business plan, with management goals and annual budgets;
ii) Policies for investment and financing;
Ii) The definition of the structure of the group of companies;
iii) The definition of the structure of the group of companies
iv) Corporate governance policy;
v) Social corporate responsibility policy;
vi) The remuneration policy and the evaluation of the performance of senior management;
vii) The policy for risk control and management, and the regular monitoring of internal information and control systems;
viii) Dividend policy and treasury stock policy and limitations to this in particular

See items: C.1.14, C.1.16 and E.2

b) The following decisions;
i) On the proposal of the chief executive of the company, to appoint and dismiss senior management, and their compensation clauses.
ii) The remuneration of directors and, for executive directors, their additional remuneration for executive functions, and other conditions that their contracts should respect.
iii) The financial information which, as a listed company, the company has to publish regularly

iv) Investments and operations of any type which, because of the high amount involved or special characteristics, have a strategic character, unless their approval corresponds to the General Shareholder Meeting;
v) The creation or acquisition of holdings in special purpose vehicles or entities established in countries or territories considered to be tax havens, and any other transactions or operations of a similar nature, which, because of their complexity, could diminish the transparency of the group.

c) Transactions between the company and significant shareholders or shareholders with representation on the Board, or with persons associated to them ("transactions with related parties"). This authorization of the Board will not be needed however for those related party transactions which simultaneously comply with the three following conditions:

1. That contracts are used which are standardised and applied in mass to many clients;
2. That they are made at generally established prices or rates by the supplier of the goods or services in question;
3. That the amount does not represent over 1% of the annual revenues of the company.

It is recommended that the Board approve transactions with related parties after a favourable report from the Audit Committee or, if applicable, of the committee to whom this function has been allocated, and that the directors involved, as well as not exercising or delegating their right to vote, absent themselves from meetings when the Board considers and votes on the matter.

It is recommended that the competences attributed to the Board here cannot be delegated, except for those mentioned in letters b) and c), which can be adopted for reasons of urgency by the Executive Committee, and then ratified by the Board in full.

See items: D.1 and D.6

COMPLIANT

9.
That the Board has the right size for ensuring its effective and participatory functioning, which means that it is recommended that it has no less than five and no more than fifteen members.

See item: C.1.2

COMPLIANT

10. That external proprietary directors and independent directors represent an ample majority of the board, and that the number of executive directors is the minimum necessary, based on the complexity of the group and the participation of executive directors in the company's share capital.

See items: A.3 and C.1.3.

COMPLIANT

11. That of the external directors, the relationship between the number of nominee directors and of independent directors reflects the proportion in the share capital of the company represented by proprietary directors and the rest of the capital.
This strict criterion for proportionality may be relaxed so that the weight of the nominee directors is higher than that which corresponds to the percentage of share capital they represent:
1.° In companies with large capitalisation, in which there are few or no shareholder stakes which legally must be considered as significant, but there are shareholders with stakes of a high absolute value.

2. For companies where many shareholders are represented on the Board and there are no links between them.

See items: A.2, A.3 and C.1.3

COMPLIANT

12. That the number of independent directors represents at least one third of the total of directors.

See item: C.1.3

EXPLAIN

Given the high level of participation of nominee directors, without there being a relationship between them, the existing number of three independent directors has been deemed to be enough, representing one quarter of total directors.

13. That the nature of each director is explained by the Board to the General Shareholder Meeting which should ratify the appointment and confirm it, or be reviewed annually in the Annual Corporate Governance Report after verification by the Appointments Committee. This report should also explain the reasons for the appointment of nominee directors for shareholders whose stake is under 5% of capital, and explain the reasons why any formal requests for presence on the board from shareholders with an equal or higher stake than others who have nominee directors are turned down

See items: C.1.3 and C.1.8

COMPLIANT

14. That when the number of female directors is low or zero, the Board will explain the reasons for this and the initiatives adopted to correct this situation:
a) selection procedures do not suffer from the implicit bias that are an obstacle to selecting women;
b) the company deliberately looks for women with the right professional profile and includes them as potential candidates.

See items: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

COMPLIANT

15. That the Chairman, being responsible for the efficient functioning of the Board, ensures that directors receive in advance sufficient information, stimulates debate and the active participation of directors in the meetings of the Board, safeguarding the free adoption of positions and expressions of opinion, and organises and coordinates with the chairmen of the relevant Committees the regular evaluation of the Board and of the Chief Executive Officer.

See items: C.1.19 and C.1 41

COMPLIANT

16. That when the Chairman of the Board is also the Chief Executive Officer, an independent director is delegated to call the meeting of the Board or to include new points in the order of the day, to coordinate and relay the concerns of external directors, and to manage the assessment by the Board of the Chairman.

See item: C.1.22

NOT APPLICABLE

17. That the Secretary of the Board takes special care to ensure that the actions of the Board:
a) are in accordance with the letter and the spirit of the Laws and regulations, including those approved by regulatory authorities;
b) are in accordance with company statute and with the Rules for the Shareholder Meeting, Rules for the Board, and others;
c) reflect the good governance recommendations contained in this Unified Code that the company has accepted.
And that, to safeguard the independence, impartiality and professionalism of the Secretary, his appointment and dismissal are reported by the Appointments Committee and approved by the Board in full, and that this procedure for appointment and dismissal is stated in the Rules for the Procedure of the Board.

See item: C.1.34

COMPLIANT

18. That the Board meets frequently enough to perform its functions with effectiveness, following the programme of dates and business established at the start of the year, with each Director being able to propose orders of the day that were initially not included.

See item: C.1.29

COMPLIANT

19. That directors are absent only when essential, and these are listed in the Annual Report on Corporate Governance. And that if representation is indispensable, it is granted with instructions.

See items: C.1.28, C.1.29 and C.1.30

COMPLIANT

20. That when directors or the Secretary express concern on a proposal or, in the case of the directors, on the performance of the company, and these concerns are not resolved by the Board, at the request of the person who expressed them they are then noted in the minutes.

COMPLIANT

21. That the Board in full evaluates once a year:

a) The quality and efficiency of the functioning of the Board;

b) Based on the report presented to it by the Appointments Committee, the performance of the Chairman of the Board and of the Chief Executive Officer of the Company.

c) The functioning of the Committees, based on the report presented to it by these.

See items: C.1.19 and C.1.20

COMPLIANT

22. That all the directors have the right to receive the additional information they think needed about business which is the competence of the Board. And that, unless the Bylaws or Rules for the Procedure of the Board establish otherwise, they will direct their requirements to the Chairman or Secretary to the Board.

See item: C.1.41

COMPLIANT

23. That all directors have the right to obtain from the company the advice needed to carry out their functions. And that the company provides the adequate channels for exercising this right, which in special circumstances could include external advice paid by the company.

See item: C.1.40

COMPLIANT

24. That the companies establish a programme for orienting new directors which gives them a rapid and adequate understanding of the company, and of its corporate governance rules. And that they provide directors with programmes for updating their knowledge when circumstances so advise.

PARTLY COMPLIANT

There is currently no orientation programme for new directors.

25. That the companies require directors to dedicate to their function the time and effort needed to carry it out with effectiveness, and consequently:

a)that directors inform the Appointments Committee of their other professional obligations, if they could interfere with the required dedication;
b) That the companies establish rules on the number of boards that directors may form part of.

See items: C.1.12, C.1.13 and C.1.17

COMPLIANT

26. That the proposal for appointing or re-electing directors which is made by the Board to the General Shareholder Meeting, and provisional appointments by co-opting, are approved by the Board:
a) On the proposal of the Appointments Committee, for independent directors.
b) After a report from the Appointments Committee, for the other directors.

See item: C.1.3

COMPLIANT

27. That the companies publish on their website and keep updated the following information on their directors:
a) Professional and personal profile;
b) Others boards of directors to which they belong, whether these are listed companies or not;
c) An indication of the corresponding class of director, indicating, for nominee directors, the shareholder they represent or are associated with.
d) The date of the first appointment as a director of the company, and subsequent appointments, and;
e) Company shares and share options owned by them.

COMPLIANT

28. That nominee directors resign when the shareholder they represent fully sells their stake. And that the number of these directors falls, when the shareholder they represent

cuts the stake, to a level which requires the reduction in the number of nominee directors.

See items: A.2, A.3 and C.1.2

COMPLIANT

29. That the Board of Directors does not propose the dismissal of any independent director before the ending of the statutory period for which he or she has been appointed, except when there is a just cause for this, noted by the Board after a report from the Appointments Committee. In particular, just cause will be deemed to exist when the director has not complied with the duties inherent in the role, or is implicated in the circumstances that mean the director can no longer be considered as independent, as established in Order ECC/4612/013.

The dismissal of independent directors may also be proposed after public takeover bids, mergers, or other similar operations which represent a change in the share capital structure of the company, when these changes in the structure of the Board reflect the criteria of proportionality indicated in Recommendation 11.

See items: C.1.2, C.1.9, C.1.19 and C.1.27

COMPLIANT

30. That companies establish rules which oblige directors to inform and if applicable resign in those circumstances which could damage the credit and reputation of the company, and in particular, require directors to inform the Board of the penal cases where they are implicated and of the results of any legal processes.

That if a director is tried or committed to trial for one of the crimes noted in Article 213 of the Law on Corporations, the Board will examine the case as soon as possible and in light of the specific circumstances decide if the director may continue in the position. And that the Board discloses this to a reasonable degree on the Annual Corporate Governance Report.

See items: C.1.42, C.1.43

COMPLIANT

31. That all directors clearly express their opposition when they think that any proposal for a decision submitted to the may be contrary to the company's interests. And that, particularly independent directors and directors not affected by the potential conflict of interest, this is also the case concerning decisions which could damage shareholders who are not represented on the Board.

And that when the Board adopts significant or repeated decisions on which the director has expresses reservations, the director draws the necessary conclusions and if he chooses to resign, explains the reasons for this in the letter referred to by the following recommendation.

This Recommendation also covers the Secretary of the Board, even though the Secretary may not be a director.

COMPLIANT

32. That when, either because of resignation or for another reason, a director leaves his role before the end of the mandate, he explains the reasons in a letter sent to all members of the Board. And that, while this will still be stated as a relevant fact, the reason for the departure is also disclosed in the annual corporate governance report.

See item: C.1.9

COMPLIANT

33. That only executive directors are awarded compensation in the form of company shares or shares of group companies, options on shares or instruments linked to the share price, or variable remuneration linked to the company's performance or forecasts.

This recommendation does not cover the award of shares, when this is conditional on the directors maintaining them until they are no longer directors.

COMPLIANT

34. That the remuneration of external directors is enough to reward the dedication, qualification and responsibility demanded by the role, but not so high as to compromise their independence.

COMPLIANT

35. That remuneration related to the results of the company considers any qualifications in the report of the external auditor which reduces these results.

COMPLIANT

36. That for variable remuneration, the policies incorporate the technical measures needed to ensure that this remuneration is related to the professional performance of beneficiaries, and is not simply based on the general performance of the markets or of the sector of the company, or other similar circumstances.

COMPLIANT

37. That when there is an Executive Committee, the structure of participation of the different types of directors is similar to the structure of the Board, and the Secretary is the Secretary of the Board

See items: C.2.1 and C.2.6

COMPLIANT

38. That the Board is always aware of the business treated and the decisions adopted by the Executive Committee, and that all members of the Board receive a copy of the minutes of the meetings of the Executive Committee.

COMPLIANT

39. That the Board of Directors establishes in addition to the Audit Committee required by the Law on Securities Markets, a Committee, or two separate Committees, for Appointments and Remunerations.
That the rules for the composition and functioning of the Audit Committee and of the Committee or Committees of Appointments and Remuneration are included in the Rules for the Procedure of the Board, and include the following:
a) That the Board appoints the members of these Committees, based on the knowledge, abilities and experience of the directors and the scope of each Committee; that it considers their proposals and reforms; and in the first Board meeting after their meetings, they must report their activity and work carried out;
b) That these Committees are exclusively composed of external directors, with a minimum of three. This does not prevent the attendance of executive directors or senior management, when members of the Committee expressly agree on this.
c) That their Chairmen are independent directors.
d) That they can receive external advice, when they deem it necessary for carrying out their functions.
e) That minutes are taken of their meetings, which are sent to all members of the Board.

See items: C.2.1 and C.2.4

PARTLY COMPLIANT

Until 31 December 2014, the Chairman of the Audit and Compliance Committee was an external nominee director, without prejudice to the information given in section H.1. .

40. That the supervision of compliance with the internal codes of conduct and rules of corporate governance are allocated to the Audit Committee, or, if they are separate, to the Compliance or Corporate Governance Committee.

See items: C.2.3 and C.2.4

COMPLIANT

That members of the Audit Committee and in particular the Chairman are appointed based on their knowledge and experience in the area of accounting, audit, or risk management.

COMPLIANT

42. That listed companies have an internal audit function which, under the supervision of the Audit Committee, monitors the good performance of the information systems and internal control systems.

See ítem: C.2.3

COMPLIANT

43. That the person in charge of the internal audit function presents the Audit Committee with an annual work programme, directly informs it of any incidents that occur during this, and submits to it at the end of each year a report on his activities.

COMPLIANT

44.That the policy for controlling and managing risks identifies at least:
a) the various types of risks (operational, technological, financial, legal, reputational…) faced by the company, including in the financial risks contingent liabilities and other off balance sheet risks;
b) the establishment of the risk level deemed acceptable by the company;
c) measures available to mitigate the impact of the identified risks if they were to materialise;
d) the information systems and internal control systems used to control and manage these risks, including contingent liabilities and off balance sheet risks.

See item: E

COMPLIANT

45. That it corresponds to the Audit Committee:
1: Concerning information and internal control systems:
a) That the main risks identified as a result of the supervision of the effectiveness of the internal controls of the company and of internal audit, I applicable, are managed and disseminated appropriately.
b) To ensure the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and dismissal of the person responsible for internal audit; propose the budget for the service; receive regular information on its activities, and verify that senior management consider the conclusions and recommendations of its reports.
c) To establish and supervise a mechanism which allows employees to report confidentially and if appropriate anonymously of potentially significant irregularities,

especially financial and accounting irregularities, detected at the company.
2: To the external auditor
a) Receive regularly from the external auditor information on the audit and its results, and verify that senior management consider its recommendations.
b) Ensure the independence of the external auditor, and to this end:
i) That the company informs the CNMV as a relevant fact any change of auditor and accompanies it with a declaration on the existence of any disagreements with the outgoing auditor, and if applicable, the content of these.
ii) That if the external auditor resigns, the circumstances motivating this are examined.

See items: C.1.36, C.2.3, C.2.4 and E.2

COMPLIANT

46. That the Audit Committee can call any employee or manager of the company and require them to appear without the presence of any other manager.

COMPLIANT

47. That the Audit Committee informs the Board, prior to its adoption of corresponding decisions, on the following matters indicated in Recommendation 8:
a) The financial information that as a listed company the company must regularly publish. The Committee must ensure that interim accounts are formulated using the same accounting criteria as annual accounts, and to this end consider whether it is appropriate to have a limited review by the external auditor.
b) The creation or acquisition of holdings in special purpose vehicles or entities established in countries or territories considered to be tax havens, and any other transactions or operations of a similar nature, which, because of their complexity, could diminish the transparency of the group.
c) Transactions with related parties, unless the function for providing a report has been awarded to a different Committee than a supervisory committee.

See items: C.2.3 and C.2.4

COMPLIANT

48. That the Board of Directors aims to present accounts to the General Shareholder Meeting which do not have reservations or qualifications in the audit report, and in the exceptional circumstances when these occur, both the Chairman of the Audit Committee and the auditors shall clearly explain to shareholders the content and scope of these reservations or qualifications.

See item: C.1.38

COMPLIANT

49. That the majority of members of the Appointments Committee, or the Appointments and Remuneration Committee if it is just one committee, are independent directors.

See item: C.2.1

EXPLAIN

Not applicable

The Rules for the Board of Directors only require that members of the Appointments and Remuneration Committee are external, not that they must also be independent directors. On 31 December 2014, of the 5 members of the Appointments and Remuneration Committee, 2 were External and Independent (DON MIGUEL ANTOÑANZAS ALVEAR and DON FERNANDO AZAOLA ARTECHE) and 3 were External Nominees (DON GONZALO SOTO AGUIRRE; LIMA, S.L. and MEZOUNA, S.L.). Without prejudice to the information contained in section H.1 of this report.

50. That the appointments committee, in addition to the functions indicated in the previous Recommendations, has the following functions:
a) Assessing the competencies, knowledge and experience necessary for the Board, hence defining the functions and skills needed for candidates to fill any vacancies, and evaluating the time and dedication needed to be able to perform the role well.
b) Examining and organising in an adequate way the succession to the Chair and the chief executive, and make proposals to the Board for an orderly and well planned succession.
c) Reporting on the appointments and dismissals proposed by the chief executive to the Board.
d) Reporting to the Board on the questions of gender diversity indicated in Recommendation 14 of this Code.

See item: C.2.4

COMPLIANT

51. That the Appointments Committee consults the Chairman and the chief executive of the company, especially for matters concerning the executive directors. And that any director may request the Appointments Committee to take into consideration, if he deems them ideal, potential candidates for director vacancies.

COMPLIANT

52. That the Remuneration Committee has, in addition to the functions indicated in the preceding Recommendations, the following tasks:
a) Proposing to the Board of Directors
i) The remuneration policy for directors and senior management;
ii) The individual remuneration of the executive directors and other conditions in their contracts.
iii) The basic conditions of the contracts of senior management.
b) Monitoring the observance of the remuneration policy established by the company

See item: C.2.4

COMPLIANT

53. That the Remuneration Committee consults the Chairman and the chief executive of the company, especially for matters relating to executive directors and senior management.

COMPLIANT

H.- OTHER INFORMATION OF INTEREST

1. If there is any other relevant corporate governance issue at the company or in group entities that has not been included in the sections of this report, but which it is necessary to include for a full and fair view of the governance structure and practices of the group, detail them briefly here.

2. This section may include any other information, clarification or nuance related to the previous sections of the report, if relevant and non-repetitive.

In particular, indicate if the company is subject to any other corporate governance legislation than Spanish, and if so then include the information that is required to be provided and which is different from the information required in the current report.

3. The company may also indicate if it has signed up voluntarily to other codes of ethical principles or good practices, be they international, sector-specific or other. If applicable, identify the code in question and the date of membership.

1. If there are any relevant aspects of corporate governance at the company or group entities not included in the other sections of this report, but which are necessary to include for a fuller and fairer view of the structure and practices of corporate governance at the group, detail them briefly.

In compliance of the terms of (i) Art. 540 of Royal Decree 1/2010, of 2 July, approving the revised text of the La won Corporations; (ii) Art. 5 of ECC/461/2013, of 20 March, determining the content and structure of the annual corporate governance report and (iii) Annex I of Circular 5/2013, of 12 June, from the Comisión Nacional del Mercado de Valores, establishing the models for corporate governance reports for listed companies, the Spanish company VOCENTO, S.A., resident in Bilbao, calle Pintor Losada nº 7, fiscal number N.I.F. A-48.001.655, prepared the current Annual Report on Corporate Governance covering the year ending 31 December 2014, which, following a report from the Audit and Compliance Committee in accordance with Art. 42 of the Rules of the Board, was approved by the Board of Directors of Vocento on 25 February 2015.

EVENTS SUBSEQUENT TO THE END OF THE YEAR

- Regarding points C.1.2. and C.2:

Agreements subsequent to 31 December 2014 concerning membership of the Committees of the Board of Directors.

The Board of Directors, on 19 January 2015, adopted the following agreements about the membership of its Committees:

- D. Fernando Azaola Arteche was appointed Member of the Audit and Compliance Committee effective 19 January 2015. After this appointment, membership of the Audit and Compliance Committee increased to five.

- D. Miguel Antoñanzas Alvear, who was already a Member of the Audit and Compliance Committee, was appointed Chairman, replacing D. Gonzalo Soto Aguirre, effective from 28 April 2015, the date set for the General Shareholding Meeting. D. Gonzalo Soto Aguirre will continue to be a Member of the Audit and Compliance Committee.

- D. Fernando Azaola Arteche, who was already a Member of the Appointments and Remuneration Committee, was appointed Chairman, replacing D. Miguel Antoñanzas Alvear, effective from 28 April 2015, the date set for the General Shareholding Meeting. D. Miguel Antoñanzas Alvear will continue to be a Member of the Appointments and Remuneration Committee.

Agreements subsequent to 31 December 2014 concerning the change of Chairman of the Board of Directors and the Executive Committee.

On 17 February 2015, D. Rodrigo Echenique Gordillo resigned as member and Chairman of the Board of Directors and of the Executive Committee of Vocento, S.A. as a result of the limitations to carry out other roles imposed by Article 26 of Law 10/2014. 26 June, concerning the structuring, supervision and solvency of credit institutions.

The Board of Directors agreed on this date to unanimously accept the resignation and appoint as new Chairman of the Board of Directors and Executive Committee D. Santiago Bergareche Busquet.

- Crime Prevention Policy and Code of Ethics.

It is the responsibility of the Board of Directors of Vocento to supervise and establish the general policies of the Company and to formulate risk control and management policies, and to regularly monitor internal information and control systems.

In this context, on 13 November 2014 the Board of Directors approved a Crime Prevention Policy which aims to send a message to all Vocento managers, employees and third parties that Vocento ensures that its activity is based on respect for the law and on principles that demand a certain standard of behaviour from people at Vocento, including commitment to legality, good governance, transparency, responsibility, independence and respect for socially accepted ethical standards.

This Crime Prevention Policy represents a commitment to permanent watchfulness and punishment for fraudulent acts and conduct, and to maintain effective mechanisms for communications with all staff and to develop a business culture based on ethics and compliance with the law.

In this context, the Board also approved on 13 November 2014 Vocento's Code of Ethics, which sets the standards of behaviour that Vocento has already been applying in its activities.

The Code of Ethics establishes a specific communications channel, the Ethics Channel, by which anyone can report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable.

To implement the Crime Prevention Policy, in 2015, using the competent bodies, a specific and effective internal control system will be implemented to prevent crimes, made up of a series of measures designed to assess risks, prevent, detect and respond to any non-compliance with the Code of Ethics or other possible crimes, while also documenting the practices that Vocento has been applying historically.

Included in this internal control system will be protocols for acting and for monitoring, used in order to assess and reduce the risk of conduct which is illegal, irregular or contrary to the Code of Ethics. These will be complemented by the implementation of effective, continuous controls that can be upgraded and reviewed.

In terms of supervision of this Code, the Ethics Committee has been granted the function of preparing and monitoring the implementation, development and compliance of the internal system for crime prevention. Other companies in the group headed by Vocento will sign up to this system, under the responsibility of different bodies, without prejudice to their recourse to the Ethics Committee on a case by case basis. At the Vocento level, the Ethics Committee, which reports to the Audit and Compliance Committee, enjoys the necessary powers of initiative and control to monitor the functioning, effectiveness and compliance of the Crime Prevention Policy, and to ensure that the systems are sufficient for Vocento's requirements and circumstances.

2. include any other information, clarification or detail related to the previous sections of the report, as long as they are relevant and not repetitive. In particular, the company will disclose if it is subject to any other legislation that is different to Spanish law in the corporate governance area. If so, it will include the information that it is obliged to supply and that differs from that required by this report.

A.2.

-The companies LIMA, S.L., ENERGAY DE INVERSIONES, S.L. and ONCHENA, S.L., directors of Vocento, have significant shares of 9.777%, 6.535% and 5.470%, respectively. Don Victor Urrutia Vallejo, Don Enrique Ybarra Ybarra and Doña María del Carmen Careaga Salazar control these companies, which is why indirectly they have a significant share in Vocento.

C.1.2.

-Energay de Inversiones, S.L. was Chairman of the Board of Directors until 29 April 2014 and D. Rodrigo Echenique Gordillo has been Chairman since that date, without prejudice to the information given in H.1 about the resignation of Mr. Echenique.

C.1.4.

-DOÑA SOLEDAD LUCA DE TENA GARCÍA-CONDE is the only physical representative of the company VALJARAFE, S.L., and has been a Nominee Director since 2012. In 2011, there were two female nominee directors, DOÑA SOLEDAD LUCA DE TENA GARCÍA-CONDE and DOÑA CATALINA LUCA DE TENA GARCÍA-CONDE, with the latter also Deputy Chair of the Board of Directors of Vocento.

C.1.29

-The Board of Directors of Vocento met seven (7) times in the year, on the following dates. The Chairman attended all the meetings.

14 January

27 February

29 April

13 May

29 July

30 September

13 November

C.1.37

-The General Shareholder Meeting of Vocento on 29 April 2014 agreed to appoint DELOITTE, S.L., resident in Madrid, Edificio Torre Picasso, Plaza de Pablo Ruiz Picasso nº 1, and inscribed in the Mercantile Registry of Madrid, volume 13,650, section 8ª, folio 188, page M-54414 and CIF nº B-79.104.469, and with inscription number S0692 in the Official Registry of Account Auditors, as auditor of the individual and consolidated annual accounts of Vocento for one year, i.e. for 2014.

As well as the individual and consolidated annual accounts, Deloitte, S.L., also carries out other activities for Vocento such as advice in employment issues, analytical accounting, due diligence, etc.

D.5

- According to the annual consolidated results for 2014, operating revenues with related parties of 42,465 thousand euros were booked, operating expenses of 10,061 thousand euros, and financial income of 6 thousand euros.

3. The company may also indicate if it has voluntarily signed up to other codes of ethical principles or good practices that are international, sectorial or of any other scope. If so, identify the code and the date of adherence.

Vocento’s Annual Report on Corporate Governance, covering the year ending 31 December 2014, was unanimously approved by the Board of Directors at its meeting on 25 February 2015, following a favourable report from the Audit and Compliance Committee at its meeting of 23 February 2014.

This annual corporate governance report was approved by the Board of the company at its meeting on 25/2/2015.

Indicate if any directors voted against or abstained from the approval of this report

NO

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vocento

ANNUAL REPORT OF ACTIVITIES

AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

2014

Approved by the Audit and Compliance Committee on 23 February 2015
Ratified by the Board of Directors on 25 February 2015

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ANNUAL REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

END DATE OF REFERENCE YEAR: 31/12/2014

1. DESCRIPTION, PURPOSES AND GOALS

This Annual Report of the Activities of the Audit and Compliance Committee of Vocento, S.A. (hereinafter "**Vocento**" or the "**Company**") is addressed to the Board of Directors. It summaries the activities carried out by the Audit and Compliance Committee in various areas of work, including the meetings held and issues discussed in the year. Its preparation and disclosure is in accordance with Article 18.9 of the Rules for the Board of Directors and it is published in conjunction with the individual and consolidated Annual Accounts.

2. THE AUDIT AND COMPLIANCE COMMITTEE

2.1 BACKGROUND

Following an agreement by the Board of Directors of Vocento (then Grupo Correo-Prensa Española), on 18 July 2002, an Audit and Compliance Committee was established, of a voluntary nature and with no executive powers, with the main purpose of supporting the Board of Directors in its oversight functions.

This Committee operated until the stock market listing of Vocento, as result of which, in accordance with the terms of Article 19 of the Company Bylaws and of 18.1 of the Rules for the Board of Directors, the Board of Directors of Vocento on 5 September 2006 established the Audit and Compliance Committee, ahead of the listing and in accordance with Law 44/2002, of 22 November, on Reform Measures of the Financial System.

As a consequence of the publication by the CNMV of "Unified Code of Good Governance" (the "***Código Conthe***") and of the stock marketing listing of Vocento, in 2006 the Committee carried out an analysis of implications of this code for the Audit and Compliance Committees of listed companies such as Vocento, updating the Rules for the Board of Directors, incorporating the new requirements established in the Code.

As a result of the publication on 1 July 2010 of Law 12/2010 of 30 June, which modifies the Law on Auditing Accounts and the Eighteenth Additional Provision on Audit Committees of the 24/1988 Law on Securities Markets was modified. Consequently, Article 18 of the Rules for the Board of Directors, which covers the structure, functioning, powers and obligations of the Audit Committee, was modified in 2010 to incorporate these changes.

Law 12/2010 has increased the responsibility of Audit Committees and Boards of Directors, concerning the accuracy of the financial information that listed companies provide to markets, with it now being the responsibility of Audit Committees to monitor the accuracy of the financial information and to assess the effectiveness of the Internal Control system for financial information. In addition, they must take to the Board of Directors proposals for selecting, appointing, re-electing and replacing external auditors, and for their contractual conditions, and regularly receive information from them about the Audit Plan and its implementation, while preserving their independence in the exercise of these functions.

Finally, there has been a recent modification to the Law on Corporations, reformed by Law 31/2014 of 3 December, which aims to improve corporate governance. The new Article 529, point fourteen, of the Law on Corporations partially transfers the terms of the Eighteenth Additional Provision of the Law on Securities Markets.

2.2 MEMBERSHIP

In accordance with the provisions of the Rules of the Board, the Audit and Compliance Committee is composed of a minimum of three and a maximum of five external directors appointed by the Board of Directors. At least one member must be an independent director.

The Chairman will be appointed by the Board and must be replaced every four years, being eligible for re-election one year after the end of the mandate.

At the current date, the Committee consists of the following members:

Chairman	Appointment	Type
D. Gonzalo Soto	12 June 2012	External, Nominee
Members	**Appointment**	**Type**
D. Miguel Antoñanzas	13 May 2014	Independent
VALJARAFE, S.L.	12 June 2012	External, Nominee
LIMA, S.L.	12 June 2012	External, Nominee

All members of the Audit and Compliance Committee are external directors. In addition, in accordance with the recommendations 39 and 41 of the Código Conthe, all members of the Committee have had financial training and experience.

The Secretary, D. Carlos Pazo, is not a member of the Committee and is Secretary of the Board of Directors of Vocento, in accordance with article 18.1 of the Rules for the Board of Directors.

After the reform to the Law on Corporations of law 31/2014, the Audit and Compliance Committee must consist exclusively of non-executive directors, of which at least two must be independent. As a result of this, as explained in section 9 of this report on events after the close of the period on 31 December 2014, on 19 January 2015 D. Fernando Azaola Arteche was appointed a member of the Audit and Compliance Committee, increasing the number of members of the Committee from 4 to 5 and complying with the minimum requirement of the Law on Corporations for 2 independent directors.

In addition, on 19 January 2015 D. Miguel Antoñanzas Alvear was appointed Chairman of the Audit and Compliance Committee, with effect from the date of the Shareholder Meeting set for 28 April 2015, replacing D. Gonzalo Soto Aguirre, who will remain a member of the Committee.

3. SESSIONS AND MEETINGS

The Audit and Compliance Committee will meet whenever the Board of Directors or its Chair requests a report or the adoption of proposals, within the scope of its competencies and whenever the committee's chair or two members request it or it is appropriate to produce a report for the corresponding agreements to be adopted.

In any event, it will meet on a quarterly basis to review the information that is within its competencies and which will be included in the regular public information to be provided to markets and regulators.

Any executive director or member of the management team or company employee required to will be obliged to attend meetings of the Committee and collaborate with it and provide it access to the information that they have. The Committee may require them to appear without the presence of another manager.

The Committee can also require the attendance of the account auditors at its meetings.

4. FUNCTIONS AND COMPETENCIES

Notwithstanding any other functions assigned it by the Board, the Audit and Compliance Committee has, among others, the following responsibilities as stated in Article 18 of the Rules for the Board of Vocento, in accordance with the terms of Article 529 point fourteen section 4 of the Law on Securities Markets, after the reform of Law 31/2014:

4.1 FINANCIAL INFORMATION

- Monitoring the process of preparing accurate financial information for the company and for the group, reviewing compliance with the legal requirements, the correct setting of the consolidation perimeter, and the correct application of accounting criteria.

- Understanding and monitoring the process of preparation and presentation of the financial information required by law.

4.2 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

- Regularly reviewing the systems for internal control and risk management, so that the main risks are identified, managed and fully understood.
- Monitoring and regularly assessing the effectiveness of the internal control and risk management systems.
- The risk control and risk management policy of the company will identify, at the very least:

a) the various types of risks (operational, technological, financial, legal, reputational, etc.) faced by the company, including as financial risks contingent liabilities and other off balance sheet risks;

b) the establishment of the risk level deemed acceptable by the company;

c) measures available to mitigate the impact of the identified risks if they were to materialise;

d) the information systems and internal control systems used to control and manage these risks, including contingent liabilities and off balance sheet risks.

4.3 EXTERNAL AUDITORS

- Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract.
- Receiving from the external auditor information on any significant weaknesses in the internal control system detected during the audit.
- Ensuring that the Company and the auditor respect current legislation about the delivery of non-audit services, limits to the concentration of business with the auditor and in general those norms established to ensure the Independence of auditors.
- Receiving from the external auditors information about issues which could endanger their independence from the company and about any other issues related to the process of auditing the accounts, as well as the information established in legislation on auditing accounts and in the audit technical notes.
- Receiving regularly from the external auditor information on the audit plan and its results, and verifying that senior management consider its recommendations.
- Each year publishing a report, prior to the report from the account auditors, in which it gives the Committee's opinion of the independence of the external auditor and the additional services apart from auditing provided, referred to above.
- Receiving on an annual basis from the external auditor a declaration of their independence from the entity or parties related to it directly or indirectly, and about the additional services of any class provided and the corresponding fees received from these entities by the external auditor or by people or entities related to them, in accordance with the provisions of the legislation governing account auditing.
- In the event of the resignation of the external auditor, the Committee must examine the circumstances leading to the resignation.
- Ensuring that the Company discloses as a relevant fact to the CNMV a change in auditor, accompanied if applicable by a disclosure of disagreements with the departing auditor.

4.4 CORPORATE GOVERNANCE

- Monitoring compliance with internal codes of conduct and rules of corporate governance, in particular submitting to the Board the proposed Annual Report on Corporate Governance.

4.5 INTERNAL AUDIT

- Ensuring the independence and effectiveness of the internal audit function; propose the selection, appointment, re-election and dismissal of the person responsible for internal audit; propose the budget for the service; receiving regular information on its activities, and verifying that senior management consider the conclusions and recommendations of its reports.
- The Company will have an internal audit function that under the supervision of the Audit and Compliance Committee will monitor the functioning of information and internal control systems.
- Receiving from the person in charge of internal audit the annual work plan, any incidents in its implementation, and the annual report of activities from the area.

4.6 BOARD OF DIRECTORS

Informing the Board prior to its adoption of any decisions reserved for the Board about the following issues:

- The financial information that the company, as a listed company, must regularly publish. The Committee will ensure that the intermediate accounts are prepared to the same accounting standards as the full year results and hence should consider whether they be subject to a limited review by the external auditor.
- The creation or acquisition of stakes in special purpose vehicles or those incorporated in countries or territories that are considered to be tax havens, and any other similar transactions or operations that could reduce the transparency of the group.
- Transactions with related parties.

- Propose to the Board for consideration by the General Shareholder Meeting the appointment of the external account auditors.
- The Committee will prepare an annual plan of action for each year and an Annual Report about its activities, which it will present to the Board in full. The Management Report of the Company will also include the Annual Report of Activities.

4.7 SHAREHOLDER MEETING

Informing the Shareholder Meeting about the issues raised there that fall within the Committee's area of concern.

5. ACTIVITIES UNDERTAKEN IN 2014

5.1. MEETINGS

In 2014, the Audit and Compliance Committee met 7 times. Details of these meetings and the main issues discussed are provided below:

MEETING OF 3 FEBRUART 2014

- Presentation by Chairman of the Committee:
  - Self-assessment of the Committee for 2013.
  - A Project enabled by Iberclear to allow Access to information about the identity of shareholders almost immediately. It was agreed that this was not necessary, given the relatively straightforward shareholder structure at the Company.
- Report by the account auditors concerning goodwill and the recoverability of tax credits as of 31/12/2013.
- Follow-up of the implementation of the system for the prevention of corporate criminal risks.
- Description of the functioning of the Information Security Management System (SGSI), implemented in compliance with legislation on data protection, and reducing the costs and investment in IT security systems.
- Internal Audit Plan and Budget for 2014.
- Monitoring of the Corporate Defense and Enterprise Risk Management (ERM) projects.
- Monitoring of the corporate simplification process.
- Approval of the tender for the selection of the external auditor for 2015-2017.
- Assessment of remuneration of the internal auditor for 2013 and 2014.

MEETING OF 25 FEBRUARY 2014

- Presentation from the Director of the Group's Legal Department:
  - Functioning of the Department.
  - System for recording and outsourcing lawsuits.
  - Process for entering each action in the annual accounts.
  - Situation at the end of 2013.
- Report from the account auditors about the annual accounts of Vocento and the consolidated group as of 31 December 2013.
- Report from the account auditors about adjustments made or not made to the consolidated annual accounts.
- Report from the account auditors confirming their Independence from the Company and its subsidiaries, and information about additional services provided.
- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for 31 December 2013.
- Report about the functioning of the SCIIF in the fourth quarter of 2013.
- Monitoring of the ERM and Corporate Defense projects.

- Report about the implemented and pending recommendations from internal audit.
- Proposed Annual Report from Internal Audit for 2013.
- Report about the effectiveness of the SCIIF controls in the fourth quarter of 2013.
- Proposed formulation of the Annual Accounts of Vocento and the consolidated group for 31 December 2013.
- Proposed Annual Report of Activities of the Audit and Compliance Committee corresponding to 2013.
- Proposed Annual Report on Corporate Governance corresponding to 2013.
- Report from the Committee with its opinion on the Independence of the account auditors and the delivery of additional services.

MEETING OF 12 MAY 2014

- Report from the external auditors about internal control recommendations for 2013.
- Report from the external auditors about the preliminary review of the main issues relating to the Group's financial statements in 2014.
- Monitoring of the internal audit plan for 2014.
- Report from Internal Audit about the functioning of the SCIIF controls in the first quarter of 2014.
- Functioning of the SCIIF in the first quarter of 2014.
- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for the first quarter of 2014.
- Information about the monitoring of the ERM and Corporate Defense projects.
- Report about the progress of the tender to appoint the external auditor for the accounts from 2015 to 2017.
- Request to the external auditors for a limited review of the accounts to 30 June 2014.

MEETING OF 29 MAY 2014

- Presentation of proposals for the tender to appoint the external auditor for accounts from 2015 to 2017.

MEETING OF 28 JULY 2014

- Report from the External Auditor on the limited review of consolidated financial information to 30 June 2014.
- Monitoring of the Internal Audit Plan for 2014.
- Report from Internal Audit about the functioning of the SCIIF controls in the second quarter of 2014.
- Functioning of the SCIIF in the second quarter of 2014.

- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for the second quarter of 2014.
- Monitoring of the ERM Project.
- Monitoring of the Project for the Prevention of Criminal Risks.
- Report about the process of simplifying the corporate structure of the group.
- Approval of the report for the Board of Directors about the appointment of the external auditor for the 2015-2017 accounts.

➢ **MEETING OF 11 NOVEMBER 2014**

- Report from the external auditor about the preliminary review of Accounts for 2014 and about the transition to the external auditor responsible for auditing the Accounts from 2015.
- Report from Internal Audit about the functioning of the SCIIF controls in the third quarter of 2014.
- Functioning of the SCIIF in the third quarter of 2014.
- Presentation of the regular public financial information to be disclosed to the CNMV and the market, for the third quarter of 2014.
- Information about the process of simplifying the corporate structure of the group.
- Monitoring of the Internal Audit Plan for 2014.
- Approval of the Risk Management Policy.
- Implementation Plan for the System of Criminal Prevention 2014 – 2015: Approval of the Policy for Prevention of Crime, approval of the Code of Ethics and approval of the Manual for Preventing and Responding to Crimes.
- Follow up of Action Plan – Self Assessment of the Committee in 2013.
- New developments in the corporate governance area following the reform to the Law on Corporations.

➢ **MEETING OF 18 DECEMBER 2014**

- Annual assessment of risks of the SCIIF corresponding to 2014.
- Follow up of the analysis of the individual financial statements of Grupo Vocento for 2014.
- Presentation of the structure of powers of attorney in Grupo Vocento and description of the policy for external legal advice in the Group.
- Monitoring of the implementation of the Criminal Risks prevention system.
- Monitoring of the Internal Audit plan for 2014.
- Proposal and budget for Internal Audit plan for 2015.
- Report about the Project for improving the Information Security Management System.

The Chairman of the Audit Committee has informed the Board of all the issues discussed in these meetings, and the Secretary of the Committee and of the Board has prepared minutes for each meeting that have been set to all the Directors immediately for their approval.

Managers to appear at the Committee in the year include the Chief Financial Officer, the Director General of Operations, the Director of the Legal Department and the Internal Auditor.

The external auditor participated in the meetings of the Audit Committee when required, providing information about the auditing process and its results.

Half-yearly consolidated financial information is voluntarily audited (limited review), by the account auditors, in accordance with Royal Decree 1362/2007 of 19 October, and Circular 1/2008 from the CNMV.

5.2 ASSESSMENT

In 2014, the Audit Committee carried out a self-assessment, which was undertaken by the Secretary of the Board. The results of this process were shared with members.

6. CORPORATE COMPLIANCE UNIT

The Corporate Compliance Unit was created with the responsibility of maintaining up to date the information that Directors and employees must disclose to the Company, in accordance with Article 32.3 of the Rules for the Board.

In accordance with this mandate, on 14 January 2014 the Board of Directors approved Vocento's Internal Rules of Conduct in Security Markets, Article 8 of which creates the Corporate Compliance Unit as an independent body reporting to the Audit and Compliance Committee.

The Corporate Compliance Unit has informed the Audit and Compliance Committee on a quarterly basis of the measures taken to ensure compliance with Vocento's Internal Rules of Conduct in Security Markets, approved in 2014. The reports mentioned any incidents in the updating of the people and amounts affected, and any incidents in regard to personal transactions.

In this regard, the Secretary to the Board of Directors regularly sent to the Audit and Compliance Committee the Quarterly Report of the Corporate Compliance Unit, stating the measures taken in order to ensure compliance with the terms of the Internal Code of Conduct. These measures include the creation of the required documentary records, the written notification to every person covered by the code that they are affected by it, and the obligations this implies, as well as the assessment of the level of compliance and any incidents detected.

7. INTERNAL AUDIT

The company's internal audit function has been operating since 2004, as part of the Audit and Compliance Committee and reporting to the Chief Executive Officer, and it aims to ensure the correct functioning of information systems, internal controls, and risk management.

7.1 COMPETENCIES

Its competencies are established by the Internal Audit Statute approved by the Audit and Compliance Committee, and carries out its work in accordance with the "International Norms for the Professional Practice of Internal Audits," as published by the Internal Auditors Institute of Spain, and in accordance with the Ethics Code of the internal auditor of Vocento.

7.2 SCOPE

The scope of action of Internal Audit includes the Vocento parent company, as well as the holding companies and business and corporate units, companies in which Vocento has a majority stake, and companies where Vocento exercises management control and is responsible for their management.

7.3 OBJECTIVES

Internal Audit at Vocento has the following objectives:

- To maintain at all times the Independence and objectivity needed to carry out its functions.
- To facilitate the establishment and consolidation of Policies and Procedures for Internal Control at all Vocento companies.
- To assess all the areas and functional activities at Vocento, not only the financial areas, meeting the scope and the principles set by the Audit and Compliance Committee and reflected in its Annual and Multi-annual Plans.
- To carry out analyses and special audits ordered from it by the Board of Directors, the Audit and Compliance Committee and the Chief Executive Officer, in addition to the approved Plans.
- To publish reports on the audits and to keep the Board of Directors, the Audit and Compliance Committee, the Chief Executive Officer and Management informed about issues concerning Internal Controls at Vocento companies.
- To monitor the implementation of improvements and recommendations.

These objectives are detailed in the *Internal Audit Handbook*, and are designed to lead to an effective system of internal controls, an overall improvement in organisation and management, and to ensure compliance with internal and external policies.

7.4 TRAINING

Proper training is the factor that determines high quality work, and it is a continuous activity for the professionals in the workforce. So it is important to note that part of the internal audit team has obtained the status of Certified Internal Auditor (CIA), an internationally recognised certification that guarantees excellence in the provision of internal audit services, and the CRMA certificate (Certification in Risk Management Assurance) from the Institute of Internal Auditors in the US.

7.5 INTERNAL AUDIT PLAN

In accordance with the functions that are its responsibility according to its Statute, the internal auditor presented to the Audit and Compliance Committee for approval the Internal Audit Plan for 2014.

The Internal Audit Plan for 2014 was practically fully implemented, except for one process which could not be reviewed because of dedication to other tasks not included in the Plan. The Plan included specific reviews of the controls of the SCIIF, in each financial reporting period to the market and to the regulator. The objective of reviewing all the controls of all the companies was met within the period recommended by the CNMV, and a system of statistical sampling was established which enabled overall conclusions to be drawn about the effectiveness of the SCIIF.

In addition, another objective of the audit plan was to ensure compliance with the responsibilities of the Audit and Compliance Committee, in the area of corporate governance and the supervision of risk control and management. Internal audit reviewed compliance with the Internal Rules of Conduct in Security Markets and compliance with legal requirements of the Vocento web site, and also worked to establish the foundations for the future system of crime prevention and response (Policy for Prevention of Crime and the Code of Ethics) and the Enterprise Risk Management system.

The analysis of risks and controls in other processes was also included in the Audit Plan, such as transfer prices, purchases, promotions and the registration of commercial agreements with public administration. The conclusions of the reviews were included in the reports of internal audit and sent to the director generals of the companies reviewed, the Chief Executive Officer, and the Audit and Compliance Committee.

Each manager has detailed information in the SCIIF system about the state of the controls and recommendations.

7.6 FOLLOWING UP OF RECOMMENDATIONS

In the course of the year, work was carried out to follow up recommendations by issuing reports to the Director Generals of business areas and corporate areas, as the parties responsible for the functioning of the internal control system in their respective areas. This following up process aims to ensure that the recommendations made are implemented effectively. For each report, an action plan was proposed by the parties responsible for the audited processes, including actions to carry out to implement the recommendations.

7.7 INFORMATION AND COMMUNICATION

Over the course of the year, the internal auditor attended all the meetings and regularly informed the Audit Committee about the Internal Audit plan, of the conclusions reached, and of the recommendations made, and about the following up and implementation of the plan. The Executive Committee has also been kept informed with the same frequency.

The internal auditor published a Report of Activities at the end of the year.

In addition, the internal auditor has met the Chairman of the Audit Committee, without the presence of any other manager or non-member of the committee.

The cooperation of managers and employees has been satisfactory, with no major incidents in the carrying out of the work or any difficulties in accessing information and people; information channels functioned adequately.

8. CONCLUSIONS FROM THE WORK UNDERTAKEN

One of the functions of the Audit Committee is to monitor the effectiveness of the internal controls of the Company and the systems for managing and controlling risks, so that the main risks are identified, managed, and adequately understood.

8.1 INTERNAL CONTROL SYSTEM FOR FINANCIAL INFORMATION (SCIIF)

In accordance with the legal requirements about the responsibilities of Audit Committees to supervise the effectiveness of internal controls and risk management systems and to supervise the process of preparing and presenting financial information, in 2011 Vocento implemented an Internal Control System for the regulated Financial Information (SCIIF) that it discloses to the market and to regulators. The main aim of this is to provide the Board of Directors with a reasonable level of security about the accuracy of the financial information that Vocento is obliged to publish as a listed company.

Vocento's SCIIF follows the recommendations of the CNMV as contained in the document "Control of financial information at listed companies," and it is fully operational, supported by an IT application.

As an additional guarantee of the accuracy of the financial information, Vocento's SCIIF also benefits from a system of certifications about the accuracy of the information and about the functioning of the internal control systems, signed every six months by the director generals of the companies, the Chief Financial Officer and finally by the Chief Executive Officer.

Among its responsibilities in the area of internal controls, the Audit and Compliance Committee has monitored the effectiveness of the SCIIF, supported by the services of internal audit, which carries out an overall review of the SCIIF according to the COSO standard used by Internal Control, verifying that the CNMV recommendations are met.

8.2 CRIME PREVENTION POLICY

It is the responsibility of the Board of Directors of Vocento to supervise and establish the Company's general policies and strategies and to formulate policies for controlling and managing risks, regularly monitoring internal information and control systems. These last functions are delegated to the Audit and Compliance Committee.

In consequence of these responsibilities, on 13 November 2014 the Board of Directors of the Company approved a Crime Prevention Policy, which aims to send to all managers and employees at Vocento the message that Vocento ensures that its activity is based on principles which result in behaviours that are committed to legality, good governance, transparency, responsibility, independence, and reputation for upholding socially accepting ethical standards.

In this context, the Board also approved on 13 November 2014 Vocento's Code of Ethics, which sets the standards of behaviour that Vocento has already been applying in its activities.

The Code of Ethics establishes a specific communications channel, the Ethics Channel, by which anyone can report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable, including accounting norms.

To implement the Crime Prevention Policy, in 2015, using the competent bodies, a specific and effective internal control system will be implemented to prevent crimes, made up of a series of measures designed to assess risks, prevent, detect and respond to any non-compliance with the Code of Ethics or other possible crimes, while also documenting the practices that Vocento has been applying historically.

Included in this internal control system will be protocols for acting and for monitoring, used in order to assess and reduce the risk of conduct which is illegal, irregular or contrary to the Code of Ethics. These will be complemented by the implementation of effective, continuous controls that can be upgraded and reviewed.

In terms of supervision, the Ethics Committee, which reports to the Audit and Compliance Committee, has been granted the function of preparing and monitoring the implementation, development and compliance of the internal system for crime prevention. Other companies in the group headed by Vocento will sign up to this system, under the responsibility of different bodies, without prejudice to their recourse to the Ethics Committee on a case by case basis.

8.3 ENTERPRISE RISK MANAGEMENT SYSTEM (ERM)

Some time ago, Vocento established a risk management system, which aims to understand and control the risks to which the Company is exposed, aligning business objectives to the risks identified and the response measures and controls established to minimize the impact of a materialization of these risks.

In 2014, this risk management system was subject to an in depth review with the support of an external consultant, which resulted in the approval by the Board of Directors on 13 November 2014 of a new Risk Management Policy for Vocento and group companies.

Various Company bodies have responsibilities for the preparation and implementation of the risk management system. The functions and responsibilities of each of them are established in the Risk Management Policy.

a) Board of Directors / Audit and Compliance Committee: the former, as the ultimate responsible party of Group Risk Management, and the latter, as part of its responsibility for overseeing the effectiveness of risk control systems and for regularly reviewing internal risk control and management systems.

b) Risks Committee: consisting of all the members of the Management Committee at Vocento, and with powers for information, coordination and proposals. It will report to the Audit and Compliance Committee.

c) Corporate Risks Management Function: carried out mainly by the financial department. It identifies, assesses and measures risks, as well as the risk controls and procedures necessary to mitigate risks, as well as managing information about key risks.

d) Risk Managers: the Management Team, working with Internal Audit, is responsible for their training, functioning and updating. They monitor the development of risks and propose the most appropriate risk management strategy.

e) Internal Audit and the Audit and Compliance Committee: support the Audit and Compliance Committee in the functioning and effectiveness of the risk management processes and their assessment.

The main risks to which the Company is exposed are (i) strategic and operational risks and (ii) financial risks, risks of compliance, and others.

Finally, in the year the following risks materialized:

- Fall in offline advertising sales because of the economic crisis;
- Late payment and non-payment by private and public sector clients, mitigated by information and internal control systems; and
- Loss of 2 Digital Terrestrial Television channels.

9. EVENTS AFTER THE CLOSE OF THE PERIOD

In 2015, the Audit and Compliance Committee, in order to be able to achieve its responsibilities of:

- Overseeing the process of preparing financial information and the internal control systems;
- Ensuring the Independence of the external auditor;
- Informing the Board, ahead of publication, of the financial information which as a listed Company it must disclose to the public regularly; and
- Supervising internal audit services,

held a meeting on 27 January 2015, at which it:

- Assessed the remuneration of the Director of Internal Audit.
- Received a report from the account auditors about their preliminary conclusions for 2014.
- Provided further information about the Internal Audit Plan for 2014 and 2015.
- Listened to a demonstration of the functioning of the SCIIF from the Chief Financial Officer, the Director of Financial Planning and the person responsible for monitoring the SCIIF.
- . Was informed by the Director of Financial Planning about the process for circulation sales.

Asimismo, cabe señalar que con fecha 19 de enero de 2015 y en sede del Consejo de Administración, (i)

In addition, it should be noted that on 19 January 2015 and at the residence of the Board of Directors, (i) D. Miguel Antoñanzas Alvear was appointed Chairman of the Audit and Compliance Committee, replacing D. Gonzalo Soto Aguirre, with effect from 28 April 2015, and (ii) D. Fernando Azaola Arteche was appointed a Member of the Committee.

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