vocento

Annual report 2015

INDEX

LETTER FROM THE CHAIRMAN

In 2015, the Spanish economy consolidated its recovery with GDP rising by 3.2% despite a slowdown at the end of the year. The improvement in the economy and above all in household consumption led to a 5.8% expansion in the advertising market. The performance was unequal, with Internet advertising revenues rising by 12.3% and press advertising expanding by 0.5%.

For 2016, a slowdown is expected in the pace of economic growth and in advertising spend, with experts forecasting an expansion of the market of around 5%. There are downside risks to the economic outlook, especially the risk of any extended political uncertainty impacting the confidence of businesses, households and investors.

For Vocento, 2015 was a positive year, a year in which we began to reap the benefits of the strategy we have been implementing in previous years. That strategy has been designed to consolidate our leading brands, confirm our commitment to profitability and sharpen our focus on generating cash. Likewise, we have continued to reinforce our leadership of the general press sector in terms of both readership and circulation and in the digital sector we have made significant progress, all while maintaining our position in other business areas such as audiovisual and classifieds.

In 2015, Vocento's revenues reached 467.6 million euros. Advertising revenues grew by 5.5% to 166.6 million euros, in line with the market despite our higher exposure to the press sector. Advertising spend is rising both online and offline and the profile of our revenues is evolving towards digital (Internet and new digital businesses), which contributed 28.0% of all our advertising and e-commerce revenues.

Furthermore, we improved our EBITDA by a significant amount (up 26.8% to 47.6 million euros) with our comparable EBITDA margin expanded by 1.8 p.p. to 10.7%, even with the divestment of Sarenet. In the newspapers business, comparable EBITDA increased by 11.8%, led by an improvement in profitability at the regional press and ABC. In the audiovisual area, a higher margin (a comparable EBITDA margin of 26.7%) was the result from the absence of any DTT provisions in the year and offset the lower level of activity in content production. In our Classifieds business, which is growing rapidly, our advertising revenues and our profitability both increased.

In 2015, Vocento recorded positive EBIT in all areas (up 101.9% to 27 million euros). Net profit reached 4 million euros; the Group's first full-year net profit since 2009.

We also complied with another strategic target – cash generation. Cash flows from the ordinary business increased by 27 million euros, excluding extraordinary outflows. As a result, we reduced our leverage ratio to 2.2x from 2.9x at the end of 2014.

In 2015, we reinforced our leadership of the general press sector with market share of 24.8%, more than 10 p.p. more than the second player. We were also readership leaders, with more than 2.5 million readers, while on the Internet we have more than 18 million unique monthly users.

Vocento's regional newspapers continue to be leaders in circulation, with market share in 2015 of 24.7%, above the number two regional press publisher on 15.3%.

Another highlight in the year was the performance of our flagship publication ABC. The daily newspaper increased its market share in the key Madrid market and is winning new readers thanks to the strength of its mobile offering.

Our supplements and magazines are leaders in Spain in terms of readership and increased their share of the advertising market, thanks to continued investment in the product, which is attracting both readers and advertisers.

In 2015 we remained very active on the technological front. We are pioneers in new technologies and in research and development, as well as investing in the internal infrastructure we need for the future.

In the audiovisual sector we maintained our position, with a national DTT licence enabling us to broadcast two channels, alongside regional DTT licences, a network of radio licences, stakes in content producers and a film catalogue.

With every passing year Vocento becomes more of a multimedia company. Our revenues and sales strategies are increasingly diversified, we have launched new online products and content that build on new technologies and strategic partnerships.

In 2016 we will accelerate our digital growth and transformation. We are focusing on three lines of work:

— The acceleration of the digital business, focusing on advertising revenues, using new commercial strategies and alliances (i.e. the agreements with Grupo Zeta and El Economista), enabling advertising growth in 2016 in the low to mid-single digit range.

— Improving our profitability and our growth in comparable EBITDA. The best way to maintain and improve our business model for the press is to find a balance between print and digital. We will focus on the margin on circulation revenues and on improving our digital positioning with new initiatives;

— Sticking to the internal threshold of leverage of <2x, generating cash flows based on an active management of working capital and strict control over capex.

The information industry will be better and more profitable if we continue to invest in high quality content, segmented to meet the needs and tastes of our users. The increased consumption of news on mobile devices, along with new abilities to improve our understanding of our readers, represents an opportunity for the Group. We will be able to improve our delivery of the content they want and to develop digital products, platforms and vehicles that reflect today's habits, opening up new audiences and new complementary business models for Vocento.

The strategy adopted by Vocento in recent years, supported in 2015 by a solid economic background, has enabled us to strengthen our business. On the foundations of these results we will continue to improve. I am sure that with the support and commitment of our shareholders, advertisers, suppliers and employees we will all share in continued growth at Vocento in the future.

Santiago Bergareche Busquet

LETTER FROM THE CEO

Against a positive economic backdrop for the media sector, although with some residual concerns about the sustainability of the recovery, Vocento has continued to progress in its strategy and in its transformation. We remain committed to the digital business, which we plan to accelerate, while also consolidating the leadership of our brands, the profitability of our business areas and the financial strength of our group, which differentiates us in the sector.

Our advertising revenues increased by a mid-single digital rate. Our comparable EBITDA margin expanded by 1.8 p.p. to 10.7%. All business areas reported positive EBIT. Finally, for the first time since 2009, the Group recorded a full-year net profit. In 2015, our activities were cash generating and our leverage ratio decreased to 2.2 times.

In 2015, Vocento's newspaper area, covering both digital and print versions, remained the undisputed leader of the general information sector in both readership and circulation. In this segment we are leading the way in adopting new technologies and we are working on various fronts to accelerate our digital growth:

— Understanding user behaviour and managing the user experience, using Big Data technologies and data analytics;

— The development of digital vehicles and platforms for new consumer trends, especially in mobile. In 2015, the new mobile version of ABC was nominated at the Global Mobile Awards (GLOMO) 2016, in the category of Best Mobile App Media;

— The development of products and services which adapt to the new reality, generating new transactional/e-commerce business lines, optimizing our presence on social media and winning new audiences;

— Research and development supported by a new initiative, Vocento Media Lab. The aim here is to research, experiment and enable innovative trends such as data journalism and new digital narratives. The focus is also on the internal training of journalists and the creation of new dynamics for sharing knowledge between different technical, editorial and business teams in the company.

This strategy is having a very positive impact on two key groups in the digital space – our readers and our advertisers. In 2015, the advertising spend in the online press increased by 17%. The press has a major part to play in online advertising, although we should continue to combine offline and online campaigns. In 2015, of the 453 million euros of advertising for the sector, 41.6% went to the online press, up from 39.9% in 2014.

In 2016, we will continue to focus on strengthening our digital business and protecting our profitability. These are our two key priorities.

In the regional press, the power and leadership of our regional brands continue to support their business models. In 2015, we were again the number one regional press group in Spain. We have invested in maintaining the leadership and profitability off these assets, regardless of the device used to access them. In 2016, we will strengthen the digital performance of all our regional titles. We will also continue to invest in e-commerce initiatives, consolidate the "on+" pay platform at El Correo and develop new value-added services in advertising, aimed at local clients.

We developed similar initiatives at ABC in 2015. ABC has continued to increase its market share and its share of readership thanks to its strength in mobile. We redesigned ABC.es in 2015, launched a new mobile version and increased profitability by going all digital in the Balearic and Canary Islands and by optimising our print plants.

In our supplements and magazines area, we will continue to develop our area of events and special actions, as well as new digital initiatives, all while maintaining our leadership, investing in quality content and controlling our cost base. We recently came to an agreement with Grupo Zeta to distribute Mujer Hoy with El Periódico, creating synergies and making Spain's most popular women's magazine available in Catalonia.

In 2015, Vocento retained its presence in the niche television market with international partners who are world leaders in entertainment. This guarantees the future of NET TV in the medium and long term. During the year, the two channels maintained their performance at a time when new multiplex licences were awarded. Combined, our channels ended the year with audience share of 3.3%. Our thematic positioning on television contributes to the group's overall profitability.

The year was also one of consolidation for our radio business. Our alliance with COPE continued to create value. According to the 3rd EGM survey, the station increased the number of listeners by around one million to 2,671,000. In 2016 we expect a similar strong performance.

We continued to be present in the audiovisual production sector via our subsidiary Veralia Corporación. In 2016, we will focus on increasing our levels of production and on recurrent programming in order to maintain our profitability, while also making the most of the arrival of new players on the scene as potential clients. Meanwhile, we will maximise the revenues of our film catalogue.

These are times of change for Vocento, times of transforming our businesses and of finding new ways to respond to today's challenges. They are also times of opportunity. Never before have we had such a capability of tracking user trends and behaviour. Of course, new technologies can also create uncertainty about the road ahead. At Vocento, we believe that we have marked out a clear way to follow. The results so far confirm that we have the right strategy in place. We will continue to make progress in our sales strategies, to increase our market share, develop our circulation and accelerate our digital business, ensuring that we will remain strong leaders in the future.

Luis Enríquez

BOARD OF DIRECTORS

2016

CHAIRMAN

- Don Santiago Bergareche Busquet

CHIEF EXECUTIVE OFFICER

- Don Luis Enríquez Nistal

DEPUTY CHAIRMAN

- Don Gonzalo Soto Aguirre

DIRECTORS

- Mezouna, S.L., represented by Ignacio Ybarra Aznar
- Valjarafe, S.L., represented by Doña Soledad Luca de Tena García-Conde
- Energay de Inversiones, S.L., represented by Don Enrique de Ybarra e Ybarra
- Onchena, S.L., represented by Don Álvaro Ybarra y Zubiría
- Don Fernando Azaola Arteche
- Don Miguel Antoñanzas Alvear
- Don Fernando de Yarza López-Madrazo
- Don Carlos Delclaux Zulueta
- Don Gonzalo Urquijo Fernández de Araoz

SECRETARY

- Don Carlos Pazos

DEPUTY SECRETARY

- Don Pablo Díaz Gridilla

HONORARY CHAIRMAN

- Don Santiago de Ybarra y Churruca

MANAGEMENT COMMITTEE

- **Luis Enríquez Nistal**
Chief Executive Officer

- **Iñaki Arechabaleta Torrontegui**
Director General of Business

- **Iñigo Argaya Amigo**
Director General of Human Resources and Organisation

- **Cristina Martín Conejero**
Director General of Digital Strategy

- **Fernando Gil López**
Director General of Operations

- **Ana Delgado Galán**
Director General of ABC

- **Fidel Pila Rivero**
Head of Regional Media, South Zone

- **Iñigo Barrenechea Lombardero**
Head of Regional Media, North Zone

- **Joaquín Valencia von Korff**
Chief Financial Officer

- **Benjamín Lana Velasco**
Editorial Director of Regional Media

- **Rafael Martínez de Vega**
Director General of CM Vocento

VOCENTO, THE STRENGTH OF ITS BRANDS

EL CORREO

EL DIARIO VASCO

EL DIARIO MONTAÑÉS

LA VERDAD

IDEAL

HOY

SUR

LA RIOJA

El Norte de Castilla

EL COMERCIO

LAS PROVINCIAS

Colpisa

ABC
www.abc.es

XLSemanal

mujerhoy

INVERSIÓN finanzas.com

corazón CzN tve

vocento

K+

infoempleo

pisos.com

AUTOCASION.com

11870.COM

Oferplan

AVANZA ENTUCARRERA.COM

tusanuncios.com

COPE
con la fuerza de ABC

NET TV

veralia

BOCA BOCA PRODUCCIONES

hillvalley

euroTV producciones


EL DIARIO MONTAÑÉS
Gorostiaga pide reformar la Constitución «sin miedo»
EL DIARIO VASCO
PRIMERA NEVADA
EL COMERCIO
El Principado culpa al Gobierno y a la UE de su recorte en el presupuesto para el empleo
EL CORREO
HOY
Los concursos de acreedores caen a la mitad en la región en el último año
PRIMER AÑO SANTO DE FRANCISCO
IDEAL
Granada 2031, consenso histórico
LA RIOJA
LA RIOJA, EN VÍA MUERTA
Cataluña llega a la hora de la verdad
LA VERDAD
El Gobierno regional y Fomento intentan evitar que la juez pare las obras del AVE
SUR
La Cónsula triunfa en la Guía Michelin mientras agoniza por la dejadez de la Junta
El Norte de Castilla
«El crecimiento se ralentiza, pero será sostenido en España los próximos años»
VARGAS LLOSA, LA FORJA DE UN M
LAS PROVINCIAS
Las fallas intentarán de nuevo esquivar el veto municipal a Lo Rat Penat
LA VOZ DE CÁDIZ
Ángel León sigue estrellado
El alcalde de Cádiz se queda solo en su cruzada contra Hacienda y los bancos
17 FEBRERO 2015
ABC
Réplica del Gobierno a las amenazas de Venezuela
«EN ESPAÑA LA LIBERTAD DE PRENSA ES INTOCABLE»
Margallo confirma las presiones a las empresas españolas que desveló ABC y avisa de que las «defenderá»
LAS PROVINCIAS
simyo CREA TU TAR
Mónica Oltra considera el nombramiento del marido de Montón «no estético»
corazón CZN
GRAN NOCHE DE PREMIOS
NOS RECIBE EN SU CASA DE ANDORRA
mujerhoy
DÍAS DE MAGIA
INVERSIÓN & finanzas.com
MO DETECTAR OTRAS ABENGOAS» EN LA OLSA
XLSemanal
ESPECIAL NAVIDAD
COMIENZA LA FIESTA
SUR
MÁLAGA
MERRY CHRISTMAS
La Cañada
Le deseamos una Feliz y Sonora Navidad
El Ayuntamiento creará un fondo de capital riesgo de dos millones para empresas tecnológicas
BLOGS DE AUTOR

A LEADER IN NEWS AND OPINION

LEADERSHIP OF THE GENERAL PRESS SECTOR

346,219

AVERAGE DAILY SALES

Source: OJD 2015, data since July not certified

READERSHIP

+2.5

MILLION READERS

Source: 3rd EGM survey of 2015

UNIQUE USERS MONTHLY

18.4 MILLION

Source: comScore, December 2015

Vocento is the leading media group in Spain, with a major national, regional and local presence. In 2015 Vocento consolidated its leadership of the general press sector with average daily sales of 346,219 (kiosk sales and individual subscriptions), for market share of circulation of 24.8%, more than 10 p.p. more than the number two media group (source: OJD 2015 data, data since July not certified). It was also the leader in readership, according to the 3rd EGM survey of 2015, with more than 2.5 million readers, around one million readers more than the number two group. It is in the top ten in Spain on the Internet with over 18.4 million unique monthly (source: comScore, December 2015).

The regional newspapers maintained their leadership in their regions and across Spain. Average daily circulation was 283,586 copies (Source: OJD 2015, July to December not certified), equivalent to market share of 24.7% in the regional press market. The regional press was also the leader in terms of readership, with more than two million readers (Source: EGM 3rd survey), and online, with more than 18 million unique monthly users (source: comScore MMX Multiplataforma, December 2015).

In September 2015, El Correo launched a new digital subscription version, Correo ON+, a step up in quality from elcorreo.com with a new business model. Correo ON+ offers exclusive content, apps, unlimited access to the website, discounts and promotions. The aim is to meet the new demands of users and to provide accurate, up-to-date, immediate and professional information.

ABC has continued to increase its market share and has the second highest kiosk sales and individual subscriptions in the Madrid region, at 107,877 copies (source: OJD 2015, July to December not certified). ABC has redesigned its website and was the first newspaper with separate PC and mobile sites, prioritising interactivity, integration with social networks and new formats for reaching users.

Vocento's supplements and women's magazines have more than 3.5 million readers, according to the 3rd EGM survey, and are among the most widely read publications in Spain.

Another statistic which reflects the group's adaptation to digital and its commitment to making information accessible to users is that by the end of the year Vocento had six million followers in total on Twitter and Facebook.

Vocento is also committed to plurality. Thanks to the talent and hard work of its editorial teams, the group's newspapers each year publish exclusives, in-depth features, and news stories which all provide high quality and accurate content and constructive opinions.

The year was marked by four elections. ABC printed special editions for all of them, with real time coverage online. ABC followed the same approach for the tragic terrorist attacks in Paris and its coverage won plaudits for its quality, range and content. Scoops uncovered by the newspaper included the irregular financing of Podemos and scandals in Andalusia and Catalonia. Highlights in the sports section include doping and other scandals in tennis and football.

Vocento's regional newspapers are independent but the editorial teams work as a network with a shared system of creating and sharing content, transforming working procedures and developing new projects and products. The regional newspapers and websites also have the same local/global vision, with international correspondents and complete coverage of news, so that users do not have to go to another website. The aim is to satisfy the needs of each region, based on a reputation for independence and credibility, guaranteeing the profitability of each brand. Each of the titles is the circulation leader in their region, with total market share of 24.7% (source: OJD 2015), while the portals are online leaders with more than 18 million unique monthly users (Source: comScore December 2015).

The group's newspapers, whatever their region, attract readers of all shades of opinion. More than 70% of the newspaper sales in Álava and Vizcaya are accounted for by El Correo, with the remaining 30% going to other national and regional titles. In Guipúzcoa, El Diario Vasco has over 83% of circulation, with the other titles on only 17%. In Santander, El Diario Montañés has 72% share. The same pattern holds across Spain (source: OJD 2015 data, data since July not certified).

In 2015, Vocento continued to pursue a strategy based on leading brands, profitability, effectiveness and free cash flow generation. In 2016 the group will remain focused on its continuing transformation.

Vocento will focus on: accelerating the digital business, developing new sales strategies and partnerships to increase advertising revenues; reducing net costs, improving profitability and increasing comparable EBITDA; and applying a range of measures to continue generating cash flows from the ordinary business.

It should be noted the group is fully committed to adapting its content for digital and to the new needs of its readers. In March 2016, Vocento's newspapers adopted the new standard for news developed by Google and the media sector, the Accelerated Media Pages (AMP), which makes for faster mobile loading of news stories. This reflects the group's permanent effort to improve the user experience of its content on new devices.

CM Vocento, the group's media sales business, reached in February 2016 an agreement with Ecoprensa, the Publisher of El Economista, to manage the online and print advertising sales of the title. The portfolio of products managed by CMVocento has been strengthened by the addition of an excellent vehicle for national campaigns or local segmentation, with a very attractive user profile for advertisers.

NEWSPAPERS

In 2015, Vocento increased its leadership of the general information press, in terms of both circulation and readership. Vocento also deepened its commitment to new technologies and is in a leadership position, both for developing new businesses and for optimising its positioning in the press sector.

Given the increased consumption of news on mobile devices, Vocento is working on various strategies to accelerate its digital growth. These include user understanding and behaviour, developing digital platforms and vehicles, especially in the mobile space, creating products and services adapted for the new reality, and finally research and development, supported by the Vocento Media Lab, into innovative and critical trends for the press sector.

UNIQUE USERS MONTHLY

12 MILLIONS

SOURCE: COMSCORE, DECEMBER 2015

ABC.ES

In 2015, ABC continued to be committed to digital journalism, redesigning its desktop and mobile website.

The focus is on content which is attractive to social networks, narrative, opinion and analysis, in-depth features as well as news for mobile consumption, audiovisual content and thematic channels. All while maintaining the quality and accuracy expected from readers.

In 2015, abc.es increased its readership, especially thanks to the power of mobile. According to comScore data for December 2015, it now has 12 million unique monthly users, of which seven million (58%) use only mobile devices, reflecting the high value of the ABC reader.

The new mobile version of ABC.es, launched in November 2015, is focused on interactivity, user participation, integration with social networks and a new look for high quality contemporary journalism. The new site won global recognition at the Global Mobile Awards 2016 (GLOMO), the Oscars of the mobile industry. ABC was the only media site to be nominated in the best app for movies, film, video and media. Just in the media sector, ABC was the only Spanish finalist in the European Digital Media Awards, in the category of Best News Mobile Service.

In 2015, ABC became the first Spanish national newspaper to join Facebook Instant Articles. This is an important development in ABC's effort to improve the user experience on all devices, as it enables the almost immediate download of ABC articles in the Facebook news feed. Followers of ABC on Facebook can now enjoy a more agile and rapid experience, with interactive charts and galleries and auto-play videos.

The move shows how ABC continues to adapt to new habits in news consumption and new user requirements. On Twitter, ABC now has more than one million followers, reflecting its central place in social networks in providing news and analysis.

READERSHIP

497,000

READERS

SOURCE EGM: 3RD MOBILE SURVEY 2015

ABC PRINT VERSION

In 2015, ABC strengthened its position as the second most sold print daily in the Madrid region, reflecting its influence in the liberal/conservative sector of the capital.

The growth of the newspaper in Madrid has been continuous compared to its nearest rival. In December, ABC had more than 4,000 sales more than the number three newspaper, the biggest gap between the two positions of recent years, according to OJD 2015. In terms of readership, the newspaper reached 497,000 people (Source: EGM 3rd survey). These figures indicate that ABC has increased its share of the general press market in Madrid from 22% in 2011 to 26% in 2015.

In the rest of Spain, in 2015 ABC also overtook its nearest competitor in the Comunidad Valenciana, Murcia, Castilla-La Mancha, Extremadura and Andalusia. In Andalusia ABC continued to be the absolute leader of the sector.

ABC ON KIOSKO Y MÁS

In 2015, ABC also continued to grow on digital platform Kiosko y Más. ABC is the only national daily to be audited by OJD on the platform, and ended 2015 with 6,550 individual subscriptions, up 20% from the end of 2014.

The continuous development of ABC on the platform forms part of the strategy of improving our understanding of the reader, which will help in the digital transformation of the business. Kiosko y Más is an online kiosk where readers can choose the format for ABC, from tablet to desktop, laptop or smartphone, in a digital display similar to the print version of the newspaper. With an ABC subscription on the platform, readers can access the print version from 23:30 on the previous day, as well as all the supplements and magazines of ABC (XL Semanal, Mujer Hoy, Corazón CzN TVE, ABC Salud, ABC Cultural, ABC Empresas, ABC Natural, ABC Motor). Kiosko y Más makes available the full range of ABC in any place, any time, and any device.


18 NOVIEMBRE 2015 Miércoles

ABC.es

ABC

EL MIEDO PARALIZA AL DEPORTE REY

La suspensión de los amistosos Alemania-Holanda y Bélgica-España por indicios fundados de atentado evidencia que toda Europa está en la diana yihadista

Los Estados de la UE muestran su «total apoyo y disposición a otorgar toda la ayuda necesaria a Francia»

LAN

REGIONAL NEWSPAPERS

For another year, Vocento has consolidated its undisputed leadership of the regional press market in Spain. Its eleven 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 remained in first position for circulation, with share of 24.7%, ahead of the next group on 15.3%.

In terms of readership, the regional newspapers were leaders in print, with over 2 million readers or 0.7 million more than the number two group (source: EGM 3rd survey of 2015) and also online with a readership of more than 18 million unique monthly users according to comScore MMX Multiplataforma in December 2015. All of the portals are also leaders in their regions, except for El Comercio.

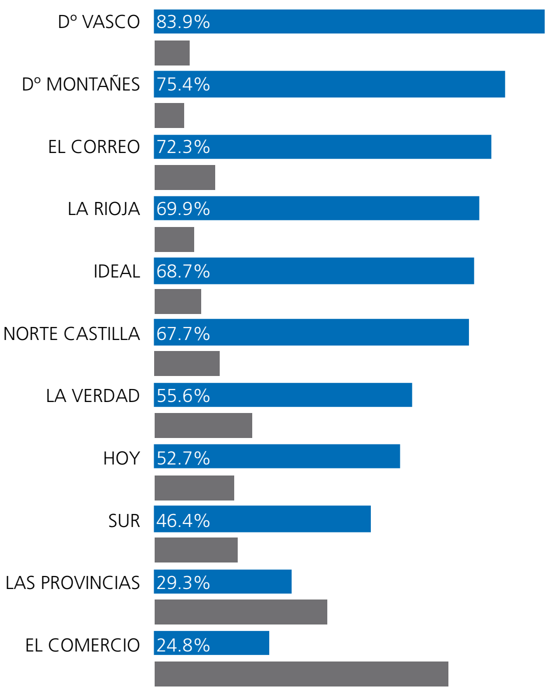
The newspapers have strong roots to their regions. As an indication of their prestige and influence, almost all of them have over 60% of circulation in their markets and were leaders in terms of sales. El Correo sold on average 65,257 copies in the provinces of Álava and Vizcaya, market share of 72.2%. In Guipúzcoa, El Diario Vasco sold 49,479 copies on average per day for share of 83.7%. In Cantabria, El Diario Montañés has sales of 27,738 daily copies, or share of 72.1%, while La Rioja sells 9,374 copies per day for share of 68.5% (source: OJD, July-December data not certified).

In southern Spain, Vocento's regional newspapers are also leaders. In Granada, Ideal had average sales of 14,836 per day, for market share of 68.6%m while in Malaga the daily circulation of 16,580 of Hoy is equivalent to market share of 45.7% (source: OJD, July-December data not certified).

These roots to the community are also reflected in the various events the newspapers organise. In 2015, highlights included the 150th anniversary of Las Provincias. King Felipe VI inaugurated the main event, an exhibition celebrating the anniversary. Another stand-out was the award ceremony for diariovasco.com, on the 20th anniversary of the website.

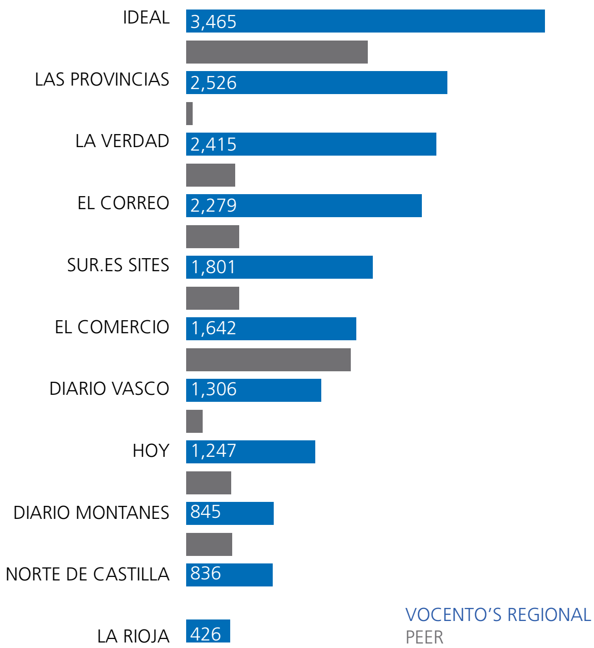
Fun & Serious Game Festival, supported by El Correo was the largest gaming festival in Europe in 2015. In Cantabria, El Diario Montañés organised the Santander Social Weekend, a leading event for social networking and the Internet industry in northern Spain and a major digital event for all of the country.

MARKET SHARE OF CIRCULATION IN EACH REGION OF INFLUENCE (%)



Source: OJD 2015

READERSHIP OF LOCAL PORTALS (THOUSAND UNIQUE MONTHLY USERS)



Source: comScore December 2015

Other highlights included the largest Twitter event in the world, Ideal's event Talking About Twitter (#TATGranada), with more than 315 million impacts and 7,500 social media followers. The Feria Gastronómika, supported by the El Diario Vasco, beat all records in its seventeenth year with more than 1,500 exhibitors and almost 13,000 visitors. Furthermore, the Iberian Pork Parade, organised by Hoy, gathered companies, artists and public institutions from Extremadura, while the traditional London dinner of Sur attracted many leading tourism figures.

El Norte de Castilla held the awards ceremony for the E-volución Awards, recognising the best projects on the Internet. Several of the newspapers, including La Verdad, el Comercio and La Rioja, participated in the Premios Webs, the most important newspaper awards in the digital space. The newspapers recognised the best online platforms in each province in the categories of best corporate website, e-commerce, mobile app, associations, personal websites, etc.

In short, Vocento is focused on maintaining the leadership of its newspapers, independent of the device used to access them, while protecting their profitability. In 2016, the aim is to strengthen the digital strategy and to work to increase profitability, increasing some cover prices and continuing to improve processes and resources while continuing to invest in the quality of each product.

Diario Vasco Awards

E-volución Awards. El Norte De Castilla

Talking About Twitter (#TATGranada), de Ideal

KIOSKO Y MÁS

Kiosko y Más is the largest high quality digital kiosk in Europe, selling around 17 million copies per year. The platform offers daily information in every province in Spain with the support of 105 publishers, 490 newspapers and magazines and paying clients in 80 countries. The platform has over 325,000 registered users and other 120,000 active subscriptions (Source: OJD Jan-December 2015). KYM is also a profitable company which distributes to publishers on average 65% of the sale price.

COLPISA – CENTRAL NEWSROOM

In 2015, the central newsroom Colpisa reinforced its role, increasing its offer of general content ranging from daily news to special events for the print and digital versions of the newspapers.

In 2015, Colpisa began producing content specifically designed for ON+, the new premium platform of El Correo. Colpisa has been providing various forms of content and helping produce special sections, such as the online cinema section La Butaca.

Elsewhere, Colpisa continues to produce multimedia content such as Salud Revista, a monthly publication with daily online updates and Innova+, the special supplement and website dedicated to technology and innovation. A skiing and travel channel started in 2014. All of these products for the regional press complement the special coverage that Colpisa provides of events such as the Oscars, the Goyas, the elections and others.

In 2015, Colpisa journalist Antonio Villareal won a Tecnalia Journalism Award for this feature on wines and R&D, which was published in Innova+.

In 2014, the agency increased its range of services with the magazine Autoclub from the RACE association. Colpisa produces this magazine in an innovative format, exclusively for tablet. The publication, which also has a web version, is produced every month and includes news, trends, travel, style, sport and of course above all the world of cars and motorbikes.

EL CORREO

419,000	72,956	2,279,000
READERS	COPIES	UNIQUE USERS

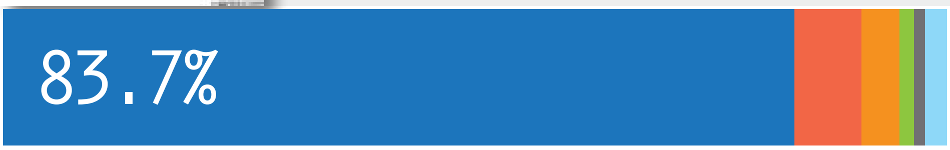
Area: Álava and Vizcaya

EL CORREO	72.2%
DEIA	13.2%
EL PAÍS	4.5%
DIARIO DE NOTICIAS DE ÁLAVA	3.8%
EL MUNDO	2.6%
OTROS	3.8%

CIRCULATION

EL DIARIO VASCO

249,000	53,493	1,306,000
READERS	COPIES	UNIQUE USERS



Area: Guipúzcoa

EL DIARIO VASCO	83.7%
NOTICIAS DE GIPUZKOA	7.4%
EL PAÍS	4.0%
EL MUNDO	1.5%
EL CORREO	1.2%
OTROS	2.1%

CIRCULATION

Readership: Source EGM: 3rd moving survey 2015
Circulation: Source: OJD January - December 2015
Unique Users: Source comScore MMX December 2015

EL DIARIO MONTAÑÉS


EL DIARIO MONTAÑÉS

Los constructores cántabros advierten del riesgo de cierre de decenas de empresas

161,000
READERS

25,156
COPIES

845,000
UNIQUE USERS

EL DIARIO MONTAÑÉS	72.1%
EL CORREO	7.7%
EL PAÍS	6.5%
EL MUNDO	6.2%
ABC	3.0%
OTROS	4.4%

AREA: CANTABRIA

CIRCULATION

LA VERDAD


LA VERDAD

El Carmen es el primer barrio de Murcia que estará blindado por videocámaras

191,000
READERS

17,470
COPIES

2,415,000
UNIQUE USERS

LA VERDAD	56.6%
LA OPINIÓN DE MURCIA	20.2%
EL PAÍS	7.8%
LA RAZÓN	6.1%
ABC	4.4%
OTROS	4.9%

AREA: MURCIA

CIRCULATION

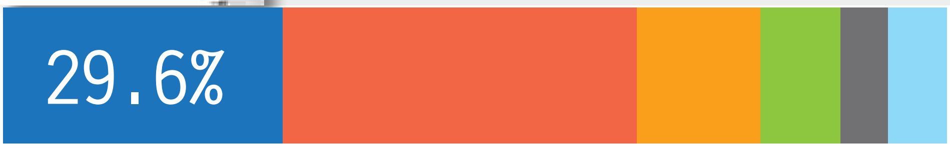
READERSHIP: SOURCE EGM: 3RD MOVING SURVEY 2015
CIRCULATION: SOURCE: OJD JANUARY - DECEMBER 2015, DATA SINCE JULY NOT CERTIFIED
UNIQUE USERS: SOURCE COMSCORE MMX DECEMBER 2015

LAS PROVINCIAS

115,000
READERS

18,109
COPIES

2,526,000
UNIQUE USERS



Area: Valencia

LAS PROVINCIAS	29.6%
LEVANTE	37.5%
EL PAÍS	13.1%
EL MUNDO	8.5%
LA RAZÓN	5.0%
OTROS	6.2%

CIRCULATION

IDEAL

192,000
READERS

19,623
COPIES

3,465,000
UNIQUE USERS

Area: Granada

IDEAL	68.6%
GRANADA HOY	10.1%
EL PAÍS	7.7%
ABC	4.8%
LA RAZÓN	4.1%
OTROS	4.7%

CIRCULATION

Readership: Source EGM: 3rd moving survey 2015
Circulation: Source: OJD January - December 2015
Unique users: Source comScore MMX December 2015

HOY

134,000
READERS

11,103
COPIES

1,247,000
UNIQUE USERS

HOY	53.5%
EL PERIÓDICO DE EXTREMADURA	17.3%
EL PAÍS	8.8%
ABC	7.5%
LA RAZÓN	7.3%
OTROS	5.7%

AREA: EXTREMADURA

CIRCULATION

SUR

148,000
READERS

17,579
COPIES

1,801,000
UNIQUE USERS

SUR	45.7%
MÁLAGA HOY	17.5%
EL PAÍS	9.8%
EL MUNDO	7.0%
LA OPINIÓN DE MÁLAGA	6.9%
OTROS	13.1%

AREA: MÁLAGA

CIRCULATION

READERSHIP: SOURCE EGM: 3RD MOVING SURVEY 2015
CIRCULATION: SOURCE: OJD JANUARY - DECEMBER 2015, DATA SINCE JULY NOT CERTIFIED
UNIQUE USERS: SOURCE COMSCORE MMX DECEMBER 2015

LA RIOJA

84,000
READERS

10,232
COPIES

426,000
UNIQUE USERS

LA RIOJA	68.5%
EL PAÍS	8.4%
EL CORREO	7.5%
EL MUNDO	4.7%
ABC	4.0%
OTROS	6.9%

AREA: LA RIOJA

CIRCULATION

El Norte de Castilla

181,000
READERS

20,457
COPIES

836,000
UNIQUE USERS

EL NORTE DE CASTILLA	43.4%
EL CORREO DE ZAMORA	10.5%
EL MUNDO	9.4%
LA RAZÓN	8.9%
EL PAÍS	8.9%
OTROS	18.9%

AREA: PALENCIA, SEGOVIA, VALLADOLID AND ZAMORA

CIRCULATION

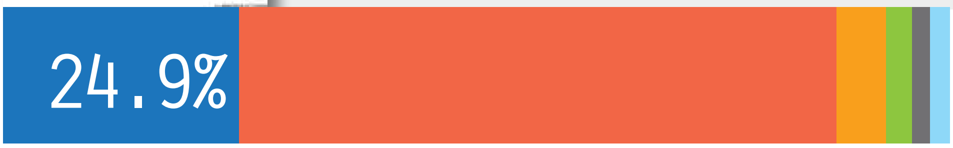
READERSHIP: SOURCE EGM: 3RD MOVING SURVEY 2015
CIRCULATION: SOURCE: OJD JANUARY - DECEMBER 2015
UNIQUE USERS: SOURCE COMSCORE MMX DECEMBER 2015

EL COMERCIO

155,000
READERS

17,411
COPIES

1,642,000
UNIQUE USERS



EL COMERCIO	24.9%
LA NUEVA ESPAÑA	63.2%
EL PAÍS	5.2%
EL MUNDO	2.8%
LA RAZÓN	1.9%
OTROS	2.0%

Area: Asturias

CIRCULATION

READERSHIP: Source EGM: 3rd moving survey 2015
Circulation: Source: OJD January - December 2015
UNIQUE USERS: Source comScore MMX December 2015

SUPPLEMENTS AND MAGAZINES

READERSHIP

3,600,000

READERS

Source: EGM; 3rd moving survey 2015

Taller de Editores publishes the two most widely read supplements in Spain: XLSemanal and Mujer Hoy, as well as Corazón CzN TVE and financial magazine Inversión & Finanzas. The quality of its journalists and its commitment to information are the cornerstones of its reputation. The supplements are distributed with all Vocento newspapers and other leading regional newspapers at the weekend.

Vocento's magazines and supplements had a combined readership of almost 3.6 million people in 2015, with XLSemanal the clear leader in the market, with around 1 million readers more than its nearest competitor, according to the 3rd EGM survey for 2015, while Mujer Hoy had over one million readers. Both supplements have continued to improve their relative positions for readership and advertising share.

In terms of advertising, according to internal data both publications continue to increase their share of the market. In the Sunday supplements market, where advertising has stabilised, XLSemanal has share of 54.9%, up 1.5 p.p. from 2014. In the women's magazine market, which is growing at a double digit rate, Mujer Hoy improved its share by 1.8 p.p. to 47.5%.

At the end of 2015 Vocento reached an agreement with Grupo Zeta to develop sales of Mujer Hoy, which is now distributed with El Periódico, enabling Catalan readers to buy the women's magazine.

Vocento continues to invest in a differentiated product, enabling it to reach new readers and advertisers. It also contributed to the organisation of more than 25 events and has focused on digital development, with the redesigned website of Mujer Hoy launched in January 2016.

In the area of corporate magazines, a highlight was the agreement with Air Europa to publish its in-flight magazine, a leader in the segment. The monthly magazine has 140 pages devotes to beauty, fashion and shopping, a lifestyle magazine focused on travel.

In 2016, Vocento will continue to invest in its portfolio of existing products and will focus on events, special actions and digital initiatives. It aims to maintain its leadership position while minimising costs, but without reducing the editorial quality of the area.

XL SEMANAL: LEADER OF THE SPANISH WEEKEND SUPPLEMENT MARKET

XL SEMANAL

XL Semanal remains the undisputed leader of the Spanish weekend supplements market with more than two million readers and a market share of around 46% (Source: EGM third survey 2015). Its circulation is around 685,000, according to OJD data for January-December.

Contributor sinclude Carlos Herrera, Arturo Pérez-Reverte, Juan Manuel de Prada, Carmen Posadas, and others. The supplement's aim is to continue investing in a differentiated product that attracts readers and advertisers.

2,024,000
READERS

684,605
COPIES

XL SEMANAL	42.6%
EL PAIS SEMANAL	19.5%
MAGAZINE (VANGUARDIA)	22.4%
EL MUNDO - FUERA DE SERIE	9.4%
DOMINICAL	6.2%

CIRCULATION

READERSHIP: Source EGM: 3rd moving survey 2015
Circulation: OJD, January - December 2014

MUJER HOY

Mujer Hoy, published by Taller de Editores, continues to be the second most read weekend supplement and the leader in the women's category, with market share of 25% and over 1.2 million readers (Source: EGM third survey 2015). The magazine, which contains news about current affairs, health and decoration and beauty and fashion, is distributed on Saturdays with Vocento newspapers and other regional leaders. Readership data mean it is one of the leading publication in its sector.

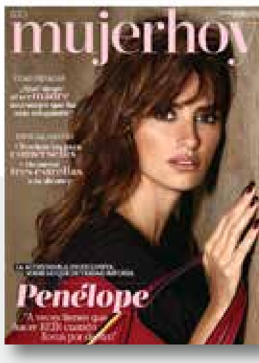
At the end of 2015, Vocento reached an agreement with Grupo Zeta to pursue synergies between their weekend supplement. Since 1 January El Periódico de Catalunya has been providing the magazine in its weekend edition, making the popular magazine and its quarterly fashion special available to Catalan readers.

Every year, the magazine presents prizes to outstanding women in Spain. Recipients in the 7th edition include actress and Mujer Hoy blogger Mar Saura, model and presenter Nieves Álvarez, television producer Teresa Fernández-Valdés, writer Dolores Redondo and pharmaceutical industry leader Carmen Peña. Roberto Arce won the male commitment award for his programme "Amores que duelen".

Mujer Hoy Moda is the magazine's quarterly fashion special, over 80 pages dedicated to high end fashion and beauty. The supplement has a print run of 190,000 copies and is distributed with ABC in Madrid and other capitals with Vocento's regional newspapers, plus now with El Periódico de Catalunya.

Mujer Hoy is also very active in corporate projects to link the brand to leading advertisers, as with products such as Guapabox in the beauty box segment.

In the digital space, Mujerhoy.com has 1.2 million unique users according to MMX Multiplataforma (December 2015). It is one of the top five portals in the beauty, fashion and style segment of the comScore ranking. The portal was redesigned in 2015 and has a fresher look than its peers. It also has an active social media presence with more than one million followers on Facebook and a strong community on Twitter, Instagram and Pinterest. The portal has a close relationship with users thanks to events, special actions, testing clubs, competitions and surveys.



1,255,000
READERS

591,029
COPIES

1,245,000
UNIQUE USERS

MUJER HOY	56.7%
TELVA	13.6%
ELLE	12.9%
COSMOPOLITAN	8.5%
VOGUE	8.2%

CIRCULATION

READERSHIP: Source EGM; 3rd moving survey 2015
Circulation: OJD, January - December 2014
UNIQUE USERS: Source comScore MMX December 2015

CORAZÓN CZN TVE

Corazón CzN TVE is a magazine dedicated to celebrity news, combining journalism and entertainment. It is distributed with Vocento newspapers in the weekend, as well as with La Voz de Galicia, Heraldo de Aragón and Diario de Navarra. In Catalonia it is sold in kiosks.

The supplement has a circulation of more than 173,000 copies (Source: OJD Jan-December) and it has over 260,000 readers (Source: EGM third survey 2015).

In 2015 Corazón CZN TVE was launched jointly with the TVE Corazón programme presented by Anne Igartiburu, benefiting from synergies between the two platforms. The supplement has been a success, with sales placing it among the major celebrity magazines.

NEWS

266,000
READERS

173,959
COPIES

READERSHIP: Source EGM; 3rd moving survey 2015
CIRCULATION: Source OJD, January - December 2014

INVERSIÓN & FINANZAS.COM

Inversión y Finanzas is the only weekly finance magazine on sale in kiosks. It is the most sold supplement in Spain in its sector and the only one with specialist information on wealth management for individuals, with sections on the stock market, real estate, mutual funds, pension plans, banking products, tax issues and general economics and business news. Its readership is 37,000 (Source: EGM third survey 2015) and its circulation is over 4,600 copies (Source: OJD Jan-December).

In December 2015, the magazine commemorated its 1000th edition with an awards ceremony. The deputy secretary for the economy and competitiveness, Miguel Temboury, attended. Award-winning companies included ACS, Popular, Amundi, BBVA, Santander, La Caixa and Juan Velarde.

Finanzas.com specialises in financial and economic information and savings advice and offers up to the minute news on stock market prices and indices.

In 2015, the financial portal received an average of almost 650,000 monthly visits (Source: comScore 2015), showing the upside potential of the portal.

37,000
READERS

4,641
COPIES

473,000
UNIQUE USERS

READERSHIP: Source EGM: 3rd moving survey 2015
Circulation: Source OJD, January - December 2014
UNIQUE USERS: Source comScore MMX December 2015

Beauty Day

CÓDIGO ÚNICO

Código Único is dedicated to a masculine high-end readership, with interests in luxury and brands. It contains interviews and features about sport, fashion, beauty, cars, technology and others. With a circulation of 102,000 copies (Source: OJD 2014) it is distributed monthly with ABC and with El Periódico de Catalunya in Barcelona.

EVENTS

Taller de Editores continued to grow in the events area in 2015. INVERSIÓN & finanzas.com held annual meetings for sectors such as private banking, financial advisers, Chief Investment Officers (CIOs) and pensions. In December 2015, the magazine commemorated its 1000th edition with an awards ceremony.

In 2015, Mujer Hoy participated in major health and beauty events including Beauty Day (two events with more than 2,500 visitors) and the MHM Summit for professionals of the fashion industry. The magazine also awarded its prestigious Mujerhoy Prizes to Women of the Year, as well as the Beauty Awards and the Car Awards for best car design, features and safety.

In 2015, Corazón CZN TVE replaced Hoy Corazón and was launched jointly with the TVE Corazón programme presented by Anne Igartiburu, benefiting from synergies between the magazine and the television programme.

AUDIOVISUAL

Vocento has a presence in the audiovisual market, with a national DTT licence which enables it to broadcast two channels, regional DTT licences, 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 the private companies to have a national free-to-air DTT license.

NET TV currently broadcasts Disney Channel and Paramount Channel, giving Vocento a presence in the niche television sector with international content suppliers who are global leaders in entertainment, guaranteeing the NET TV business for the medium and long term.

The combined channels had a share in December 2015 of 3.3%, according to data from Kantar Media. Their positioning in the thematic television market contributes to the Group's overall profitability.

In 2015, NET TV consolidated its two channels during a period of new license awards. 2016 will be a year of continuity.

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 Veralia Corporación and Veralia Contenidos, a holding company for audiovisual production companies, which includes BocaBoca Producciones, Europroducciones and Hill Valley, and Veralia Distribución de Cine, which has a catalogue of rights for 230 films.

In 2015, the Veralia production companies had various formats in development including "Hit, la canción" (TVE), the sixth series of "Conexión Samanta", "21 Días" (both on Cuatro), "Los Vengadores" (Disney), "¿Bailamos?" (Canal Sur), "A Tu Vera" (Castilla la Mancha TV) and "Guinness World Records" (Canale5, Italy), as well as Christmas and New Year galas on TVE.

In January 2016, the programme 'Conexión Samanta', produced by the channel in collaboration with BocaBoca Producciones, was broadcast for some weeks by Cuatro, first on Saturday nights and then on Fridays. The programmes explored unusual issues such as the world of 'baby adults,' the trafficking of footballers, the world of wedding luxury and how to become a leader.

ENCIENDE TU NAVIDAD

CONEXIÓN SAMANTHA

Veralia is also internationalizing its output. The "21 días" format has been successfully adapted in the Netherlands, Italy, France, Canada and Chile. Magic Mania, a format developed and produced by Veralia, has been sold to Canal+ France and Israel. Agreements have also been reached with various international companies to introduce new formats into the Spanish market.

In the film distribution business, Veralia Distribución de 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. In 2016, the strategy is to continue maximising the revenues from the existing catalogue.

In 2015, a highlight was the divestment of the Italian subsidiary Europroduzione, in line with our commitment to profitability and our intention to focus our production efforts in Spain. Europroduzione was Vocento's only company outside Spain.

For 2016, we will focus our efforts on consolidating production levels and on the renewal of programmes, in order to maintain profitability. The arrival of new players as potential new clients is an opportunity. We will also maximise revenues from the film catalogue.

RADIO

The development of our 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 especially in news bulletins. 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.

In September 2015, Carlos Herrera joined the team at Cadena Cope for the next three years, which may be extended. The best rated broadcaster in radio returned after 20 years with the programme 'Herrera en Cope,' on weekday mornings, as the group looks to lead the sector in Spain.

2015 was a year of consolidation for the radio business and for creating value following the COPE agreement. Listener numbers were strong, with the audience rising by around one million to 2.671.000 according to the third EGM survey. In 2016, a similar trend is expected, with good listener numbers and results.

LA TARDE DE EXPÓSITO

HERRERA EN COPE

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 with national brands 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#4) and automotive with autocasion.com (top#9).

In 2015, Vocento focused on selective investments in developing its different business areas, especially their sales arms and their technologies, in order to guarantee sustained growth. At the same time, the emphasis has been on the B2B sector, which has strengthened the customer base.

For 2016, the strategy remains focused on developing the business of each vertical and on developing products and services with added value that enable us to improve our understanding of clients and our use of new technologies. Vocento is also looking to generate higher advertising revenues and to raise the average revenue per user, using new sales strategies and loyalty measures, while maintaining the current cost structure. This strategy enabled positive EBIT to be achieved in 2015.

INFOEMPLEO

In 2015, Infoempleo redesigned the brand and transformed the portal to adapt to the new needs of the labour market and to help candidates find work. The new web site, in a responsive format, provides mobile users and tablet users with simple, rapid access to all services, enabling an intuitive and easy user experience. The Infoempleo Blog, which contains news, advice and interviews about work and training, was also redesigned.

In 2015, the community of Infoempleo users on social networks increased and is now over 100,000 people strong on Facebook, Twitter and LinkedIn. The portal has more than a million unique users, according to comScore 2015.

The training portal Avanza en tu Carrera continued to grow in 2015 and become the leading portal for training opportunities. A highlight was the launch of a new digital version of the guide to graduate and postgraduate courses for tablets, available for free in the app stores. The portal has a strong following in social media, with almost 5,000 fans on Facebook (1,000 more than the previous year) and more than 3,000 followers on Twitter.

AUTOCASIÓN

In 2015, Autocasión recorded high rates of growth in all its traffic and business indicators. With three main areas of content – advertising of used vehicles, new vehicles, and automotive news – Autocasión is one of the leading portals in its sector.

The portal's multi-device digital platform provides a wide range of content and services, expanding over the course of 2015 and always focused on users and their mobile needs. The portal is the most wide-ranging in its sector and has won the loyalty of users, professionals and major advertisers.

The strong performance of the company and its wide range of services for dealers and for buying and selling vehicles led to an increase of 40% in the client portfolio, with operating revenues up 35%, doubling the positive results of the previous year.

The increase in traffic reflects the positive performance of the strategic agreements signed by the company last year as well as an increase in marketing investments. Highlights include the partnership with Autobiz of France for the Sistema VO product and with Mascus, a specialist in the B2B market for used industrial equipment and vehicles.

For the total of all the websites belonging to the company, the number of unique monthly users reached more than 1.5 million in 2015 according to comScore DAX. The support of users is also clear in the social media space, where there has been a sharp increase in interactivity and an improvement in brand recognition, pointing to a 2016 of strong growth.

PISOS.COM

In 2015, pisos.com continued to adapt its website for mobile devices, with over 50% of users now accessing from smartphones. The aim is to enable users to look for homes whenever they need to. More than three million users and 138 million page views on average, according to Dax comScore, indicate the success of the website, which is in the top three in its category in Spain.

In terms of the marketing and communications strategy, pisos.com has increased its presence as an expert portal in the online and offline media, and at the main real estate fairs and professional events. It also increased its visibility on television, with spot campaigns, sponsorships and advertising during programmes. Various famous brand ambassadors supported these campaigns. The portal also continued to be a source of specialist information for the media.

In addition, pisos.com completes its offer with pisocompartido.com, a website which brings together users who are looking for or offering rooms to rent, and with habitat24.com, an exclusive portal for professionals.

In the social networking space, pisos.com continues to grow, with 12,000 followers on Twitter and 58,000 fans on Facebook, up around 50% from last year.

11870.COM

In 2015, 11870.com consolidated its position as the website for recommendations of other websites and businesses, with more than 1.5 million users according to ComScore (December 2015). At the end of the year, it had 133,000 registered users and 99,000 registered companies.

At the end of 2015, the service had more than 321,000 opinions about websites and 877,000 photographs, making 11870 the absolute leader for the number of opinions and SME photographs in Spain.

The business lines of the company performed positively in year, especially in services for increasing visibility, which has been the company's focus. Revenues were maintained despite a sharp reduction in costs.

TUSANUNCIOS.COM

The portal Tusanuncios.com publishes advertising for a wide variety of products. It brings together people interested in buying and selling, enabling professionals and retail customers to interact and facilitating the buying, selling and renting of goods and services in a straightforward and simple way. The portal has more than 200,000 unique users (ComScore 2015).

E-COMMERCE

GUAPABOX

In September 2013, Vocento launched Guapabox, an e-commerce subscription club project for women who are passionate about the world of beauty. When they subscribe, every month users receive a box with a selection of five exclusive cosmetics products and a Guapabox magazine in pocket format with advice, trends and exclusive content about cosmetics. Guapabox is an ideal platform for trying things out, learning and having fun.

Guapabox also regularly produces exclusive limited edition boxes for one brand only and limited one-off editions.

Since its launch, Guapabox has become a very well perceived brand in the sector, with direct and frequent communications with more than 60,000 women.

OFERPLAN

Oferplan is a portal providing exclusive discounts to readers of Vocento media and its associates. In four three years, it has become a preferred platform for users to access the best offers in leisure, beauty and eating out in their home towns, with discounts of over 80%. In total, users have saved more than 12 million euros and in 2015 nearly one million coupons were sold.

In 2015, Oferplan consolidated its position as the leading local website for discount offers and the fastest growing in its sector. Oferplan also launched a mobile app to respond to the need for mobility and reach more users. It is continuing to work to offer users original and innovative products and services at great prices while helping its local partners grow their business.

Financial Report 2015

pwc

This version of our report is a free translation from the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

INDEPENDENT AUDITOR´S REPORT ON ANNUAL ACCOUNTS

To the shareholders of Vocento, S.A.:

Report on the Annual Accounts

We have audited the accompanying annual accounts of Vocento, S.A., which comprise the balance sheet as at December 31, 2015, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

Directors' Responsibility for the Annual Accounts

The company´s directors are responsible for the preparation of these annual accounts, so that present fairly the equity, financial position and financial performance of Vocento, S.A., in accordance with the financial reporting framework applicable to the entity in Spain, as identified in Note 2 to the accompanying annual accounts, and for such internal control as directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with legislation governing the audit practice in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the annual accounts 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 presentation of the annual accounts taken as a whole.

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 annual accounts present fairly, in all material respects, the equity and financial position of Vocento, S.A. as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

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R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

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Other matters

The annual accounts of Vocento, S.A., were audited by other auditor who express an unmodified opinion on the annual accounts at February 25, 2015.

Report on Other Legal and Regulatory Requirements

The accompanying directors' Report for 2015 contains the explanations which the directors consider appropriate regarding the company's situation, the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the directors' Report is in agreement with that of the annual accounts for 2015. Our work as auditors is limited to checking the directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the company´s accounting records.

PricewaterhouseCoopers Auditores, S.L.

(Original in spanish version
signed by Virginia Arce Peralta)

23 de febrero de 2016

vocento

DECLARATION OF THE ACCURACY OF THE ANNUAL FINANCIAL REPORT

The Directors of VOCENTO, S.A. formulated on 23 February 2016 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 37 pages numbered from 5 to 41 and an appendix of 6 pages, and 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.

Bilbao, 23 February 2016

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

D. Luis Enríquez Nistal
(Chief Executive Officer)

D. Fernando Azaola Arteche
(Director)

D. Miguel Antoñanzas Alvear
(Director)

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

MEZOUNA, S.L.
(represented by D. Ignacio Ybarra Aznar)

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 of 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.

Bilbao, 23 February 2016

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman

D. Luis Enríquez Nistal
(Chief Executive Officer)

D. Fernando Azaola Arteche
(Director)

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

Vocento, S.A.

Annual Accounts and Directors' Report for 2015 together with the Audit Report

Vocento, S.A.

BALANCE SHEET AT THE END OF 2015
(Thousand euro)

ASSETS	Note	2015	2014
NON-CURRENT ASSETS		[illegible]	[illegible]
Intangible assets	[illegible]	[illegible]	[illegible]
Computer software		44	[illegible]
Prepayments for assets		37	-
Property, plant and equipment	[illegible]	[illegible]	[illegible]
Land and buildings		[illegible]	[illegible]
Plant and other Property, plant and equipment		[illegible]	[illegible]
Non-current investments in group companies		[illegible]	[illegible]
Equity instruments	7	[illegible]	[illegible]
Non-current loans to Group companies and associates	[illegible]	[illegible]	[illegible]
Non-current financial investments		[illegible]	[illegible]
Other financial assets		[illegible]	[illegible]
Deferred tax assets	[illegible]	[illegible]	[illegible]
CURRENT ASSETS		[illegible]	[illegible]
Inventories		[illegible]	[illegible]
Trade and other receivables		[illegible]	[illegible]
Trade receivables for sales and services rendered		[illegible]	[illegible]
Trade receivables from group companies and associates	[illegible]	[illegible]	[illegible]
Current tax assets	13	[illegible]	[illegible]
Other receivables from public administrations	13	[illegible]	[illegible]
Current investments in group companies and associates	[illegible]	[illegible]	[illegible]
Loans to Group companies		[illegible]	[illegible]
Current prepayments and accrued income		[illegible]	[illegible]
Cash and cash equivalents	[illegible]	[illegible]	[illegible]
Cash		[illegible]	[illegible]
TOTAL ASSETS		[illegible]	[illegible]

EQUITY AND LIABILITIES	Note	2015	2014
EQUITY	[illegible]	[illegible]	[illegible]
Capital and reserves		[illegible]	[illegible]
Capital		[illegible]	[illegible]
Authorized capital		[illegible]	[illegible]
Reserves		[illegible]	[illegible]
Legal		[illegible]	[illegible]
Other reserves		[illegible]	[illegible]
Treasury shares		[illegible]	[illegible]
Prior year losses		[illegible]	[illegible]
Profit for the year		[illegible]	[illegible]
Valuation adjustments		[illegible]	[illegible]
Hedging operations		[illegible]	[illegible]
NON-CURRENT LIABILITIES		[illegible]	[illegible]
Non-current provisions		[illegible]	-
Non-current borrowings	11	[illegible]	[illegible]
Bank borrowings		[illegible]	[illegible]
Derivatives	[illegible]	[illegible]	[illegible]
Payables to Group companies and associates	[illegible]	[illegible]	[illegible]
Deferred tax liabilities	[illegible]	[illegible]	[illegible]
CURRENT LIABILITIES		[illegible]	[illegible]
Current borrowings	11	[illegible]	[illegible]
Bank borrowings		[illegible]	[illegible]
Derivatives	[illegible]	[illegible]	[illegible]
Other financial liabilities		[illegible]	11
Current payables to Group companies and associates	[illegible]	[illegible]	[illegible]
Trade and other payables		[illegible]	[illegible]
Suppliers		[illegible]	[illegible]
Trade payables, Group and associated companies	[illegible]	[illegible]	[illegible]
Sundry payables		[illegible]	[illegible]
Personnel		[illegible]	[illegible]
Other payables to public administrations	13	[illegible]	[illegible]
TOTAL EQUITY AND LIABILITIES		[illegible]	[illegible]

Notes 1 to 20 form an integral part of these Annual Accounts

Vocento, S.A.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015
(Thousand euro)

	NOTE	2015	2014
CONTINUING OPERATIONS			
Revenue	8 and 15.a	3,905	151,296
Rendering of services		1,605	1,646
Income from dividends from investee companies	8	2,300	149,650
Personnel expenses	15.b	(3,519)	(3,566)
Wages, salaries and similar remuneration		(2,648)	(2,715)
Employee benefit expenses		(871)	(851)
Other operating expenses	8 and 15.c	(3,698)	(4,105)
External services		(3,683)	(4,094)
Taxes		(15)	(11)
Asset amortization/depreciation	5 and 6	(195)	(344)
OPERATING PROFIT/(LOSS)		(3,507)	143,281
Financial income		2,251	2,540
Marketable securities and other financial instruments		2,251	2,540
On group companies and associates	8	2,065	2,540
Third parties	12	186	-
Financial expense		(11,813)	(21,234)
On borrowings from group companies and associates	8	(5,274)	(12,904)
On amounts owed to third parties	11 and 12	(6,539)	(8,322)
Exchange differences		-	(8)
Impairment and losses on disposal of financial instruments	7	-	(127,026)
FINANCIAL INCOME/(EXPENSE)		(9,562)	(145,720)
PROFIT/(LOSS) BEFORE INCOME TAX		(13,069)	(2,439)
Corporate income tax	13	23,215	(7,523)
PROFIT FOR THE YEAR		10,146	(9,962)

Notes 1 to 20 form an integral part of these Annual Accounts

Vocento, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015
(Thousand euro)

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2015 (Thousand euro)

	2015	2014
Profit/(loss) for the year	10,146	(9,962)
Income and expense attributed directly to equity	(133)	(2,223)
Cash flow hedges (Notes 10 and 12)	(185)	(3,087)
Tax effect (Note 13)	52	864
Amounts transferred to the income statement	127	149
Cash flow hedges (Notes 10 and 12)	177	206
Tax effect (Note 13)	(50)	(57)
TOTAL RECOGNIZED INCOME AND EXPENSE	10,140	[illegible]

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 331 DECEMBER 2015 (Thousand euro)

	Share capital	Legal Reserve	Treasury shares	Reserve for treasury shares	Merger reserve (Note 17)	Other reserves	Prior year losses	Profit for the year	[illegible]	Total
Ending balance 2013 (*)	[illegible]	[illegible]	(31,474)	31,474	[illegible]	[illegible]	[illegible]	(17,183)	-	[illegible]
Total recognized income and expense (Notes 10 and 12)	-	-	-	-	-	-	-	(9,962)	(2,074)	[illegible]
Application to profit/(loss) for the year 2013										
To prior year losses	-	-	-	-	-	-	(17,183)	17,183	-	-
Transactions involving treasury shares (Note 10)	-	-	[illegible]	[illegible]	-	-	-	-	-	[illegible]
Ending balance 2014 (*)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	312,77[illegible]
Total recognized income and expense (Notes 10 and 12)	-	-	-	-	-	-	-	10,145	(5)	10,140
Application to profit/(loss) for the year 2014										
To prior year losses	-	-	-	-	-	-	(9,962)	9,962	-	-
Other operations with shareholders or owners	-	-	-	-	(3,871)	-	-	-	-	(3,871)
Transactions involving treasury shares (Note 10)	-	-	4,583	(4,602)	-	-	-	-	-	[illegible]
Ending balance 2015	[illegible]	[illegible]	(25,291)	[illegible]	[illegible]	[illegible]	[illegible]	10,14[illegible]	[illegible]	[illegible]

Notes 1 to 20 form an integral part of these Annual Accounts

Vocento, S.A.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015
(Thousand euro)

	NOTES	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		[illegible]	[illegible]
Adjustments		[illegible]	[illegible]
Asset amortisation/depreciation	5 and 6	155	344
Impairment adjustments	7	10	127,026
Financial and dividend income	8, 12 and 15.a	(4,551)	(152,150)
Financial expense	8 and 11	11,807	21,234
Changes in working capital		[illegible]	[illegible]
Trade and other receivables		(352)	220
Other current assets		-	40
Trade and other payables		(2,055)	363
Other cash flows from operating activities		[illegible]	[illegible]
Interest paid	8 and 11	(11,815)	(24,505)
Collection of interest and dividends	8	[illegible]	152,150
Corporate income tax income/(expense)	13	3,372	8,813
Cash flows from operating activities		[illegible]	[illegible]
CASH FLOWS FROM INVESTING ACTIVITIES			
Amounts paid on investments		[illegible]	[illegible]
Property, plant and equipment	6	(5)	(3)
Intangible assets	5	(58)	-
Amounts collected from divestments		[illegible]	[illegible]
Intangible assets and property, plant and equipment	5 and 6	-	38
Loans to Group companies and associates	8	13,083	10,265
		[illegible]	[illegible]
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections and payments on equity instruments	10	[illegible]	4
-Acquisition of equity instruments		(1,632)	(261)
Disposal of equity instruments		1,613	265
Payments made and received for financial liability instruments		[illegible]	[illegible]
Bank borrowings	11	-	24,527
Borrowings from group companies and associates	8	12,680	-
Other borrowings		[illegible]	-
Reimbursement and repayment of bank borrowings	11	(14,218)	(47,487)
Reimbursement and repayment of borrowings from group companies and associates	8	(110)	(118,400)
Reimbursement and repayment of other borrowings		-	[illegible]
		[illegible]	[illegible]
EFFECT OF FLUCTUATIONS IN EXCHANGE RATES			-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		[illegible]	[illegible]
Cash and cash equivalents at beginning of the year		213	541
Cash and cash equivalents at end of the year		[illegible]	213

Notes 1 to 20 form an integral part of these Annual Accounts

Vocento, S.A.

NOTES TO THE ANNUAL ACCOUNTS
(Thousand euro)

1. Activities

Vocento, S.A. (hereinafter Vocento) was incorporated for an indefinite period as a public limited liability company on 28 June 1945 and its bylaws state that is corporate purpose is the addition, distribution and sale of unitary publications, whether or not newspapers, containing general, cultural, sports, artistic or any other type of information, the printing of those documents, the operation of printing shops and, in general, any other activity relating to the publishing and graphic arts industries, the establishment, use and operation of radio, television and any other broadcast facilities to broadcast, produce and promote audio-visual media, as well as the production, edition, and distribution of discs, cassettes, magnetic tapes, films, programs and any other devices or communication media of any type, the holding, acquisition, sale and application of any administration or possession action through any means of shares, securities, or interests in companies engaging in any of the aforementioned activities and, in general, any other activity that is directly or indirectly relating to the above activities that is not prohibited by current legislation.

All the activities which make up the aforementioned company object may be carried on in Spain or abroad, and may be carried on indirectly (totally or partially) through the ownership of shares or other equity investments in companies with an identical or a similar corporate purpose (Note 7).

Shareholders at a General Meeting held on 17 March 2001 adopted a resolution to change the name of Bilbao Editorial, S.A., to Grupo Correo de Comunicación, S.A.

As a result of the merger with Prensa Española, S.A., on 28 November 2001 shareholders at an Extraordinary Meeting adopted a resolution to change the Company's name to Grupo Correo Prensa Española, S.A. On 17 December 2002 a resolution was adopted to transfer all of the assets and liabilities of Prensa Española de Locales, S.L.U. to its single shareholder Grupo Correo Prensa Española, S.A and then wind up the first company. Finally, shareholders at a General Meeting held on 29 May 2003 adopted a resolution to change the company's name to Vocento, S.A. (hereinafter the Company).

The Company's activity consists of the control of shareholdings as it is the parent company of a Group of Companies (hereinafter the Group) (Note 7 and Appendix) and in accordance with current legislation it is required to prepare separate consolidated annual accounts. The consolidated financial statements for Vocento Group were prepared by the Entity's Directors during the Board meeting held on 23 February 2016. The 2014 consolidated annual accounts for were approved by the shareholders at the Annual General Meeting of Vocento held on 28 April 2015 and were filed with the Bilbao Mercantile Registry.

The Company's registered address is Calle Pintor Losada 7, in Bilbao

Given the activities in which the Company engages, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be significant with respect to its equity, financial situation and results. For this reason, no specific breakdowns are provided in these Notes to the annual accounts regarding environmental information.

2. Basis of presentation of the annual accounts

a) *Financial reporting legislation applicable to the Company-*

These annual accounts have been prepared by the Company's directors in accordance with the legislation applicable to the Company, which is established by the Commercial Code and other commercial legislation, the General Accounting Plan approved by Royal Decree 1514/2007 and the amendments that were enacted by Royal Decree 1159/2010 together with the adaptations for each business sector, the mandatory rules approved by the Accounting and Audit Institute when preparing the General Accounting Plan and complementary regulations, as well as all other applicable accounting legislation in Spain.

b) True and fair view-

The annual accounts have been prepared on the basis of the Company's accounting records and are presented in compliance with applicable financial reporting legislation, particularly the accounting standards and policies established therein, so as to provide a true and fair view of the Company's net worth, its financial situation, the results of its operations and cash flows for the year. These annual accounts, which have been prepared by the Directors of the Company, will be submitted for the approval of the General Meeting and it is expected that they will be approved without any modification being made. The annual accounts for 2014 were approved by the Company's shareholders at a General meeting held on 28 April 2015.

The 2015 annual accounts refer to the individual company. As the parent of the Group, Vocento, S.A. prepares consolidated annual accounts in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). In accordance with the content of those consolidated annual accounts prepared in accordance with IFRS-EU, consolidated equity, the profit attributed to the parent company and the total assets in the consolidated balance sheet at 31 December 2015 total €318,080 thousand (2014: €322,572 thousand), €4,081 thousand, (2014: €22,346 thousand) and €815,151 thousand (2014: €852,758 thousand).

c) Non-mandatory accounting principles applied-

No non-mandatory accounting principles have been applied. In addition, the Directors have prepared these annual accounts bearing in mind all applicable accounting principles and standards that are mandatory and have a significant effect on these annual accounts. All accounting principles having a significant effect on the accounts have been applied.

d) Critical aspects of the measurement and estimation of operating and financial uncertainty-

When preparing the annual accounts, estimates made by Company Directors have been used in order to measure some assets, liabilities, income, expenses and commitments recorded in the accounts. These estimates relate basically to the following:

- The evaluation of possible impairment losses affecting certain assets such as interests in group companies and associates (Notes 4.e and 7).
- The market value of certain financial instruments (Note 12)
- The calculation of provisions (Note 4.j).
- The recoverability of tax-loss carryforwards and deductions generated in prior years (Notes 4.h and 13).

On an annual basis the Company determines whether or not any assets presenting indications of impairment are actually impaired and their recoverable value is estimated (Notes 4.c, 4.e, 5, 6 and 7).

Despite the fact that these estimates have been made based on the best information available at the end of 2015, it is possible that events may take place in the future which will require them to be changed (upwards or downwards) in future years, which would be done on a prospective basis.

e) Comparability-

The information set out in these notes to the annual accounts for 2014 is presented together with the information regarding 2015, for the purposes of comparison.

f) Changes in accounting policies-

In 2015 there were no significant changes in accounting policies with respect to those applied in 2014.

Vocento, S.A.
Pintor Losada, 7. 48004 Bilbao (Bizkaia).

g) Error correction-

When preparing the accompanying financial statements, the Group did not detect any significant error that could have given rise to the restatement of the amounts included in the 2014 annual accounts.

3. Distribution of profit

The proposal for distributing profits for the year that has been prepared by the Company's Directors and will be submitted for the approval of shareholders at a General Meeting, is as follows (thousand euro):

	2015
Available for distribution:	
Profit/(loss) for the year	10,146
Distribution:	
Offset of prior- year losses	10,146

4. Accounting policies and measurement bases

The main recognition and measurement policies followed during the preparation of the annual accounts, in accordance with those stipulated in the Spanish General Accounting Plan, were as follows:

a) Intangible assets-

As a general rule, intangible assets are initially recognized at acquisition or production cost. Subsequently they are measured at cost, less accumulated amortization and any applicable impairment loss. These assets are amortized over their estimated useful lives.

Computer software:

The Company uses this account to record the costs incurred on the acquisition and development of software. Software maintenance costs are recorded in the income statement for the year in which they arise. Software is amortized on a straight-line basis over four years.

b) Property, plant and equipment-

Property, plant and equipment is initially recognized at acquisition or production cost and subsequently reduced by accumulated depreciation and any impairment losses, in accordance with the policy mentioned under Note 4.

The cost of major repairs is capitalized and depreciated over the estimated useful life of the asset, while recurring maintenance costs are charged to the income statement in the year in which they are incurred.

For non-current assets that necessarily take a period of more than twelve months to get ready for their intended use, the capitalized 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, provided that the amount is significant. At 31 December 2015 no amount is recorded in this respect.

The Company depreciates its property, plant and equipment on a straight-line basis at annual rates determined by the years of estimated useful life of the assets, as follows:

	Estimated average useful life (years)
Buildings	30
Plant and machinery	6.8
Fixtures, fittings, tools and equipment	10
Other property, plant and equipment	5

At 31 December 2015 the Company does not record any land, buildings and other structures held for leasing or to obtain a capital gain as a result of future increases in market prices.

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

At the end of each year (in the case of goodwill or intangible assets with an indefinite useful life) or when there are indications of impairment (for all other assets) the Company applies impairment tests to determine the possible existence of impairments that reduce the recoverable value of those assets to an amount lower than their carrying value.

The recoverable amount is the higher of fair value less costs of sale and value in use.

Recoverable values are calculated for each cash generating unit, although in the case of property, plant and equipment impairment is determined on an individual case-by-case basis, where possible.

The Directors prepare an annual business plan for the cash generating unit by market and by activity, generally covering a five-year period. The main components of that plan are:

- Projected results
- Projected investments and working capital

Other variables that influence the recoverable value calculation are:

- Discount rate to be applied, which is understood to be the average weighted cost of capital and the main variables that influence its calculation is the cost of liabilities and the specific of risks affecting the assets.

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

Projections are prepared based on past experience and in accordance with the best estimates available, which are consistent with the information originating from outside the Company.

In the event an impairment loss must be recognized as affecting a cash generating unit to which goodwill has been fully or partially attributed, the carrying value of the goodwill relating to each unit is reduced first. If the impairment exceeds the amount of the goodwill, the company will then proportionally reduce the book value of all other assets in the cash generating unit, up to the limit of the higher of the following values: fair value less cost of sales, value-in-use and zero.

When an impairment loss subsequently reverses (which is not permitted in the specific case of goodwill), the carrying value for the asset or the cash generating unit is increased to the revised estimate of the recoverable amount, but the increased carrying value cannot exceed the carrying value that would have been recorded if no impairment loss had been recorded for the asset in prior years. Such a reversal of an impairment loss is recognized as revenue.

d) *Financial assets-*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets except for assets maturing in more than 12 months of the balance sheet date which are classified as non-current assets. Loans and receivables are included under "Loans to companies" and "Trade and other receivables" on the balance sheet.

Financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortized cost. Accrued interest is recognized at the effective interest rate, which is the discount rate that brings the instrument's carrying amount into line with all estimated cash flows to maturity. Trade receivables falling due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

At the year-end, at least, the necessary value adjustments are made to account for impairment when there is objective evidence that all receivables will not be collected.

The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at the date of initial recognition. Measurement adjustments, and reversals, where applicable, will be recognized in the income statement.

Investments held-to-maturity

Held-to-maturity financial assets are debt securities with fixed or determinable payments and fixed maturity, that are traded on an active market and that Company management has the positive intention and ability to hold to maturity. If the Company disposes of a significant amount of the held-to-maturity assets, the entire category would be reclassified as available-for-sale. These financial assets are included under non-current assets, except for those that mature within 12 months as from the balance sheet date, in which case they are classified as current assets.

The measurement criteria applied to these investments are the same as for loans and receivables.

Financial assets held for trading and other financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are considered to be all those assets held for trading that are acquired with the intention of being sold in the short-term or which form part of an identified securities portfolio that is jointly managed to obtain short-term profits, as well as financial assets designated by the Company at initial recognition to be included under this category as it provides more relevant information. Derivatives are also classified as held for trading provided that they do not consist of a financial guarantee and have not been designated as hedging instruments.

Investments in the equity of group, jointly-controlled companies and associates

They are stated at cost less, where appropriate, accumulated value adjustments for impairment. However, when there is an investment prior to being classified as a group, jointly-controlled or associated company the carrying value before being so classified is considered to be a part of the investment cost. The prior measurement adjustments that are directly recorded under equity are maintained there until written off.

If there is objective evidence that the carrying value is not recoverable, the relevant value adjustments are reflected for the difference between the carrying value and recoverable amount, understood as the higher of fair value less costs to sell and the present value of cash flows from the investment. Unless better evidence is available of the recoverable amount, when estimating the impairment of these investments, the investee's equity is taken into account, adjusted for any latent capital gains existing at the measurement date. The value adjustment and, if appropriate, its reversal, are reflected in the income statement for the year in which they arise.

These forecasts cover at least the coming five years and include an adequate residual value for each business. Based on their past experience and know-how in various business, the Directors consider that due to the evolution of key variables in certain businesses the use of 5-year projections may distort the analysis. Accordingly, in certain cases their estimates take into consideration projections

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they consider to be reliable and more adequate for the analysis to be performed since the final year of the projections coincide with what they consider to be a normalized typical year in those businesses (Note 7). These flows are discounted to calculate their present value at a pre-tax rate, which reflects the weighted average cost of capital employed adjusted by the business risk relating to each line of business, which ranges between 10.41% and 12.86% (7.29% and 9% after taxes), taking into consideration growth rates of between 1.5% and 2.5% for the periods after those covered by the projections and, in general, the discount rates were reduced by 0.5% and the growth rates were increased by 0.5% compared to last year, mainly as a result of the current market situation. In the event that the recoverable amount is less than the asset's carrying amount, an impairment loss is recognized for the difference with a charge to the 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 unrealized capital gains existing at the date of measurement (including any goodwill).

e) Financial derivatives-

Financial derivatives are initially and subsequently measured at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative has been designated to be a hedge instrument or not, and, if appropriate, the type of hedge. The Company designates certain derivatives as:

Cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized temporarily in equity. It is taken to the income statement in the years in which the projected hedge transaction affects profit and loss, unless the hedge relates to a planned transaction that ends in the recognition of a non-financial asset or liability, in which case the amounts recorded under equity are included in the cost of the asset when acquired or the liability when it is assumed.

The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

f) Equity-

Share capital consists of ordinary shares.

The costs of issuing new shares or options are recognized directly in equity as a reduction in reserves.

In the event that the Company's acquires treasury shares, the price paid, including any directly attributable incremental cost, is deducted from equity until the treasury shares are redeemed, reissued or sold. When these shares are subsequently sold or reissued, any amount received is taken to equity net of directly attributable incremental costs.

g) Financial liabilities-

Borrowings and payables

This category includes trade and non-trade payables. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months as from the balance sheet date.

Payables are initially recognized at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method. The effective interest rate is the discount rate that brings the instrument's carrying amount into line with the expected future flow of payments to the maturity date of the liability.

Notwithstanding the above, loans for commercial operations maturing within one year, and which do not have a contractual interest rate, are stated, both at the time of initial recognition as well as subsequently, at their nominal value provided that the effect of not restating the cash flows is not significant.

Should any existing liabilities be renegotiated, no substantial modification to financial liabilities is deemed to exist when the new lender is the same party that granted the initial loan and the present value of cash flows, including net commissions, does not differ by more than 10% of the present value of the cash flows pending payment with respect to the original liability calculated using the same method.

Financial liabilities held for trading and other financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are considered to be all those liabilities held for trading that are issued with the intention of being required in the short-term or which form part of an identified securities portfolio that is jointly managed to obtain short-term profits, as well as financial liabilities designated by the Company at initial recognition to be included under this category as it provides more relevant information (Note 14).

Derivatives are also classified as held for trading provided that they do not consist of a financial guarantee and have not been designated as hedging instruments.

These financial liabilities are measured, both initially and subsequently, at fair value and any changes affecting this value are taken to the income statement for the year. Costs that are directly attributable to the issue are recognized in the income statement for the year.

Information regarding the average payment period for suppliers

The ratio of payments made to suppliers in 2015, the average payment period for suppliers and the ratio of transactions pending payment to suppliers at 31 December 2015 is as follows (thousand euro), in compliance with the information required by Additional Provision Three "Disclosures" of Law 15/2010 (5 July) and the resolution dated 2 February 2016 issued by the Audit and Accounting Institute in response to Final Provision Two of Law 31/2014:

	2015
	days
Average payment period for suppliers	45.66
Ratio of payments made	43.76
Ratio of pending payments	58.17
	Amount (euro)
Total payments made	3,561,344
Total pending payments	538,593

This balance relates to the suppliers that because of their nature are trade creditors for the supply of goods and services and, therefore, it includes the figures relating to "Trade payables" under current liabilities in the balance sheet.

Information on the nature and level of risk of financial instruments

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

a) Credit risk:

In general, the Company maintains its cash and cash equivalents in highly-rated financial institutions. Most of its receivables are from companies over which the Company maintains control.

b) Liquidity risk:

For the purposes of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, the Company has the cash reflected in its balance sheet, together with the credit and syndicated financing facilities available from certain financial institutions detailed in Note 11.

Although 31 December 2015 there is negative working capital totalling €7,277 thousand, the Directors believe that there are no short-term liquidity problems due to the generation of cash by group companies projected for the coming year and to the fact that the Group has available lines of credit (Note 20).

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

The Company's borrowings are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows as it is indexed to a variable interest rate. The Company partially mitigates (in the amount of €70,784 thousand of the total bank borrowings at 31 December 2015) the interest rate risk through the use of financial derivatives (Notes 11 and 12).

The Company does not consider that there are significant risks.

The Company does not carry out significant transactions in foreign currency and at 31 December 2015 it does not recognize any significant balances denominated in foreign currency.

d) Other

Compliance risks, particularly tax items, are related to possible differing interpretations of the regulations on the part of the competent tax authorities as well as the generation of taxable income that allow capitalized tax-loss carry forwards to be recovered, and the impact of any new regulations. Publishing gives rise to a risk of litigation which is duly described in the notes to the annual accounts. In addition to the risk of system attacks, there is a risk concerning technological changes that require the media in general to make investments in this area.

h) Corporate income tax-

Since 1997 the Company is taxed on a consolidated basis together with some of the group companies indicated in the Appendix, which means that the overall calculation of the Group's taxes, deductions and credits are determined jointly (Note 13).

Income tax expense (income) is that amount of income tax that accrues during the period. It includes both current and deferred tax expense (income).

Both current and deferred tax expense (income) are recognized in the income statement. However, the tax effect of items recorded directly in equity is recognized under equity.

Current tax assets and liabilities are carried at the amounts that are expected to be payable to or recoverable from the tax authorities, in accordance with prevailing legislation or regulations that have been approved and are pending publication at the year end.

Deferred taxes are calculated in accordance with the liability method on the temporary differences between the tax bases of assets and liabilities and their carrying values.

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However, if the deferred taxes arise from the initial recognition of a liability or an asset on a transaction other than a business combination that at the time of the transaction has no effect on the tax or accounting gain or loss, they are not recognized. The deferred tax is determined by applying tax rates and tax legislation approved or about to be approved at the balance sheet date and which are expected to be applied when the corresponding deferred tax asset is realized or deferred tax liability is settled.

Deferred tax assets are recognized insofar as future tax profits will probably arise against which to offset the temporary differences.

i) Employee benefits-

Defined-benefit contributions will originate a long-term remuneration liability to personnel when, at the end of the year, accrued contributions that have not been satisfied are recognized. That liability will be measured at the year-end at the present value of the best estimate available of the amount that will be necessary to cancel or transfer the obligation to a third-party.

Provisions for share-based payments-

Shareholders at a General Meeting held on 28 June 2012 adopted a resolution to approve an incentive plan for the CEO and other senior executives at Vocento consisting of the establishment of variable remuneration that would be settled only through the delivery of shares in Vocento, S.A. and would be associated with the creation of value for shareholders measured in accordance with certain financial parameters during the term of the plan (up until 2014), as well as an evaluation of the performance of the beneficiaries. At the time the plan was established the maximum number of shares to be used to settle the variable remuneration liabilities totalled 2,154,600 shares, of which a maximum of 241,228 shares may be used to settle the potential liability with the CEO.

The consideration was that the objectives of the plan were not met and the Company did not recognize any provision at 31 December 2014 and, therefore, there was no impact whatsoever on the income statement or equity in 2014.

Provision for long-term incentive plans--

In addition to the share-based incentive plans, the Board of Directors approved a long-term incentive plan for the CEO and certain senior executives at the Company and in the Group.

The plan consisted of establishing a single variable remuneration each payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2015, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the failure to meet the targets, the Group does not recognize any payment obligation in this respect in the balance sheet at 31 December 2015.

In 2014 the Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain senior executives at the Company and in the Group.

The plan consisted of establishing a single variable remuneration each payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2016, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Company does not recognize any provision in this respect in the balance sheet at 31 December 2015.

Finally, in 2015 the Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain senior executives at the Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted net profit for 2017, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the net profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Company does not recognize any provision in this respect in the balance sheet at 31 December 2015.

Severance payments

In accordance with current employment legislation, the Company is required to pay indemnities to employees who, under certain conditions, are dismissed from the Company. Severance indemnities which can be reasonably quantified are expensed in the year in which the related decision is taken and reported (Note 15.b).

In 2015 no severance payments arose for any agreed and/or executed dismissals. In 2014 severance payments amounted to €130 thousand and recognized under the heading "Personnel expenses-Wages, salaries and similar items" in the accompanying income statement.

j) Provisions and contingent liabilities-

When preparing the annual accounts, the Directors of Vocento, S.A. make 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 as a result of past events whose occurrence depends on the occurrence or non-occurrence of one or more separate future events not within the control of the Company.

The annual accounts include all provisions for obligations classed as more likely than not to arise. Contingent liabilities are not recognized in the annual accounts, but rather they are reported in the notes to the accounts to the extent that they are not considered to be remote.
Provisions are stated at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available regarding the event and its consequences, and recognizing those adjustments that arise from the restatement of those provisions as a financial expense as they accrue.

The compensation to be received from a third party on settlement of the obligation is recognized 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 externalized 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 recognized.

k) Income and expense-

Income and expense are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred, rather than the period in which the cash is actually received or disbursed. Income is measured at the fair value of the consideration received, net of discounts and taxes.

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The recognition of income from sales takes place at the time at which all risks and benefits inherent to the ownership of the asset being sold have been transferred to the buyer and no influence is maintained over the management of the item concerned and no effective control is retained.
Income from the rendering of services is recognized taking into consideration the extent to which the service has been rendered at the balance sheet date, provided that the result of the transaction may be reliably estimated.

Interest income from financial assets is recognized using the effective interest method and dividend income is recognized when the shareholder's right to receive payment has been established. In any event, interest and dividends from financial assets accrued after the time of acquisition will be recognized as revenue in the income statement.

l) Leases-

<u>When the Company is the lessee – Operating lease</u>

Leases under which the lessor maintains a significant portion of the risks and benefits of ownership are classified as operating leases. Operating lease payments (net of any incentive received by the lessor) are charged against the income statement for the year in which they accrue on a straight- line basis over the lease period.

<u>When the Company is the lessor.</u>

When assets are leased under an operating lease, the asset is included in the balance sheet in accordance with its nature. Lease revenues are recognized on a straight-line basis over the lease period.

m) Transactions with group companies and associates-

In general, transactions between Group companies are initially recognized at fair value. If applicable, where the agreed price differs from the fair value, the difference is recognized based on the financial reality of the transaction. Subsequent measurements take place in accordance with applicable standards.

However, in transactions involving a merger, spin-off or non-monetary contribution of a business the elements making up the acquired business are measured at their value after the transaction in the consolidated annual accounts for the Group or the subgroup.

When the parent company of the group or subgroup and its subsidiary are not involved, the annual accounts to be taken into account for these purposes will be those of the larger group or subgroup into which the equity items are incorporated and whose parent company is Spanish.

In these cases, the difference that may arise between the net value of the assets and liabilities of the target company, adjusted for any balance relating to subsidies or donations received and adjusted for any changes in value, and any capital and share premium amount issued by the acquiring company is recognized under reserves.

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(Thousand euro)

5. Intangible assets

A summary of the transactions recognized under the heading "Intangible assets" in the years ended 31 December 2015 and 2014 is as follows:

	Thousand euro						
	Balance at 31.12.13	Additions/ (Allocations)	(Disposals)	Balance at 31.12.14	Additions/ (Allocations)	(Disposals)	Balance at 31.12.15
Cost:							
Computer software	1,680	-	(219)	1,461	21	-	1,482
Prepayments and assets in progress	-	-	-	-	37	-	37
Total cost	[illegible]	-	(219)	1,461	[illegible]	-	1,519
Accumulated amortization:							
Computer software	(1,341)	(183)	183	(1,341)	(97)	-	(1,438)
Total accumulated amortization	(1,341)	[illegible]	[illegible]	(1,341)	(97)	-	[illegible]
Net total	339	[illegible]	[illegible]	120	[illegible]	-	81

Fully amortized intangible assets with an original cost of €1,206 thousand were still in use at 31 December 2015 (2014: €1,034 thousand).

At the end of 2015 the Company does not have any commitments to acquire intangible assets.

6. Property, plant and equipment

A summary of the transactions recorded in the various property, plant and equipment accounts at 31 December 2o015 and 2014 and the relevant accumulated depreciation, is set out below:

	Thousand euro						
	Balance at 31.12.13	Additions/ (Allocations)	(Disposals)	Balance at 31.12.14	Additions/ (Allocations)	(Disposals)	Balance at 31.12.15
Cost:							
Land and buildings	2,492	-	-	2,492	-	-	2,492
Plant and machinery	540	-	-	540	-	-	540
Fixtures, fittings, tools and equipment	1,928	-	(1)	1,927	-	(1,375)	552
Other property, plant and equipment-							
Vehicles and other	123	-	-	123	-	-	123
Data-processing equipment	71	3	(36)	38	5	(1)	42
Total cost	5,154	3	(37)	5,120	5	(1,376)	3,749
Accumulated amortization:							
Buildings	(1,267)	(88)	-	(1,355)	(71)	-	(1,426)
Plant and machinery	(540)	-	-	(540)	-	-	(540)
Fixtures, fittings, tools and equipment	(1,823)	(70)	1	(1,892)	(24)	1,375	(541)
Other property, plant and equipment-							
Vehicles and other assets	(123)	-	-	(123)	-	-	(123)
Data-processing equipment	(65)	(3)	34	(34)	(5)	1	(36)
Total accumulated amortization	[illegible]	(161)	35	[illegible]	[illegible]	1,376	[illegible]
Net total	1,336	[illegible]	(2)	1,176	[illegible]	-	[illegible]

The building at which the Company's offices are located in Zamudio was built on land owned by Bilbao Editorial Producciones, S.L.U. (Group company - Note 8) and the cost was recognized in the account "Land and buildings" under property, plant and equipment. This arrangement is covered by a surface use agreement in exchange for compensation that may be adjusted on an annual basis and in 2015 at totalled €23 thousand (2014: €23 thousand) and is in force for 99 years starting on 1 June 1998, which is the date on which the building was received. When the agreement expires any buildings on the land will become the property of Bilbao Editorial Producciones, S.L.U. at no cost whatsoever. At 31 December 2015 the carrying value of this asset totals €1,065 thousand (2014: €1,137 thousand)

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(Thousand euro)

There were fully depreciated items recognized by the Company under property, plant and equipment at 31 December 2015 and which were still in use whose cost totals €1,319 thousand (2014: €2,074 thousand)

Accordingly, at 31 December 2015, property, plant and equipment was adequately covered by insurance policies.

At the end of 2015 the Company does not have any commitments to acquire property, plant and equipment.

7. Non-current investments in group companies and associates

The summary of the transactions recognized in this balance sheet heading in 2015 and 2014 is as follows:

	Thousand euro				
	Balance at 31.12.13	Additions/ (Allocations)	Balance at 31.12.14	Additions/ (Allocations)	Balance at 31.12.15
Investments in the equity of group companies and associates	721,681	(127,026)	594,655	(2,331)	592,324

On 30 June 2015," Corporación de Medios Internacionales de Prensa, S.A.U." distributed a dividend totalling €2,300 thousand charged against prior year profits. The Company recognized this payment under the heading "Revenues- Income from investee company dividends" in the accompanying income statement".

The Company's single shareholder "Corporación de Medios Internacionales de Prensa, S.A.U." adopted a resolution on 26 November 2015 to wind itself up, liquidate and subsequently transfer all of its assets and liabilities to its parent company Vocento, S.A., as was mentioned in Note 17.

On 28 July 2015 the Company approved the merger of its investee companies Comeresa País Vasco, S.L.U. (Acquiring company) and Corporación de Medios de Comunicación, S.L.U. (Target company) and on 29 July 2015 it also approved the merger of its subsidiaries Comeresa Prensa, S.L.U. (Acquiring company) and Factoría de Información, S.A.U. (Target company), which was wound up without being liquidated through the transfer of its assets and liabilities to the acquiring company (Note 17).

In 2014," Corporación de Medios Internacionales de Prensa, S.A.U." distributed a dividend totalling €85 thousand charged against reserves. The Company recognized this payment under the heading "Revenues- Income from investee company dividends" in the accompanying income statement". As a result of this transaction the Company impaired its interest in "Corporación de Medios Internacionales de Prensa, S.A.U." totalling €80,447 thousand, and recognized the effect by charging the heading "Impairment and profit/(loss) on the disposal of financial instruments".

In 2014 the Company recognized the impairment of its investment in the equity of "Comeresa Prensa, S.L.U." for a total amount of €86,579 thousand by charging the heading "Impairment and profit/(loss) on the disposal of financial instruments" in the income statement due to the estimation that the recoverable amount is less than the carrying value of that interest (Note 4.d).

A summary of the most relevant information regarding the interests held in group companies and Associates at 31 December 2015 and 2014 is set out below (See Appendix):

(Thousand euro)

2015:

	Thousand euro						
	Carrying amount						
	Cost	Impairment recognized in the year	Accumulated impairment	Capital social (*)	Other equity (*)	Profit for 2015 (*)	Dividends received (Note 15.a)
Group companies (Note 10 and Appendix)							
Corporación de Medios Radiotécnicos Digitales, S.A.U. (***)	5,409	-	(2,452)	5,560	(2,439)	65	-
Comeresa Prensa, S.L.U. (**)	767,560	-	(237,070)	403,069	33,701	(11,674)	
Comeresa País Vasco, S.L.U. (**)	58,678	-	-	9,686	129,747	16,676	
	831,647	-	(239,522)				

(*) This information refers to the individual financial statements at 31 December 2015 (unconsolidated) for the respective companies that have yet to be prepared by the relevant Boards of Directors.
(**) Companies audited by PricewaterhouseCoopers Auditores, S.L.
(***) Companies reviewed by PricewaterhouseCoopers Auditores, S.L.

2014:

	Thousand euro						
	Carrying amount						
	Cost	Impairment recognized in the year	Accumulated impairment	Capital social (*)	Other equity (*)	Profit for 2014 (*)	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 Radiotécnicos 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 makes reference to the individual financial statements at 31 December 2013, not consolidated, for the respective companies.
(**) Companies audited by Deloitte.
(***) Companies reviewed by Deloitte.

B. Balances and transactions with related parties

Transactions with group companies, primarily investee associates or those over which Vocento has effective control are carried out on an arm's length basis (Note 4.m) and are recognized in the relevant headings of the accompanying income statements for 2015 and 2014, together with the balances with group companies, primarily investee associates or those over which Vocento has effective control, which are recognized in the relevant headings in the accompanying balance sheet at 31 December 2015 and 2014, are as follows:

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2015	Thousand euro – Balances – Non-current – Loans to Group companies and associates	Payables to Group companies and associates	Balances – Current – Trade payables to Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Trade payables, Group companies and associates	Transactions – Income from services rendered (Note 15.a)	Other operating expenses (Note 15.f)	Financial income from Group companies and associates	Financial expense on payables to Group companies and associates
...Prensa, S.L.U.	972	254,785	158	178	-	25	1,454	988	82	5,274
...ralia Corporación de Productoras de Cine y Televisión, S.L.	11,059	-	-	2	-	-	-	-	695	-
...ralia Contenidos Audiovisuales, S.L.U.	1,719	-	-	9	-	-	-	-	109	-
...ario El Correo, S.A.U.	-	545	10	4,157	-	37	20	75	-	-
...Comercial País Vasco, S.L.U.	-	-	-	589	-	-	-	-	-	-
...ciedad Vascongada de Publicaciones, S.A.	-	-	-	9,395	-	-	-	-	-	-
...ro Editorial Productora, S.L.U.	4,125	657	-	-	185	2	-	29	-	-
...ario ABC, S.L.	18,525	-	1	5,351	-	6	2	256	945	-
...BC Sevilla, S.L.	1,234	-	-	222	-	-	-	-	77	-
...dio Publi, S.L.	1,451	-	-	255	-	-	-	-	89	-
...rporación de Medios de Extremadura, S.A.	848	-	-	155	-	-	-	-	55	-
...rporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	25	-	-	-	-	-	-
...rporación de Medios Internacionales de Prensa, S.A.	-	-	-	-	-	-	-	-	-	-
...her Group companies	-	332	-	188	39	4	25	29	-	-
Total	40,795	256,319	169	21,459	224	74	1,499	1,149	1,955	5,274

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(Thousand euro)

2014	Thousand euro – Balances – Non-current: Loans to Group companies and associates	Payables to Group companies and associates	Balances – Current: Trade payables to Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Trade payables to Group companies and associates	Transactions: Income from services rendered (Note 15.a)	Other operating expenses (Note 15.c)	Financial income from Group companies and associates	Financial expenses on payables to Group companies and associates
Comeresa Prensa, S.L.U.	1,149	226,958	158	89	-	-	1,192	996	66	12,394
Veralia Corporación de Productoras de Cine y Televisión, S.L.	15,519	-	4	1,096	-	-	1	-	749	-
Veralia Contenidos Audiovisuales, S.L.U.	2,025	-	1	157	-	-	-	-	116	-
Diario El Correo, S.A.U.	-	945	-	4,201	-	15	-	69	-	-
Comeresa País Vasco, S.L.U.	-	-	-	1,254	-	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	9,516	-	-	-	-	-	-
Bilbao Editorial Producciones, S.L.U.	4,125	427	-	-	169	-	66	26	-	-
Diario ABC, S.L.	21,065	-	-	1,677	-	25	-	334	1,236	-
ABC Sevilla, S.L.	1,455	-	-	111	-	-	-	-	82	-
Radio Publi, S.L.	1,657	-	-	126	-	-	-	-	95	-
Corporación de Medios de Extremadura, S.A.	1,008	-	-	78	-	-	-	-	57	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	41	-	-	-	-	-	-
Corporación de Medios Internacionales de Prensa, S.A.	-	475	-	-	-	-	-	-	-	-
Other Group companies	-	142	13	457	166	3	157	30	145	-
Total	47,353	227,449	176	21,419	335	73	1,416	1,371	1,884	12,394

The current balances payable to Group companies and associates recognized under the heading "Current borrowings from group companies and associates" in the amount of €225 thousand (2014: €335 thousand) and a balance in the amount of €1,374 thousand (2014: €1,431 thousand) recognized under the heading "Non-current borrowings from group companies and Associates" as well as the receivables recorded under the heading "Current investments in group companies and Associates - Loans to group companies" in the amount of €8,290 (2014: €9,182 thousand) and an amount of €4,128 thousand (2014: €4,128 thousand) in the non-current receivable accounts recorded under the heading "Non-current investments in the group companies and associates - Non-current loans to group companies and associates" in the accompanying balance sheet at 31 December 2015 arise basically as a result of the charges applied by the parent company, Vocento, S.A., to its subsidiaries for the settlement of corporate income tax under the tax consolidation system (Note 13). These balances have been classified in the balance sheet as current or non-current based on the estimated date of repayment.

The heading "non-current borrowings from group companies and associates" records a payable totalling €238,785 thousand at 31 December 2015 (2014: €228,038 thousand) in the current account maintained with Comeresa Prensa, S.L.U. The current account agreement automatically renews each year unless one of the parties provides notice to the contrary. The Company's director's do not expect this amount to become due in the short-term. Loans generate a yield calculated in accordance with the average three-month Euribor established for each calendar quarter plus a spread equivalent to the weighted average of the differentials received from third parties by the companies that at any given moment are considered to be Group holdings as compensation for their financial instruments, while borrowings represent a financing cost of the average three-month Euribor plus a spread equivalent to the differentials applied by third parties to the companies that at any given moment are considered to be Group holdings with respect to financing instruments.

The expenses accrued in 2015 on the aforementioned current-account totalled €5,274 thousand (2014: €12,804 thousand) and are recognized in the heading "Financial and similar expenses - Borrowings from group companies and associates" in the accompanying income statement for 2015.

Finally, in 2014 the Company entered into several loan agreements with those companies that repaid bilateral lines within the framework of the syndicated financing totalling €55,487 thousand (Note 11). Editorial Cantabria, S.A., Federico Domenech, S.A. and Habitatsoft, S.L.U. subsequently fully repaid the loan granted to each one of them in the total amount of €5,383 thousand. This year repayments have been made totalling €5,578 thousand for the loans in force with the rest of the companies, and the amount outstanding payment at 31 December 2015 was €35,480 thousand and €4,155 thousand, recognized under the headings "Non-current and current investments in group companies and Associates", respectively. Those loans generate a yield calculated under the same conditions as the syndicated financing (Note 11) and the Company has recognized an amount of €2,055 thousand (2014: €2,540 thousand) for the financial income accruing during the year under the heading "Financial income - From group securities" in the accompanying income statement.

9. Cash and cash equivalents

This heading includes cash and current 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 availability of those balances except for any excess cash that must be used to repay the syndicated financing loan early (Note 11). The Company's Directors consider that there is no excess cash at 31 December 2015. The carrying amount of these assets approximates their fair value.

10. Equity and Capital and reserves

Authorized capital-

At 31 December, 2015, the share capital stock of Vocento, S.A. amounted to €24,994 and was represented by 124,970,306 fully subscribed and paid in shares with a par value of 0.20 euro represented by book entries. The Company is listed on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges and on the Continuous market since 8 November 2006.

Since shares in Vocento are represented by book entries, the interest held by shareholders in share capital is not precisely known. However, in accordance with public information in the possession of the Company, at 31 December 2015 Mezouna, S.A. and Valjarafe, S.L., with interests amounting to 11.077% and 10.090%, respectively, are the only shareholders with a stake exceeding 10%.

Legal reserve-

In accordance with Article 274 of the Spanish Companies Act, 10% of profits must be transferred to the legal reserve each year until it represents at least 20% of share capital. The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses. At 31 December 2015 this reserve is completely funded.

Treasury shares-

The Company maintains 3,876,665 shares equivalent to 3.09% of its share capital and there is no restriction on their transfer within the applicable legal system.

Transactions involving treasury shares carried out in 2015 were as follows:

	No. of Shares	Cost (Thousand euro)
Shares at 31.12.13	**3,871,501**	**31,474**
Purchase	250,940	531
Sale (*)	(265,143)	(2,131)
Shares at 31.12.14	**3,857,298**	**29,874**
Purchase	893,678	1,632
Sale (*)	(874,311)	(6,215)
Shares at 31.12.15	**3,876,665**	**25,291**

(*) Sales recognized at the average weighted cost.

The capital loss resulting from the sale of treasury shares in 2015 was charged against reserves in the amount of €4,602 thousand.

In accordance with the provisions of the Spanish Companies Act 2010, the Company maintains a restricted reserve in the amount of the cost of the treasury shares held in its portfolio. This reserve will become unrestricted when the circumstances dictating its establishment cease to exist.

At the date these annual accounts were prepared the Board of Directors had not reached any decision whatsoever regarding the final use of the aforementioned treasury shares.

The average number of treasury shares in the portfolio in 2015 was 3,868,783 shares.

Other measurement adjustments-

The breakdown and nature of other measurement adjustments are as follows (euro):

(Thousand euro)

	31.12.14	31.12.15
Hedge transactions (Notes 12 and 13)	(2,074)	(2,080)
Total	(2,074)	(2,080)

11. Borrowings

The breakdown of the headings "Non-current borrowings" and "Current borrowings" on the liability side of the balance sheet at 31 December 2015 and 2014 is set out below.

Categories	Thousand euro					
	Current		Non-current		Total	
	2015	2014	2015	2014	2015	2014
Bank borrowings	18,182	8,437	81,613	105,558	99,795	113,995
Derivatives (Note 12)	867	491	2,023	2,390	2,890	2,881
Other financial liabilities	520	11	-	-	520	11
Total	19,569	8,939	83,636	107,948	103,205	116,887

The breakdown by maturity of the items making up "Non-current borrowings" and "Current borrowings" is as follows:

	Thousand euro					
	Balance at 31.12.15	Due date				
		Current	Non-current			
		2016	2017	2018	2019 years and afterwards	Total non-current
Loans and credit facilities	99,781	18,168	12,774	17,775	51,064	81,613
Payables on derivative financial instruments (Note 12)	2,890	867	1,011	801	211	2,023
Accrued interest and fees pending payment	14	14	-	-	-	-
Other financial liabilities	520	520	-	-	-	-
TOTAL	103,205	19,569	13,785	18,576	51,275	83,636

The amounts set out in the preceding table reflect the amortized cost of bank borrowings at 31 December 2015 and the total nominal amount of those borrowings is €105,949 thousand (2014: €120,170 thousand) at that date.

Bank borrowings at 31 December 2014, as well as the repayment schedule, are as follows:

	Thousand euro					
	Balance at 31.12.14	Due date				
		Current	Non-current			
		2015	2016	2017	2018 years and afterwards	Total non-current
Loans and credit facilities	113,978	8,420	18,420	13,026	74,112	105,558
Payables on derivative financial instruments (Note 12)	2,881	491	722	815	853	2,390
Accrued interest and fees pending payment	17	17	-	-	-	-
TOTAL	116,876	8,928	19,142	13,841	74,965	107,948

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The Company's line of credit limit at 31 December 2015 and 2014, as well as the amounts drawn down and available, are as follows:

	Thousand euro	
	2015	2014
Drawn down	5,000	10,000
Available	40,275	35,275
Total line of credit limit	**45,275**	**45,275**

Syndicated loan-

On 21 February 2014 the Company obtained non-current syndicated financing in the amount of €175,275 thousand, in order to repay existing bilateral loans made to the Group, extend their due dates and unify their management, as well as to attend to the Group's general cash needs. This agreement consists of two tranches with the following amounts and due dates:

a) Tranche A, which is divided into:

(i) Sub-tranche A1: commercial loan of €75,000 thousand falling due in October 2018 and

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

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

At 31 December 2014 the Company had fully drawn down the financing relating to "Tranche A", and the amount pending payment at 31 December 2014 was €107,272 and €10,000 thousand was pending payment with respect to "Tranche B". At 31 December 2015, the amounts pending payment totalled €98,060 thousand with respect to "Tranche A", and €5,000 thousand with respect to "Tranche B".

The Group, of which the Company is the parent, sold several assets in 2014 that gave rise to the early repayment of €7,728 thousand, in accordance with the terms of the financing agreement. In 2015 the Company repaid €9,212 thousand relating to Tranche A1, on the due date established in the agreement.

The syndicated financing accrues an interest rate that is indexed to the EURIBOR plus a spread negotiated with the financial institutions that is settled on a quarterly basis. The applicable spread is determined every six months based on compliance with certain financial ratios in accordance with the terms established in the aforementioned agreement.

The Company formally modified the syndicated financing described above on 27 June 2015. The modification agreed with the nine financial institutions participating in the agreement gave rise to a reduction in the applicable interest rate and makes it possible to apply further reductions in that rate in the future, based on financial and economic parameters affecting Vocento.

The financing agreement includes certain causes of mandatory early repayment and the maturity of the amounts drawn down, including the disposal of assets, the existence of excess cash (Note 9), or a change in control at the Group. The agreement also includes restrictions on the distribution of dividends based on compliance with certain financial ratios (EBITDA, excess cash, etc.).

The agreement also establishes the obligation to comply with certain financial ratios at the consolidated level. The Company's Directors consider that the financial ratios established in this agreement have been met at 31 December 2015.

The syndicated financing agreement also gave rise to the granting and maintenance of the following guarantees (personal and real) and real guarantee commitments to the financial institutions to secure the obligations deriving from the agreement.

- On-demand guarantee granted by Group companies which meet the conditions to be considered Guarantors at any given moment. The accompanying Appendix contains those in force at 31 December 2015.

- Pledge of the shares in the group companies that are directly or indirectly owned by the Parent Company, which are those indicated in the accompanying Appendix at 31 December 2015.

- Senior mortgage of the properties identified in the aforementioned syndicated financing agreement whose carrying amount totals €31,350 thousand in the Group's consolidated annual accounts (2014: €32,434 thousand) at 31 December2015.

- Senior mortgage commitment involving the unencumbered properties whose carrying amount totals €9,145 thousand in the Group's consolidated annual accounts (2014: €22,338 thousand) at 31 December 2015.

The Directors of the Company consider that the circumstances calling for the execution of the mortgage commitments have not arisen at 31 December 2015.

Finally, and by virtue of the terms of that agreement, the Company contracted certain interest rate hedges totalling at least 50% of the principal amount of the outstanding amount at any given moment (Note 12).

At 31 December 2015 the amounts accrued for interest on the syndicated loan, the attribution of the loan origination expenses and availability fees total €8,539 thousand (2014: €7,480 thousand) and are recognized in the heading "Financial and similar expenses - Borrowings from third parties" in the accompanying income statement.

12. Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its activities, transactions and future cash flows are exposed. Within the framework of these transactions, the Company obtained financial hedge instruments.
The interest rate hedge derivatives contracted by the Company are intended to mitigate the effect of interest rate fluctuations on future cash flows from variable rate loans. A breakdown of these hedge transactions, and their maturity dates, is as follows:

Company	Instrument	Average contracted interest rate	Nominal amount (thousand euro)	Maturity
BBVA	Interest rate swap	1.588%	24,145	2019
Banco Santander	Interest rate swap	1.588%	19,899	2019
Kutxabank	Interest rate swap	1.588%	9,142	2019
Bankia	Interest rate swap	1.588%	11,770	2019
La Caixa	Interest rate swap	1.588%	1,977	2019
Banco Popular	Interest rate swap	1.588%	3,851	2019
	Total		70,784	

The effect of changes in the hedge derivatives in 2015 has been recognized by charging €6 thousand against the heading "Measurement adjustments – Hedge transactions" under equity (2014: €2,074 thousand), and €177 thousand was transferred to the income statement, (2014: €206 thousand) during 2015.

The interest rate swap derivatives in force at 31 December 2015 relate to the hedges contracted by the Group by virtue of the terms of the syndicated financing agreement (Note 11).

The Company has complied with the requirements described in Note 4.e on Accounting Policies, so as to classify the financial instruments listed below as hedges. Specifically, they have been formally designated as such and their effective hedging has been verified. The hedges designated by the Company are all effective.

The sensitivity of the interest rate hedge transactions' market value to changes in interest rates that the Company considers reasonably possible, as well as their impact on profit for the period and equity at 31 December 2015 is set out in the following table:

	Thousand euro	
	Change in interest rates (basis points)	
	+ 0.25%	- 0.25%
Fair value	389	(395)
Profit/(loss)		
Equity	280	(284)

The analysis of the liquidity of the derivative instruments, which relates to cash outflows taking into account undiscounted net flows, is as follows (thousand euro):

Company	Instrument	2016	2017	2018	2019 years and afterwards
BBVA	Interest rate swap	312	340	289	31
Banco Santander	Interest rate swap	257	280	248	26
Kutxabank	Interest rate swap	118	129	113	12
Bankia	Interest rate swap	152	166	146	15
La Caixa	Interest rate swap	26	28	24	3
Banco Popular	Interest rate swap	50	54	48	5
	Total	915	997	876	92

13. Public administrations and tax situation

Since 1997 Vocento, S.A. and certain of its subsidiaries subject to regional income tax legislation have filed their income tax returns under the special consolidated tax regime. Vocento, S.A. is the Parent of this tax group. The notification of the composition of the tax group for 2015 was filed with the Tax Department in Bizkaia on 21 January 2016 (see the Appendix).

Regional Law 11/2013 (5 December) on corporate income tax (Regional) entered into force on 1 January 2014 and it includes, among other measures, a temporary limitation on the offset of tax-loss carry forwards and the application of deductions. It establishes a maximum term of 15 years to offset or apply these items.

Although Vocento, S.A., the parent company of Group 03/97/B, will file a consolidated corporate income tax return, the various companies that make up the Group also file their own individual return for informational purposes.

(Thousand euro)

As a result of the Company's taxation under the Special Tax Consolidation System, when calculating individual corporate income tax, it takes into account the eliminations from profit and loss deriving from transactions carried out during the year between the companies that make up Group 03/97/B, as well as the inclusion of eliminations applied in preceding years, when appropriate. The limits and requirements that are applicable to Group 03/97/B are taken into account when calculating the deductions.

The receivable or payable positions deriving from the estimation of corporate income tax for the year are classified in Group accounts as a result of the application of the tax consolidation system.

Current balances with Public Administrations

The composition of the headings that make reference to the current accounts maintained by Vocento, S.A. with Public Administrations under current asset and liabilities in the balance sheet at 31 December 2015 is as follows:

	Thousand euro			
	31.12.15		31.12.14	
	Assets Current	Liabilities Current	Assets Current	Liabilities Current
Value added tax	219	9	219	160
Current tax assets	1,850	-	2,213	-
Social security	-	13	-	12
Personal income tax withholdings	349	1,140	487	2,853
	2,418	1,162	[illegible]	3,025

Deferred tax assets and liabilities

Details and movements in corporate income tax credits and deferred tax assets and liabilities are as follows:

<u>2015:</u>

	Thousand euro					
	Balance at 31.12.14	Adjustment of prior year corporate income tax settlement	Additions	Transfers	Disposals	Balance at 31.12.15
Deductions and credits pending application	11,995	18	-	18,388	-	30,401
Tax credits for tax-loss carryforwards	13,367	(667)	18,388	(18,388)	(3,642)	9,058
Deferred tax assets	8,394	(16)	12	-	(1,541)	6,849
Derivatives (Notes 10 and 12)	807	2	-	-	-	809
Total deferred tax assets	34,563	(663)	18,400	-	(5,183)	47,117
Deferred tax liabilities	(31,204)	-	-	-	-	(31,204)
Total deferred tax liabilities	(31,204)	-	-	-	-	(31,204)

(Thousand euro)

2014:

	Thousand euro					
	Balance at 31.12.13	Adjustment of prior year corporate income tax settlement	Additions	Reversals	Disposals	Balance at 31.12.14
Deductions and credits pending application	30,708	(323)	-	-	(18,388)	11,995
Tax credits for tax-loss carryforwards	16,174	(132)	12,092	-	(14,787)	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)

In 2015 tax-loss carryforwards totalling €3,842 thousand have been offset.

The breakdown of tax-loss carryforwards and deductions yet to be offset that have been capitalized in the balance sheet, together with their expiry date, is as follows at 31 December 2015:

Available until	Tax base
Tax-loss carryforwards	
2028	32,350
Deductions-	
2028	30,401

The deferred tax assets indicated above have been recognized in the company's balance sheet with the consideration that it is likely that these assets will be recovered, in accordance with the best estimates regarding the company's future results. In accordance with the ICAC Resolution dated 9 February 2016 and published in the Official State Journal on 16 February 2016, which develops the recognition, measurement and annual account preparation standards with respect to the recognition of corporate income tax, in 2015 the Company recognized tax credits due to deductions and tax-loss carry forwards totalling €65,670 thousand (effect on tax payable amounting to €18,388 thousand calculated at the 28% tax rate), as the Company considers those credits will be recovered.

The Company therefore has deductions and tax-loss carry forwards that have not been capitalized totalling €52,738 thousand (2014: €71,128 thousand).

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Reconciliation of reported results and taxable results

The reconciliation between reported results and the corporate income tax base is set out below:

	Thousand euro	
	2015	2014
Book profits (before taxes) - Profit/(loss)	**(13,069)**	**(2,439)**
Permanent differences:		
Tax consolidation adjustments-		
– Losses on equity instruments Tax Group (Note 7)	4,801	60,447
Other permanent differences-		
– Non-deductible representation expenses	144	152
– Dividends (Note 7)	(2,300)	(149,650)
– Other		22
Temporary differences:		
– Impairment of equity instruments	(5,554)	16,504
– Other	50	182
Gross tax base	(15,928)	(74,781)
Offset of tax-loss carryforwards Tax Group	-	-
Tax assessment base	(15,928)	(74,781)

The Company applied the extraordinary profit reinvestment system established by Article 22 of Regional Law 3/1996 (26 June) on Corporate Income Tax (in the version approved by Regional Laws 5/2009 (23 June) to the capital gains (€74,284 thousand in 2009, €3,837 thousand in 2010 and €1 thousand in 2011) obtained on certain sales (mainly the transfer of the interest held in Gestevisión Telecinco, S.A.). The application of this system means that 60% of the capital gain obtained on the transfer of the shares (2009) or 100% of the capital gain obtained on the transfer of intangible assets or property, plant and equipment (2010 and 2011) is not included in the tax base when that income is reinvested. In accordance with current legislation, the reinvestment of the amount obtained from these transfers must take place within the year prior to the date on which the transferred items were delivered and the three following years.

The Company and the tax group of which it is the parent has already met the reinvestment obligation assumed in the aforementioned transactions by increasing the cost of the interest held in Factoría de Información, S.A.U. (formally carried out in 2010 and 2012), and the subscription of a share capital increase by Comeresa Prensa, S.L.U. (2012), as well as the investments made in other investee companies and other non-current assets (primarily machinery acquired in 2010).

As the parent company of the tax group, the Company includes corporate income tax receivables and payables relating to the amounts generated by the various companies forming part of the tax group and which at 31 December 2015 totalled €8,298 thousand and €203 thousand (2014: €9,182 thousand and €335 thousand, respectively) (Note 8).

Finally, the Company has eliminated capitalized tax credits totalling €1,555 thousand from its tax settlement by charging Reserves in 2015. This is the result of the transaction carried out by the investee company "Corporación de Medios Internacionales de Prensa, S.A.U." as described in Note 17 and which relates to "Impairment of equity instruments" in the calculation of the tax.

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Reconciliation of reported profits and income tax expense

The reconciliation between reported profits and income tax expense for 2015 and 2014 is set out below:

	Thousand euro	
	2015	2014
Book profits (before taxes) - Profit/(loss)	(13,069)	(2,439)
Permanent differences	(4,107)	(89,029)
Adjusted book profits	(17,176)	(91,468)
Tax payable at 28%	(4,809)	(25,611)
Prior-year income tax settlement	(17)	(21)
Reversal/(capitalization) of unrecoverable tax credits	(18,388)	33,155
Total corporate income tax expense/(income)	(23,214)	7,523

Taxes recognized in equity

Details of the taxes recognized directly under equity are as follows:

	Thousand euro
	2015
Due to deferred taxes:	
Measurement of derivatives (Notes 10 and 12)	2
Total tax recognized directly in equity	2

	Thousand euro
	2014
Due to deferred taxes:	
Measurement of derivatives (Notes 10 and 12)	807
Total tax recognized directly in equity	807

Breakdown of corporate income tax expense/(income)

The breakdown of corporate income tax expense/(income) for 2015 and 2014 is as follows (on continuing operations):

	Thousand euro	
	2015	2014
Current income tax	(4,432)	(20,939)
Deferred taxes	(377)	(4,672)
Adjustment of prior year balance	(17)	(21)
Reversal of unrecoverable tax credits	-	33,155
Capitalization of tax credits	(18,388)	-
Total tax expense/ income	(23,214)	7,523

(Thousand euro)

Years open to inspection and other information

As established by current legislation, taxes cannot be considered to be definitive until the relevant returns have been inspected by the tax authorities or four years have elapsed since filing, unless that period has been interrupted by tax inspection action. At the end of 2015, the Company was open to inspection of all years since 2011 for corporate income tax and all years since 2012, in general, for the other taxes to which it is liable.

Finally, due to the different interpretations to which applicable Spanish tax legislation lends itself, there could be contingent tax liabilities which cannot be objectively quantified by Vocento, S.A. However, the Company's Directors believe that the probability that such tax contingencies will actually arise is remote and, in any event, any liability arising therefrom would not significantly affect the annual accounts.

14. Guarantees

The breakdown of guarantees provided by the Company is as follows:

	Thousand euro	
	2015	2014
Guarantees for other Group companies	6,141	6,857
Other sundry items	269	263
Total	6,410	7,120

By virtue of the syndicated financing agreement concluded on 21 February 2014 the Company has provided the guarantees described in the Appendix.

The Company's Directors estimate that the additional liabilities above the provisions recorded at 31 December 2015 for this purpose that could arise as a result of any guarantees received will not be significant.

15. Income and expense

a) Net revenue

The breakdown of this heading in the accompanying income statement for 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Dividend income received (Note 7)	2,300	149,650
Income from other services rendered (Note 8)	1,382	1,372
Other sundry income	200	222
Income from the charging of expenses (Note 8)	13	52
Total	3,895	151,296

(Thousand euro)

b) Personnel costs

The breakdown of this heading in the accompanying income statement for 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Wages and salaries	2,648	2,585
Severance payments (Note 4.j)	-	130
Social Security	124	123
Other employee benefits expenses	747	728
Total	3,519	3,566

In 2015 no contributions were made to the pension plan as they were suspended as a result of the Company's decision and are now associated with attaining objectives.

The average number of employees in 2015 and 2014 by professional category was as follows:

Categories	2015	2014
CEO	1	1
Managers	5	5
Other employees	3	3
Total	9	9

The distribution of employees by gender in 2015 and 2014 is as follows:

Categories	2015		2014	
	Male	Female	Male	Female
CEO	1	-	1	-
Managers	5	-	5	-
Other	4	-	3	-
Total	10	-	9	-

Nine Directors are not employees at 31 December 2015, of which 1 is female and 8 are male. (2014: 11, of which 1 is female and 10 are male).

At the date of these annual accounts the Board of Directors consists of 9 Directors (2014: 11 Directors).

c) Other operating expenses

The breakdown of his heading based on the nature of the expense at the end of 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Writers	74	107
Shop	1	1
Administrative staff	2,887	3,141
Sundry	433	634
Marketing	303	222
Total	3,698	4,105

16. Remuneration of senior executives

There were eight and nine General Managers making up the Senior Management team at the Group at the end of 2015 and 2014, respectively, of which only one is an employee of Vocento, S.A., excluding those that simultaneously hold positions on the Board of Directors.

The total remuneration for the Group's Senior Management team in 2015 and 2014 totalled €2,351 thousand and €2,331 thousand, respectively. Indemnities totalling €743 thousand were paid to Senior Management in 2015 (2014: €107 thousand), and none were paid by Vocento, S.A.

Some members of the Senior Management team have contract clauses that call for an indemnity in the event of unfair dismissal consisting of amounts that vary from the amount established by employment legislation to two years of gross annual salary. On an exceptional basis, in some cases the contracts for lower-level executives contain clauses of this type, establishing one year of gross salary as an indemnity.

17. Business combinations

On 26 November 2015 the Company's single shareholder Corporación de Medios Internacionales de Prensa, S.A.U, adopted a resolution to wind itself up, liquidate and subsequently transfer all of its assets and liabilities to its parent company Vocento, S.A. The liquidation balance sheet is set out below (thousand euro) in accordance with the aforementioned resolution:

ASSETS		LIABILITIES	
Non-current investments in group companies	476	Share capital	60
Deferred tax assets	15	Share premium	829
Current investments in group companies	29	Reserves	143
		Profit for the year	(653)
		Non-current borrowings from group companies	140
		Current borrowings from group companies	1
TOTAL ASSETS	520	TOTAL LIABILITIES	520

As a result of this transaction, a negative merger reserve totalling €3,871 thousand was generated in 2015.

On 28 July 2015 the Company approved the merger of its investee companies Comeresa País Vasco, S.L.U. (Acquiring company) and Corporación de Medios de Comunicación, S.L.U. (Target company) and on 29 July 2015 it also approved the merger of its subsidiaries Comeresa Prensa, S.L.U. (Acquiring company) and Factoría de Información, S.A.U. (Target company), which was wound up without being liquidated through the transfer of its assets and liabilities to the acquiring company.

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These transactions were entered into the Mercantile Registry in October and December 2015. The merger balance sheets for the companies those for the year ended 31 December 2014 and no re-measurements for accounting purposes were made.

18. Other information

a) Audit fees

In 2015 and 2014 the fees for audit and other services provided by the Company's main auditor PricewaterhouseCoopers Auditores, S.L (Deloitte, S.L. in 2014) or by companies in the same group or associated with the auditor, or other auditors and companies associated with them, were as follows (thousand euro):

2015:

Categories	Audit (*)	Other verification services	Other services
PricewaterhouseCoopers Auditores, S.L.	182	70	2
Total	182	70	2

(*) This amount includes €23 thousand relating to expenses incurred with respect to the 2015 audit performed by PricewaterhouseCoopers Auditores, S.L.

2014:

Categories	Audit (*)	Other verification services	Other services
Deloitte, S.L.	174	214	7
Total	174	214	7

(*) This amount includes €11 thousand relating to expenses incurred with respect to the 2014 audit performed by Deloitte S.L.

b) Financial structure

As was mentioned in Note 1, the Company is the parent of Vocento Group [, which is one of the leading multi-medium communications groups in Spain and it has a notable brand presence in all news and entertainment areas, such as the press, supplements, magazines, television, radio, audio-visual production, film distribution and internet. The Group organizes management information in accordance with the following business lines in order to evaluate the Company's risks and performance. Newspapers, Audio-visual, Classifieds and Other.

As is indicated in Note 4.c, the Company determines its financial structure based on its need for financing in coordination with the general financial policies issued by the Group.

At 31 December 2015 the Group's total assets amount to €815,141 thousand (prepared in accordance with International Financial Reporting Standards approved by the European Union) (2014: €852,759 thousand), and the Group's equity totals €318,880 thousand (2014: €322,572 thousand) and total income totalled €487,848 thousand (2014: €494,841 thousand).

19. Remuneration and other information regarding Directors

All compensation, including wages and other expenses, accrued by the members of the Board of Directors for all reasons totalled €1,883 thousand in 2015 (2014: €1,803 thousand). No advances, loans or guarantees were granted to the members of the Board of Directors during 2015 or 2014. The life insurance premiums paid during the year for the coverage of the members of the Board totalled €6 thousand in 2015 and €5 thousand in 2014. No contributions were made in 2015 and 2014 to pension plans whose beneficiaries are members of the Board.

The CEO has a contract clause that entitles him to an indemnity totalling three times the amounts received over the preceding 12 months in the event that the relationship is terminated by Vocento without justification.

The individual remuneration information for the Board of Directors in 2015 and 2014 is as follows:

Vocento, S.A.

NOTES TO THE ANNUAL ACCOUNTS
(Thousand euro)

Remuneration of the Board of Directors
(Thousand euro)

[illegible]	Fixed remuneration	Attendance fees	Fixed remuneration	Subsidiaries	Profit sharing Vocento, S.A.	Profit sharing Subsidiaries	Contributions to pension plans Vocento, S.A.	Contributions to pension plans Subsidiaries	Other Vocento, S.A.	Other Subsidiaries	Board remuneration in senior executive functions Fixed Vocento, S.A.	Board remuneration in senior executive functions Variable Vocento, S.A.	TOTAL
[illegible]	11	[illegible]	11	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	41	[illegible]	[illegible]	-	-	-	-	-	172	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	-	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	-	-	-	-	-	-	[illegible]	-	-	-	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	[illegible]
[illegible]													
[illegible]	11	[illegible]	11	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	-	[illegible]	-	-	-	-	-	[illegible]	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	[illegible]	-	-	-	[illegible]
Remuneration of the Board of Directors	[illegible]	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	[illegible]

Remuneration of the Board of Directors
(Thousand euro)

[illegible]	Fixed remuneration	Attendance fees	Fixed remuneration	Subsidiaries	Profit sharing Vocento, S.A.	Profit sharing Subsidiaries	Contributions to pension plans Vocento, S.A.	Contributions to pension plans Subsidiaries	Other Vocento, S.A.	Other Subsidiaries	Board remuneration in senior executive functions Fixed Vocento, S.A.	Board remuneration in senior executive functions Variable Vocento, S.A.	TOTAL
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	[illegible]	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	[illegible]	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	-	-	-	-	-	-	[illegible]	-	-	-	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	-	-	-	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	[illegible]
Remuneration of the Board of Directors	[illegible]	[illegible]	-	-	-	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	[illegible]

Information regarding conflicts of interest affecting Directors

In order to avoid conflicts of interest with the Company, during the year Directors holding positions on the Board of Directors, as well as persons related to them, have abstained from the following when authorization had not been obtained:

- Carry out transactions with the Company, except ordinary standard customer transactions of little relevance.

- Use the name of the Company or invoke their position as Director to unduly influence private transactions.

- Make use of business assets, including the Company's confidential information, for private purposes.

- Take advantage of the Company's business opportunities.

- Obtain advantages or compensation from third parties other than the Company and its group with respect to the performance of their duties, except when involving merely courtesy gifts.

- Carry out activities on their own behalf or the behalf of a third party that represent effective competition, whether actual or potential, with the Company or which, in any other way, places them in permanent conflict with the Company's interests:

Details of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors and parties related to them

The relevant shareholdings held by the members of the Board of Directors and Senior Management at the Parent Company in companies that have the same, similar or complementary corporate purpose as the Parent Company or its Group and which have been reported to the Parent Company are listed below, indicating the duties or positions that are held at these companies:

Director:

Owner	Investee company	Business	Interest	Duties
Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.21%	-
Gonzalo Soto Aguirre	Media Smart Mobile, S.L.	Advertising	0.24%	Director
Mr Santiago Bergareche Busquet	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.2042%	-

Vocento, S.A.

NOTES TO THE ANNUAL ACCOUNTS
(Thousand euro)

Related parties:

Related parties	Association with the Director	Investee company	% interest	Functions
Jorge Bergareche Busquet	Brother of Santiago Bergareche Busquet	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
José María Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2788%	Vice-Chair
Jorge Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2042%	Director
Juan Luis Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2788%	-
Santiago de Ybarra y Churruca	Natural person representative of Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.5084%	Chairman
		Diario ABC, S.L.	0.0002%	Director
Emilio de Ybarra y Churruca	Brother of Santiago de Ybarra y Churruca	Sociedad Vascongada de Publicaciones, S.A.	0.64%	-
Alvaro Ybarra Zubiría	Natural person representative of Onchena, S.L.	Mediaset	0.00485%	-
		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	-
Mariano Angel Ybarra Zubiría	Brother of Alvaro Ybarra Zubiría (natural person representative of Onchena, S.L.)	Sociedad Vascongada de Publicaciones, S.A.	0.0135%	-
Luis María Ybarra Zubiría		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	Director
María Dolores Ybarra Zubiría		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	-
Flora Ybarra Zubiría		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	-
Soledad Luca de Tena García-Conde	Natural personal representative and Joint and Several Administrator of Valjarafe, S.L.	Diario ABC, S.L.	0.0002%	Vice-Chair
		Sociedad Vascongada de Publicaciones, S.A.	0.0841%	-
		Estudios de Política Exterior, S.A.	5.55%	Director
Catalina Luca de Tena García-Conde	Sister of Soledad Luca de Tena García-Conde	Diario ABC, S.L.	0.0002%	Chair
		Sociedad Vascongada de Publicaciones, S.A.	0.1076%	-
		Ediciones Luca de Tena, S.L.	95%	Sole Administrator

Details of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors and parties related to them

Furthermore, the performance of activities in addition to those indicated in the above table by the

Vocento, S.A.

NOTES TO THE ANNUAL ACCOUNTS
(Thousand euro)

Related parties:

Related parties	Association with the Director	Company in which the position is held or duties are performed	Positions held or duties performed at the company concerned
Enrique de Ybarra	Natural personal 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 natural person representative of Lima, S.L.	Nueva Rioja, S.A.	Director
Juan Urrutia Ybarra (*)	Natural person representative of Lima, S.L.	Diario El Correo, S.A.U.	Director
Jorge Bergareche Busquet	Brother of Santiago Bergareche Busquet	Diario El Correo, S.A.U.	Director
		Corporación de Medios de Andalucía, S.A.	Director
Jose María Bergareche Busquet		Diario El Correo, S.A.U.	Director
Santiago de Ybarra y Churruca	Natural person representative of Mezouna, S.L.	Diario El Correo, S.A.U.	Chairman
		El Norte de Castilla, S.A.	Director
Emilio de Ybarra y Churruca	Brother of Santiago de Ybarra y Churruca	Diario El Correo, S.A.U.	Director
		Estudios de Política Exterior, S.A.	Director
Soledad Luca de Tena García-Conde	Natural personal representative and Joint and Several Administrator of Valjarafe, S.L.	Radio Publi, S.L.	Director
		Diario El Correo, S.A.U.	Director
		Federico Domenech, S.A.	Director
Catalina Luca de Tena García-Conde	Sister of Soledad Luca de Tena García-Conde	ABC Sevilla, S.L.U.	Joint Administrator

(*) Ceased to be a member of the Company's Board of Directors on 20 December 2015.

20. Subsequent events

No subsequent events arose between the end of the year and the date on which these annual accounts were prepared.

Vocento, S.A.

Appendix Companies 2016
(Thousand euro)

SUBSIDIARIES COMPANIES

Company	(2)	(3)	(4)	(5)	(6)	(7)	Address	Activity	Percentage: % interest Direct	Percentage: % interest Non-direct	Percentage: Control	Share Capital	Reserves and others	Current Profit & Loss: Operating results	Current Profit & Loss: Profit & Loss before Tax	Current Profit & Loss: Profit & Loss	Other	Dividend
GROUP:																		
Periodic																		
Diario El Correo, S.A.U.	✓	✓			✓		Bilbao	Daily press, local portal and electronic publishing press.	-	100,00%	100,00%	8.000	40.756	13.702	14.082	10.700	-	(6.650)
Sociedad Vascongada de Publicaciones, S.A.	✓	✓				✓	San Sebastián	Daily press, local portal and electronic publishing press.	-	75,81%	75,81%	4.799	30.903	10.759	11.032	8.104	-	(6.001)
Editorial Cantabria, S.A.			✓			✓	Santander	Daily press, local portal and electronic publishing press.	-	90,70%	90,70%	2.300	5.306	2.095	2.582	1.785	-	-
Nueva Rioja, S.A.						✓	Logroño	Daily press, local portal and electronic publishing press.	-	59,00%	59,00%	1.000	6.118	-	148	108	-	-
La Verdad Multimedia, S.A.			✓			✓	Murcia	Daily press, local portal and electronic publishing press.	-	97,00%	97,00%	3.333	9.581	(333)	(94)	(141)	-	-
Corporación de Medios de Andalucía, S.A.			✓			✓	Granada	Daily press, local portal and electronic publishing press.	-	99,11%	100,00%	3.333	10.304	800	1.042	771	-	-
Corporación de Medios de Extremadura, S.A.			✓		✓		Badajoz	Daily press	-	97,96%	97,96%	400	(1.340)	205	160	61	-	-
Prensa Malagueña, S.A.			✓			✓	Málaga	Daily press, local portal and electronic publishing press.	-	88,11%	88,11%	4.950	15.891	784	1.042	780	-	-
El Norte de Castilla, S.A.			✓			✓	Valladolid	Daily press, local portal and electronic publishing press.	-	77,60%	77,60%	2.160	14.508	607	932	691	-	-
El Comercio, S.A.						✓	Gijón	Daily press, local portal and electronic publishing press.	-	51,46%	51,46%	105	6.484	(323)	(518)	(317)	-	-
Corporación de Medios de Cádiz, S.L.U.			✓		✓		Cádiz	Daily press, local portal and electronic publishing press.	-	100,00%	100,00%	450	377	(412)	(484)	(360)	-	-
Federico Domenech, S.A.			✓			✓	Valencia	Daily press, local portal and electronic publishing press.	-	83,60%	83,60%	451	19.717	(190)	(249)	(132)	-	-
Diario ABC, S.L.			✓		✓		Madrid	Daily press, local portal and electronic publishing press.	-	99,99%	99,99%	6.276	(26.572)	(3.087)	(6.093)	746	-	-
ABC Sevilla, S.L.U.			✓		✓		Sevilla	Daily press, local portal and electronic publishing press.	-	99,99%	100,00%	600	3.017	1.066	(3.048)	(1.748)	-	-
Ediciones Digitales Hoy, S.L.U.			✓		✓		Badajoz	Local portal and electronic publishing press.	-	97,96%	100,00%	180	47	14	14	41	-	-
Bilbao Editorial Producciones, S.L.U.	✓	✓			✓		Vizcaya	Graphic arts	-	100,00%	100,00%	13.000	18.047	(333)	(517)	(387)	-	-
Sociedad Vascongada de Producciones, S.L.U.	✓	✓			✓		San Sebastián	Graphic arts	-	100,00%	100,00%	3.000	5.115	304	482	329	-	-
Printolid, S.L.U.					✓		Valladolid	Graphic arts	-	100,00%	100,00%	3.000	4.866	(432)	(899)	(770)	(84)	-
Comeco Impresión, S.L.							Málaga	Graphic arts	-	45,00%	45,00%	1.500	(445)	(6)	(144)	(144)	-	-
Localprint, S.L.						✓	Alicante	Graphic arts	-	50,00%	50,00%	10.000	1.620	(6)	(174)	(130)	-	-
Rotomadrid, S.L.						✓	Madrid	Graphic arts	-	95,00%	95,00%	3.000	19.332	3.335	2.604	1.989	-	-
Andaluprint, S.L.U.			✓		✓		Sevilla	Graphic arts	-	99,99%	100,00%	451	3.606	(1.333)	(1.480)	(1.030)	-	-
Beralan, S.L.	✓					✓	Guipúzcoa	Distribution	-	55,49%	55,49%	318	3.489	516	472	388	-	-
Banatu, S.L.	✓						Guipúzcoa	Distribution	-	55,49%	99,99%	3	1.183	95	100	73	-	-
CM Norte, S.L.U.	✓	✓			✓		Bilbao	Publishing	-	100,00%	100,00%	60	(27)	30	59	42	-	-
CM Guipúzcoa, S.L.U.	✓	✓					San Sebastián	Publishing	-	75,81%	100,00%	100	162	6	9	6	-	-
Comercializadora Multimedia de Cantabria, S.L.			✓				Santander	Publishing	-	90,70%	100,00%	60	(6)	4	6	5	-	-
Rioja Medios, Compra de Medios y de Publicidad, S.A.U.							Logroño	Publishing	-	59,00%	100,00%	61	45	44	48	33	-	-
Comercializadora de Medios Andalucía, S.L.U.			✓				Granada	Publishing	-	99,11%	100,00%	300	114	37	46	33	-	-
CM Extremadura Publicidad Multimedia, S.L.U.			✓		✓		Badajoz	Publishing	-	97,96%	100,00%	150	(14)	6	5	(14)	-	-
Corporación de Medios del Sur, S.L.			✓				Málaga	Publishing	-	88,11%	100,00%	3	32	1	-	-	-	-
Comercializadora de Medios de Castilla y León, S.L.U.			✓				Valladolid	Publishing	-	77,60%	100,00%	60	13	2	2	1	-	-
Comercializadora de Medios de Asturias, S.L.							Gijón	Publishing	-	51,47%	99,99%	30	(62)	3	5	3	-	-
La Voz de Avilés, S.L.							Avilés	Daily press	-	43,70%	84,92%	32	40	(72)	(72)	(56)	-	-
Zabalik 2000, S.L.U.	✓	✓					San Sebastián	Exploitation and marketing of content	-	75,81%	100,00%	3	144	(6)	(2)	(2)	-	-
Fiesta Alegre, S.L.U.			✓			✓	Valencia	Promotion and Leasing Properties	-	83,60%	100,00%	8.489	1.104	(8)	178	134	-	-
Servicios Redaccionales Bilbaínos, S.L.U.	✓	✓			✓		Bilbao	Free press	-	100,00%	100,00%	330	71	20	42	30	-	-
Corporación de Medios de Alicante, S.L.			✓				Alicante	Editorial and commercial support services	-	86,07%	100,00%	4	(6)	3	-	(6)	-	-
Taller de Editores, S.A.			✓			✓	Madrid	Editor Supplements	-	85,20%	85,20%	1.763	18.515	901	1.229	933	-	-
Inversor Ediciones, S.L.							Madrid	Publication of economic journals	-	66,21%	82,63%	133	825	74	84	60	-	-
Desde León al mundo, S.L.			✓				León	Local portal and electronic publishing press.	-	62,00%	80,00%	22	31	27	27	19	-	-
Audiovisual																		
Teledonosti, S.L.	✓						San Sebastián	Local television	-	67,43%	88,97%	1.238	32	18	30	30	-	-
Rioja Televisión, S.A.							Logroño	Regional Radio and TV	-	54,41%	92,20%	1.204	(301)	4	32	30	-	-
La Verdad Radio y Televisión, S.A.			✓				Murcia	Regional Radio and local TV	-	79,20%	81,22%	1.040	(612)	(3)	(1)	(1)	-	-
El Comercio Televisión, Servicios Audiovisuales, S.L.							Gijón	Local television	-	51,46%	100,00%	237	(39)	(33)	(36)	(27)	-	-
Las Provincias Televisión, S.A.U.			✓			✓	Valencia	Local television	-	83,60%	100,00%	1.500	(491)	(33)	(1)	(1)	-	-
Sociedad Gestora de Televisión Onda 6, S.A.U.			✓		✓		Madrid	Digital Television	-	100,00%	100,00%	7.713	(3.283)	326	237	233	-	-

Vocento, S.A.

Appendix Companies 2016
(Thousand euro)

SUBSIDIARIES COMPANIES

APPENDIX
Page 2

Company							Address	Activity	Percentage: % interest Direct	Percentage: % interest Indirect	Percentage: Control	Thousand euro: Share Capital	Thousand euro: Reserves and others	Current Profit & Loss: Operating results	Current Profit & Loss: Profit & Loss before Tax	Current Profit & Loss: Profit & Loss	Other	Dividend
Sociedad Gestora de Televisión NET TV, S.A.						✓	Madrid	Digital Television	-	55,00%	55,00%	4.820	6.320	5.498	5.788	4.152	-	(2.810)
Avista Televisión de Andalucía, S.A.U.			✓		✓		Sevilla	Digital Television	-	100,00%	100,00%	1.098	(1.941)	(230)	(2.20[illegible])	(165)	-	-
Radio Publi, S.L.			✓			✓	Madrid	National radio broadcasting	-	84,20%	84,20%	22.770	(1.600)	2.220	1.964	3.078	-	(4.00[illegible])
Onda Ramblas, S.A.U.			✓				Barcelona	National radio broadcasting	-	84,20%	100,00%	60	1.770	30	40	30	-	-
Radio El Correo, S.L.U.	✓	✓			✓		Bilbao	Local radio broadcasting	-	100,00%	100,00%	6	14	6	(8)	(8)	-	-
Radio Gaditana 2005, S.L.U.			✓		✓		Cádiz	Local radio broadcasting	-	100,00%	100,00%	10	76	2	2	2	-	-
Veralia Corporación de Productoras de Cine y Televisión, S.L.					✓		Madrid	Holding	-	69,05%	69,05%	38.282	(28.596)	(8)	(2.70[illegible])	(100)	-	-
[illegible], S.L.U.			✓				Valencia	Local radio broadcasting	-	79,50%	100,00%	270	220	(6)	(1)	(0)	-	-
Radio LP, S.L.U.			✓			✓	Valencia	Local radio broadcasting	-	83,60%	100,00%	340	30	30	30	30	-	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	✓	✓			✓		Vizcaya	Digital Radio	100,00%	-	100,00%	5.300	(2.430)	(7)	90	65	-	-
Veralia Contenidos Audiovisuales, S.L.U.					✓		Madrid	Bilateral TV Productions	-	69,05%	100,00%	1.000	4.000	(394)	(1.2[illegible])	(252)	-	-
Veralia Distribución de Cine, S.A.U.					✓		Madrid	Distribution of films productions	-	69,05%	100,00%	1.092	32	3.304	3.490	2.516	-	-
[illegible] del Cantábrico de Radiotelevisión, S.A.U.			✓				Santander	Radio broadcasting	-	91,70%	100,00%	650	(214)	15	17	16	-	-
Classified																		
Desarrollo de Clasificados, S.L.U.			✓		✓		Madrid	Classified holding	-	100,00%	100,00%	1.500	14.594	(694)	(740)	(545)	-	-
Infoempleo, S.L.							Madrid	Job search services	-	51,00%	51,00%	1.260	(278)	(9)	(94)	(83)	-	-
Autocasión Hoy, S.A.							Madrid	Websites and classified engines	-	49,00%	49,00%	77	2.102	801	804	596	-	-
Habitatsoft, S.L.U.			✓		✓		Barcelona	Real Estate services classifieds	-	100,00%	100,00%	3	(9)	(133)	(192)	(147)	-	-
Contact Center Venta Interactiva, S.L.U.			✓		✓		Madrid	Classified	-	100,00%	100,00%	4	208	(2)	(13)	(8)	-	-
Structure																		
Comercial Multimedia Vocento, S.A.U.			✓		✓		Madrid	Publishing	-	100,00%	100,00%	490	(1.494)	105	148	104	-	-
Distribuciones COMECOSA, S.L.U.	✓	✓			✓		Vizcaya	Holding	-	100,00%	100,00%	451	17.424	(6)	345	365	-	-
Comeresa Prensa, S.L.U.			✓		✓		Madrid	Holding	100,00%	-	100,00%	481.099	33.782	(1.452)	(13.9[illegible])	(11.674)	-	-
Comeresa País Vasco, S.L.U.	✓	✓			✓		Vizcaya	Holding	100,00%	-	100,00%	9.600	129.747	196	17.468	16.8[illegible]	-	-
Comeco Impresión, S.L.U.	✓	✓			✓		Vizcaya	Holding	-	100,00%	100,00%	9.249	37.748	(38)	(8.1[illegible])	(5.962)	-	-
CSC Madrid, S.L.U.			✓		✓		Madrid	Structure	-	100,00%	100,00%	60	310	26	27	24	-	-
Corporación de Nuevos Medios Digitales, S.L.U.			✓		✓		Madrid	Holding	-	100,00%	100,00%	1.000	44.260	(987)	3.482	4.8[illegible]	-	-
Agencia Colpisa, S.L.U.			✓		✓		Madrid	News agency	-	100,00%	100,00%	90	160	11	32	49	-	-

Vocento, S.A.

Appendix Companies 2016
(Thousand euro)

ASSOCIATES COMPANIES

Company	(1)	(2)	(4)	(5)	(6)	(7)	Adress	Activity	% interest Direct	% interest Non-direct	Miles de euros Share capital	Miles de euros Reserves and others	Miles de euros Current Profit & Loss	Miles de euros Others	Miles de euros Dividends
ASSOCIATES															
Classified															
11870 Información en general, S.L.				✓			Madrid	Classified	-	35,27%	25	(101)	696	-	-
Periodic															
Distribuciones Papiro, S.L.							Salamanca	Distribución	-	26,25%	37	1.496	349	-	-
Cirpress, S.L.							Asturias	Distribución	-	27,00%	12	2.025	234	-	-
Distrimedios, S.L.							Cádiz	Distribución	-	22,50%	300	4.332	(309)	-	-
Val Disme, S.L.							Valencia	Distribución	-	22,75%	344	309	142	-	-
Structure															
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.				✓			Madrid	Digital "Kiosko"	-	50,00%	53	(534)	(3)	-	-

(1) Estimates and / or pending approval by the respective Shareholders' Meetings and before distribution of dividends. No results from discontinued operations in any society.

(2) Subsidiaries subject to regional laws of the Corporation Tax.

(3) Companies comprising the consolidated tax group in the Basque Country.

(4) Companies comprising the consolidated tax group in the common territory whose parent company is Vocento, S.A. ; under the new definition of the LIS becomes the parent company of the tax group. Comeresa designating Newspapers, S.L.U., the parent company in 2014, as a representative entity of the tax group.

(5) This company is affected by the cause of dissolution in accordance with the corporations law, on which necessary measures has been or will be adopted.

(6) Guarantor in relation to the operation of the syndicated loan (Note 20)

(7) Company pledged in relation to the operation of the syndicated loan (Note 20)

Vocento, S.A.

Appendix Companies 2014
(Thousand euro)

Vocento, S.A.

Appendix Companies 2014
(Thousand euro)

ANEXO
Página 1

[illegible]

Sociedad	(1)	(2)	(3)	(4)	(5)	(6)	Domicilio	Actividad	Porcentaje Participación Directa	Porcentaje Participación Indirecta	Control	Capital desembolsado	Reservas y otras partidas de Fondos Propios	Resultado de explotación	[illegible]	Resultado del ejercicio	Otras partidas del patrimonio neto	Dividendos a cuenta
[illegible]						✓	Madrid	Televisión Digital	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Sevilla	Televisión Digital	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Madrid	Televisión Digital	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓		✓	Madrid	Radio Difusión analógica	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓			[illegible]	Radio Difusión analógica	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Radio El Correo, S.L.U.	✓	✓	✓		✓		Bilbao	Radio Difusión local	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Badajoz	Radio Difusión local	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Cádiz	Radio Difusión local	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]					✓		Madrid	Holding	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓			Valencia	Radio Difusión local	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	-	-
Radio LP, S.L.U.				✓	✓		Valencia	Radio Difusión local	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Madrid	Radio Digital	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]	✓		✓		✓		Vizcaya	Radio Digital	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]					✓		Italia	Producción cinematográfica y de programas de TV	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]					✓		Madrid	Producción cinematográfica y de programas de TV	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]					✓		Madrid	Distribución de producciones cinematográficas	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓			Santander	Radio Difusión	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Clasificados																		
[illegible]				✓	✓		Madrid	Holding de clasificados	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]							Madrid	[illegible]	-	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	-	-
[illegible]							Madrid	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Madrid	Venta de clasificados	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Otros																		
[illegible]					✓		Madrid	Prensa gratuita	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Estructura																		
[illegible]				✓	✓		Madrid	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]	✓		✓		✓		Vizcaya	Holding	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Comeresa Prensa, S.L.U.				✓	✓		Madrid	Holding	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Comeresa País Vasco, S.L.U.	✓		✓		✓		Vizcaya	Holding	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]	✓		✓		✓		Vizcaya	Holding	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Corporación de Medios de Comunicación, S.L.U.	✓		✓		✓		Vizcaya	Holding	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]	✓		✓		✓		Vizcaya	Holding	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Madrid	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]				✓	✓		Madrid	Holding	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-
Agencia Colpisa, S.L.U.				✓	✓		Madrid	Agencia de Noticias	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	-	-

Vocento, S.A.

Appendix Companies 2014
(Thousand euro)

[illegible]

[illegible]

Sociedad	(2)	(3)	(4)	(5)	(6)	(7)	Domicilio	Actividad	% Participación Directa	% Participación Indirecta	Miles de euros: Capital	Reservas y otras partidas del patrimonio	Resultado del periodo (1)	Otras partidas del patrimonio neto	Dividendos a cuenta
ASOCIADAS															
Otros Medios															
[illegible]							Madrid	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]															
[illegible]							[illegible]	Distribución	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]							[illegible]	Distribución	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]							[illegible]	Distribución	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-
[illegible]							[illegible]	Distribución	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]							[illegible]	[illegible]	-	[illegible]	-	-	-	-	-
[illegible]															
[illegible]							Madrid	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-
[illegible]							Madrid	Publicidad	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-

(1) [illegible]

(2) [illegible]

(3) [illegible]

(4) [illegible]

(5) [illegible]

(6) [illegible]

(7) [illegible]

Vocento, S.A.

Directors' Report 2015
(Thousand euro)

Directors' Report 2015

Vocento, S.A.

Directors' Report 2015
(Thousand euro)

I. INTRODUCTION: VOCENTO IN THE ECONOMIC ENVIRONMENT

In 2015 the Spanish economy confirmed its recovery and showed 3.2% GDP growth. This recovery lost intensity during the second half of the year with 0.8% growth over the last two quarters of the year compared with 1.0% in the second quarter.

Internal and external factors are behind this positive development. There has been an improvement in economic fundamentals as is shown by increases in employment or the positive development of exports, which has allowed part of the potential lost during the crisis to be recovered. The impact of external shocks, such as the decline in oil prices which reduces energy bills or the monetary expansion measures adopted by the European Central Bank, which facilitate and reduce the cost of credit for companies and households, particularly benefit the Spanish economy.

That improvement in GDP, particularly household consumption, is reflected by the 5.8% growth in the advertising market in 2015. Press grew by 0.5% and Internet by 12.3%.

The outlook for 2016 consists of a slowdown in the rate of economic growth and in advertising investments (i2p estimates +5.0% growth for the entire market in 2016e). The consensus of the "Panel de Funcas" estimates GDP growth of 2.7%. Given this macro-economic scenario, there are downward risks, especially due to the effects deriving from a lengthening of the current political uncertainty on the confidence of businesses, households and investors.

II. EVOLUTION OF VOCENTO'S BUSINESS

VOCENTO is a multimedia group led by VOCENTO, S.A., and it engages in the various areas that make up the communications media business.

The information management organization was changed in 2013 and the following lines of business were defined: Newspapers, Audio-visual, Classifieds and Other. This grouping of information will be used for market reports and includes all newspapers, radio, digital television, etc. in which VOCENTO has a presence and which are assigned to each business segment. The comments and comparisons are based on the new segments mentioned above.

The segment "Other" mainly includes the B2B business, Sarenet, whose sale was completed at the end of 2014 (see Relevant Event dated 15 December 2014) and is no longer in the scope of consolidation in 2015.

<u>IMPORTANT NOTE</u>: In order to facilitate the analysis of the information and to appreciate the organic development of the Company, throughout the report explanations are provided when operating expenses, EBITDA, EBIT and net profits are affected by different non-recurring or extraordinary impacts. The most relevant impacts are summarized in three groups: 1) payroll adjustment and "one-off" measures 2) changes in the scope of consolidation (i.e. divestment of Sarenet in 2014 – B2B activity within the Other division) or impacts generated due to strategic business decisions (i.e. sale of Europroduzione in 2015).

Vocento, S.A.

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Details of VOCENTO's business segments in 2015

PERIODICOS			
REGIONALES		ABC	SUPLEMENTOS Y REVISTAS
- El Correo - La Verdad - El Diario Vasco - El Norte de Castilla - El Diario Montañés - Ideal - Sur - Las Provincias	- El Comercio - Hoy - La Rioja - Imprentas locales - Beralán - Colpisa - Comercializadoras locales - Otras participadas	- ABC - Imprentas nacionales - Comercializadora	- XLSemanal - Mujer Hoy - Corazón CZN TVE - Inversión y Finanzas - Mujerhoy.com - Finanzas.com

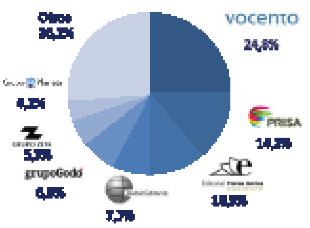
AUDIOVISUAL			
TELEVISION DIGITAL TERRESTRE		RADIO	CONTENIDOS
- TDT Nacional - Net TV	- TDT Regional	- Licencias de radio analógica - Licencias de radio digital	- Veralia Producción: - Veralia Contenidos (Boca Boca, Europroducciones y Hill Valley) Distribución: - Veralia One

CLASIFICADOS	OTROS
- Pisos.com - Infoempleo - Autocasión	- Sarenet (fuera de perímetro en 2015)

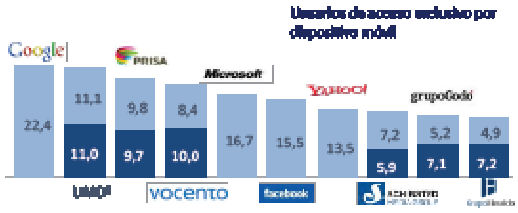
Newspapers (offline and online)

VOCENTO consolidates its clear leadership in the general information press with a 24.8% share, which is more than 10 points in front of the next communications group. It is also the leader in terms of audience (in accordance with the third accumulated wave 2015 EGM, more than 2.5 million readers, with nearly 1 million readers more than the following group) and it has a notable position in the Internet business (audience exceeding 18 million unique monthly users in accordance with comScore, December 2015).

Ordinary readership share[1] (%)



Internet readership ranking[2] (thousands of unique monthly visits)



Note 1: Source OJD 2015. Uncertified data Note 2: Source comScore. Note 3: UMD= Digital Media Unit including Unidad Editorial, Zeta and Prensa Ibérica.

Vocento, S.A.

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(Thousand euro)

VOCENTO has an active presence in the new technological reality and leads in the positioning of new technologies from both the development and new business exploration point of view, as well as the creation of the internal infrastructure that is necessary for an optimal position.

VOCENTO works in the following areas to accelerate the aforementioned digital growth:

(i) User knowledge and behaviour: creation and development of databases, user experience management, unification and qualification of audiences, loyalty programs, through which what is known as Big Data and data management and processing tools;
(ii) Development of platforms and digital media aligned with consumption patterns, fundamentally in the mobile environment. We note the development of the new ABC mobile web site over the last quarter of 2015, which was nominated for the Global Mobile Awards (GLOMO) 2016, in the category of "Best Mobile App Media";
(iii) Development of products and services that are adapted to the new reality: To generate transactional/e- commerce lines of business (strengthening those already existing, i.e. oferplan, ticketing or exploring new initiatives), optimize the presence in social networks (launch of Facebook Instant Articles through ABC, the leading national newspaper that has implemented the new instant news article publication tool provided by Facebook) or to achieve a position with new audiences (development of a new "line" viral portal intended to capture the "millennial" public, with pioneering narrative and commercial formulas);
(iv) Research and development supported by VOCENTO Media Lab. The objective is to investigate, experiment and implement innovative and interesting trends for the press business. VOCENTO Media Lab is involved with the driving of data journalism and the new digital narratives, as well as the internal training of journalists, and the dynamics involved with sharing knowledge among technical, publishing and business areas at the Company.

Graphic summary of the position and digital celebration of VOCENTO

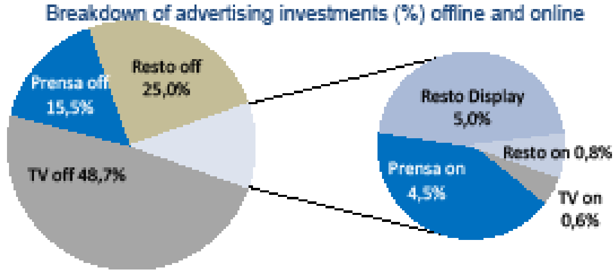
This entire environment has a clear beneficiary, advertisers, who also respond to the digital environment. According to i2p, Internet advertising investments in 2015 represented 10.9% of the total, or nearly €435 million. The following should be noted:

(i) The press absorbs part of online investments: of the €435 million, 41.6% ends up in the online press media (38.9% in 2014).
(ii) The total press advertising investment in 2015 was 20%, broken down as follows: 15.5% of the investment share was off-line and 4.5% was in online press.
(iii) The online press advertising investment grew by 17% in 2015.

(Thousand euro)

The press sector stabilizes the online investment share[1]

Breakdown of advertising investments (%) offline and online



Cuota on+off	2014	2015	Var p.p.
TV	48,6%	49,3%	0,6 pp
Prensa	20,4%	20,0%	(0,4 pp)
Radio, cine	26,1%	25,8%	(0,3 pp)
Resto display	4,9%	5,0%	0,0 pp

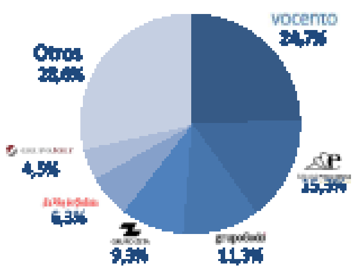
Note 1: Source i2p.

Regional Newspapers

VOCENTO is the clear leader in regional markets in Spain due to the roots and excellent position 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 notoriety of each of the newspapers, some of which are more than 100 years old, their high level of local recognition and their deep relationship with the region in which they are published, make them clear references in their respective markets. Exercising rigorous and independent journalism in a freedom of expression environment are some of the credentials of our press.

VOCENTO's regional newspapers maintain their leadership in terms of readership in 2015, and they held a market share of 21.7% of the regional press, and the following regional press group obtained a share of 15.3%.

Regional press market share 2015 (%)[1]



Note 1: Source OJD. Uncertified data

Vocento, S.A.

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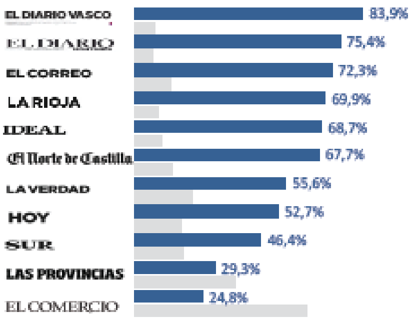
(Thousand euro)

In terms of press audience, the regional newspapers remain leaders both offline (more than 2[3] million readers, 0.7 million more readers than the next regional newspaper group), and online where they obtained an audience of more than 10 million unique monthly users. Each of the 11 portals is an audience leader in their market of reference.

Market share in the area of influence by newspaper1 (%) Local portal audience (thousands of unique monthly users.)[4]



Note 1: Source O.JD. 2015. Uncertified data Note 2: Source comScore December 2015.

In 2015 efforts were focused on maintaining the leadership of the newspapers, independent of the device used, and on protecting the profitability of the business.

In 2016, the strengthening of digital areas will take place as a transversal objective of all the newspapers (and the rest of VOCENTO).

The main lines of effort may be summarized as follows:

(i) **Digital strengthening**: invest in the development of the existing e- commerce businesses (Oferplan, Ticketing), consolidation of the digital payment model "on+" launched with El Correo and the evaluation of new added value advertising services focusing on local customers;
(ii) **Protection of profitability**: increase in the price of some newspapers, continuation of the optimization of processes and resources without ceasing to invest in the quality of editorial products and the development of selective commercial agreements with other publishers that allow income synergies.

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[3] *Source EGM 3rd accumulated wave 2015.*
[4] *Source: comScore MMX Multiplatform December 2015. Total audience= aggregate audiences of the 11 local portals.*

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(Thousand euro)

National Newspaper- ABC

ABC is VOCENTO's national newspaper and it is more than 110 years old. It is one of the leading national newspapers, in addition to being a newspaper of reference.

ABC has developed a multi-media presence: ABC press + ABC in Kiosks and More + ABC.es + ABC mobile (applications for different multiscreen environments), in addition to the radio with the support of the COPE channel broadcasting agreement (See section on Radio). This combination of media allows publishing synergies to be developed and new audiences, including digital audiences, to be obtained.

The printed edition of ABC focus is part of its efforts on ordinary distribution (or base sales that include individual subscriptions and newspaper stand sales), which provides the highest profitability, and decreasing non-ordinary publishing in a voluntary and controlled manner (block and collective publishing). Based on 2015 information, the proportion of ordinary publication compared with total publication at ABC is 89.6%, and the average of the rest of the comparables at these levels are converging (average of 81.7%, El País 89.8%, El Mundo 84.7% and La Razón 70.7%).

ABC has gained market share[9] in the key market of Madrid, where it is now number two after exceeding El Mundo.

ABC.es continues to gain audiences thanks to the potential of mobile devices. According to comScore, in December 2015 it obtained 12 million unique monthly users. Of that number, 7 million or 58% of the total, originate exclusively from mobile devices.

The target milestones were attained in 2015, notably: i) the redesign of ABC.es and the launch of the mobile web version that was nominated by the Global Mobile Awards 2016 in the category of Best Mobile Apps; ii) improvement of market share, notably ABC's number two position in Madrid, ahead of El Mundo, and iii) increase in profitability due to, among other things, to the logistical reconversion of ABC in the Balearic and Canary Islands, and the optimization of printing centres.

ABC will continue to target profitability and market positioning in 2016 through:

1) Digital business:
   a. Strengthen mobility, personalization and obtaining new registrations
   b. Reinforcing the services and customer utilities offered: Oferplan, Ticketing, ABC Photo
2) Improve profitability in the following manner:
   a. Increased newspaper prices on Sundays from €2.80 to €3.
   b. Continue to reduce printing costs by eliminating regional facilities
   c. Implement loyalty programs for kiosk readers and the digital kiosk and Más platform.

Supplements and Magazines

VOCENTO publishes the two leading supplements in Spain by readership: XL Semanal and Mujer Hoy. The quality of their authors and their rigorous commitment to information explain their success and differentiating position with respect to the main comparables. These supplements are distributed with all of VOCENTO's newspapers on weekends, as well as with other regional newspapers of recognized prestige.

XL Semanal is the most read Sunday supplement in Spain, and it has an important list of authors such as Carlos Herrera, Arturo Pérez-Reverte, Juan Manuel de Prada or Carmen Posadas, among others. The current and future objective is to continue investing in a differentiating product with a journalistic view that allows it to attract both readers and advertisers.

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[9] *Source: OJD. National press share (sum of El País, El Mundo, La Razón and ABC).*

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In addition, Mujer Hoy is the second most read supplement and continues to be the leading women's publication in its category. There has been notable activity with respect to corporate projects that allow the brand image to be optimized together with top advertisers, as well as the development of products such as Guapabox, within the *beauty boxes* segment.

In 2015 the magazine segments of the launch of Corazón CZN TVE, in an alliance with the TVE Corazón program presented by Anne Igartiburu, which consolidates its success and is among the main celebrity press magazines.

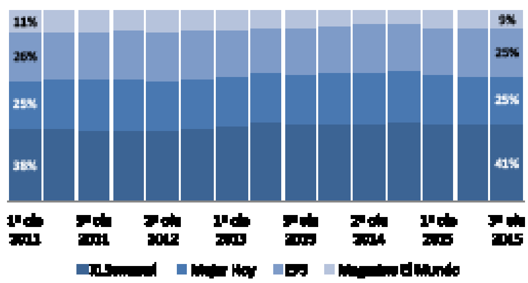
The men's luxury segment was also reinforced in 2015 through the large-format monthly magazine Código Único, directed at urban upper-class men that like luxury and brands.

In the area of financial information, Inversión y Finanzas is the leading weekly in terms of kiosk sales, with an audience of 37,000 readers in accordance with the third accumulated wave EGM 2015, which rigorously analyses stock and financial news. In 2015 the magazine celebrated the publication of its 1000th edition.

The notable agreement with Air Europa for corporate magazines covering the publication of its magazine, which has consolidated to become the leader in the segment of *in-flight* magazines.

VOCENTO's magazines and supplements reach a combined audience of nearly 3.6 million readers in 2015, with a clear leadership of XL Semanal (more than 2 million readers, nearly 1 million more its immediate competitor. Source: 3rd accumulated wave 2015 EGM) and Mujer Hoy (with more than 1 million readers).

Market share of the main supplements in Spain1



Note 1: EGM

At the end of 2015 a notable business agreement was concluded with Zeta Group, to jointly strengthen and encourage commercial synergies involving Mujer Hoy through its joint distribution with El Periódico, thereby making the most read women's magazine available to its buyers in Catalonia.

As a result of the important activity in the area, there has been a continuous improvement of the positioning of VOCENTO's supplements in terms of both audience and advertising market share. In advertising terms, and in accordance with internal information, XL Semanal and Mujer Hoy have consolidated their advertising market share: in the case of the Sunday additions, and in a stabilized advertising environment, XL Semanal obtains a share of 54.9% and a 1.5-point improvement over 2015. In he case of women's magazines, in an advertising market that is growing at double-digit rates, Mujer Hoy maintains its clear leadership (47.5% market share) after the 1.8-point improvement in the share in 2015.

On the digital side of the business, Mujerhoy.com has 1.24 million unique users and is at the level of the primary vertical sites in the category at number five. The redesign of the portal in 2015 will also allow for a renewed presentation with respect to its comparables.

During 2015 the area stood out due to its investment in differentiating products (Corazón CZN TVE, Código Único, agreement with Zeta Group) that has allowed it to access new readers or advertisers due to its attractive participation in more than 25 organized events and the digital efforts that materialized in January 2016 through the new Mujerhoy website.

Looking forward to 2016, investments will be made in the attractive portfolio of existing products and particular efforts will be made in both the area of events and special actions, as well as new digital initiatives, through the new Mujer Hoy portal or the encouragement of e-commerce through Guapabox, among others. The leadership position and rational cost criteria will be maintained, without reducing the quality of the editorial content in the area, and they will continue to be clear references for action.

Audio-visual

VOCENTO has a presence in the audio-visual market, essentially through the national TDT television license that allows broadcasting on two channels, the regional TDT licenses, a network of radio licenses, interests and content producers and the application of a catalogue of film rights.

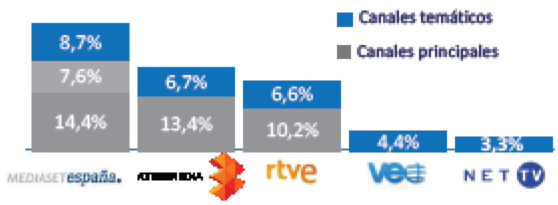
Television

VOCENTO holds a 55% interest in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV"), which gives it a presence in one of the private operators that have an open national TDT television license.

The two operating NET TV channels broadcast under the names of Disney Channel and Paramount Channel. VOCENTO is thus present in niche television with international world entertainment leaders that guarantee the business of NET TV in the medium and long-term.

All operating channels ended December 2015 with a 3.3% share of the audience[4]. It's thematic presence on television contributes to the Group's overall profitability target.

Audience share by channel family in December 2015 (%)[5]



Note 1: Source Kantar Media.

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[4] *Source: MMX Multiplatform December 2015.*
[5] *Source: Kantar Media December 2015.*

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The two channels of the multiplex NET TV consolidated in 2015 in a scenario of new channel assignments. This will continue in 2016.

Radio

The development of this line of business is based on an alliance with Cadena COPE, which was authorized by the National Competition Commission (CNC) on 15 March 2013. The alliance consists of a strategic agreement that is intended to reinforce, particularly with respect to ABC, a shared editorial line and the defence of the same values.

At the radio level, the agreement represents broadcasting of COPE, Cadena 100, Rock FM and Mega Star by the stations owned by the various VOCENTO companies, especially involving the COPE and ABC brands in news bulletins. In addition to other types of cooperative arrangements, the programs, radio personalities and editorial content of COPE are emphasized in the pages of ABC.

Similarly, the two communications groups have integrated the various radio portals (COPE, Cadena 100 and Rock FM) into the ABC portal to thus reinforce both of them in the competitive network information market.

This past year of 2015 was one of consolidation for radio together with the monetization of the agreement reached with COPE after the good audience data obtained from the third EGM 2015 survey, in which COPE increased the number of listeners by nearly 1 million to 2,671,000. A similar trend of good audiences and results is expected in 2016.

Audio-visual production and distribution-Veralia

VOCENTO's presence in the audio-visual production sector (production of entertainment and fictional programs and film distribution) is configured through Veralia Corporación, around: i) Veralia Contenidos, audio-visual production holding company that groups together the BocaBoca Producciones, Europroducciones and Hill Valley brands, and ii) Veralia Distribución de Cine which holds a rights catalogue consisting of 230 titles.

In 2015 the Veralia production companies engaged in the pre-production, production and broadcasting of diverse formats, including "Hit, la canción" (TVE), the sixth season of "Conexión Samanta", "21 Días" (both on Cuatro), "Los Vengadores" (Disney), "Bailamos?" (Canal Sur), "A Tu Vera" (Castilla la Mancha TV) and "Guinness World Records" (Canale5, Italy). Other successful programs were the specials broadcast by TVE "Enciende la Navidad" and "Telepasión" on new years' eve.

Among other initiatives, Veralia makes efforts to sell its productions internationally. The format "21 días" has been successively adapted to Holland, Italy, France, Canada and Chile. The program Magic Mania, an in-house production of Veralia, has been sold in France (Canal +) and Israel. Collaboration continues with several international groups through agreements to market formats in and from the Spanish market.

After the agreement reached in 2013 with certain non-controlling shareholders Veralia Distribución de Cine reduced the risk of the impact of the volatility of the area, thereby favouring its profitability possibilities. The objective in the film area is to continue to maximize income from the existing catalogue.

A notable milestone in 2015 is the divestment of the Italian subsidiary Europroduzione, in response to the commitment to profitability and to focus content production efforts in Spain. Europroduzione was the only VOCENTO company outside of Spain.

In 2016 efforts will be concentrated on the consolidation of production levels and recurring programs to maintain profitability, taking advantage of the appearance of new actors and new potential customers while maximizing income from the failed catalogue.

Classifieds

VOCENTO's national network of classifieds is unique in the Spanish communications sector as it has a specialized team that focuses on customer service. These qualities are reinforced by the support of ABC.es and 11 of VOCENTO's regional digital publications, which allows a national classified network to be consolidated with offers marked by the content and knowledge of the sector.

The different portals are present with national brands in the three markets of reference for internet classifieds: real estate with pisos.com (top#3 in the category), employment with infoempleo.com (top#4) and used vehicles with autocasion.com (top#4).

In 2015 selective investments were made in each of the businesses based on their commercial and technological maturity in order to guarantee sustained growth. Special attention has been paid to the professional profile (B2B – Business to Business), which has strengthened the customer base.

The objectives for 2016 continue to be focused on the development of the primary business in each segment, and as a continuing strategy and the common denominator for the rest of the areas at VOCENTO the commitment to value added products and services that allow knowledge of customers, users and the use of new technologies to be deepened. The area strengthens the generation of advertising income through careful commercial movements, loyalty measures and the improvement of average income from each customer, while the cost structure is maintained. This balance has allowed EBIT to be positive in 2015.

iii. Notable aspects of the financial development of the businesses

- **Rising advertising income, growth in line with the market.**
  - (i) VOCENTO's advertising income grew by 5.5% in 2015. Gross advertising grew by 5.7% compared with 5.8% in the total market in accordance with i2p (despite the exposure to the press).
  - (ii) Both off-line and online advertising investments grew at VOCENTO: of the total net increase reported by VOCENTO, 5.5% or €8,720 thousand, offline represented 19.7% and online was 80.3%.
  - (iii) Evolution of the income profile towards digital: Advertising income from the Internet and the new digital businesses contributed 28.0% of all advertising and e-commerce income at VOCENTO in 2015 (+2.7 points compared to 2014).
- **Total income with a constant scope of consolidation (ex Sarenet) -3.0%.**
  - (i) There was a reduction in the sale of copies due to, among other things, the logistical conversion of ABC into a 100% digital newspaper on the islands, which would explain more than 50% of the decline in income from the sale of copies of ABC, and also gives rise to lower distribution and printing costs in EBITDA.
  - (ii) There was an 18.8% decline in Other Income, mainly due to the change in the scope of consolidation after the sale of Sarenet (under a constant scope of consolidation, -10.2%). The rest of the decline in other income (€12 million) has a negative impact of approximately €0.4 million on EBITDA given the profitability criteria applied to the taking of decisions (i.e. sale of Europroduzione and selective promotion policy).
- **Increase in the comparable EBITDA margin[6] by 1.8 points to 10.7%, despite the exit of Sarenet from the scope of consolidation.**
  - (i) Newspapers: 11.8% growth in comparable EBITDA in 2015 and profitability rose by 1.5% to a comparable EBITDA margin of 11.5%. The profitability of regional newspapers improved by 1% to a comparable EBITDA margin of 13.8% and at ABC the comparable EBITDA of €5.9 million is an increase of €3.8 million compared with 2014.

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[6] *This excludes personnel adjustments and "one-off" measures. 2015 €-2,556 thousand and 2014 €-6,520 thousand.*

(ii) Audio-visual: improvement in the profitability of the area (comparable EBITDA margin of 28.7%), due to the absence of TDT provisions in 2015 and despite the lower international activity by production companies.

- **Positive EBIT in all areas**
- **Net profit of €4,081 thousand, the first positive figure since 2009.**
- **Protection of the generation of ordinary operating cash flows, which improved by €27,383 thousand at the end of 2015.**

(i) Generation of ordinary operating cash flows totalling €27,383 thousand in 2015, excluding indemnity payments totalling €6,320 thousand and other outflows of non-ordinary cash in the amount of €3,972 thousand.

(ii) Decrease in the LTM financial leveraging (last twelve months) to 2.2x[1], with a net financial debt of €108,787 thousand in December 2015 (vs €125,869 thousand in 2014 and 2.9x[1] leveraging).

iv. Risks and uncertainties

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

e) Credit risk:

In general, the Company maintains its cash and cash equivalents in highly-rated financial institutions. Most of its receivables are from companies over which the Company maintains control.

f) Liquidity risk:

For the purposes of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, the Company has the cash reflected in its balance sheet, together with the credit and syndicated financing facilities available from certain financial institutions detailed in Note 11.

Although 31 December 2015 there is negative working capital totalling €7,277 thousand, the Directors believe that there are no short-term liquidity problems due to the generation of cash by group companies projected for the coming year and to the fact that the Group has available lines of credit (Note 20).

g) Market risk (includes interest rate risk, exchange rate risk and other price risks):

The Company's borrowings are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows as it is indexed to a variable interest rate. The Company partially mitigates (in the amount of €70,784 thousand of the total bank borrowings at 31 December 2015) the interest rate risk through the use of financial derivatives (Notes 11 and 12).

The Company does not consider that there are significant risks.

The Company does not carry out significant transactions in foreign currency and at 31 December 2015 it does not recognize any significant balances denominated in foreign currency.

h) Other

Compliance risks, particularly tax items, are related to possible differing interpretations of the regulations on the part of the competent tax authorities as well as the generation of taxable income that allow capitalized tax-loss carry forwards to be recovered, and the impact of any new regulations. Publishing gives rise to a risk of litigation which is duly described in the notes to the annual accounts. In addition to the risk of system attacks, there is a risk concerning technological changes that require the media in general to make investments in this area.

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V. EVOLUTION OF THE AVERAGE PAYMENT PERIOD

The ratio of payments made to suppliers in 2015, the average payment period for suppliers and the ratio of transactions pending payment to suppliers at 31 December 2015 is as follows (thousand euro), in compliance with the information required by Additional Provision Three "Disclosures" of Law 15/2010 (5 July) and the resolution dated 2 February 2016 issued by the Audit and Accounting Institute in response to Final Provision Two of Law 31/2014:

	2015
	days
Average payment period for suppliers	45.66
Ratio of payments made	43.76
Ratio of pending payments	58.17
	Amount (Thousand euro)
Total payments made	3,561
Total pending payments	539

This balance relates to the suppliers that because of their nature are trade creditors for the supply of goods and services included in the balance sheet heading "Trade and Other Payables".

VI. SHAREHOLDER REMUNERATION

The Parent Company did not distribute any dividend whatsoever in 2015 and 2014 and at the end of both years there was no amount pending payment in this respect.

VII. TREASURY SHARES

The Parent Company maintains 3,876,665 shares equivalent to 3.1% of its share capital and there is no restriction on their transfer.

Movements in treasury shares in 2015 and 2014 are as follows:

	No. of shares	Cost (Thousand euro)
Shares at 31/12/13	**3,871,601**	**31,474**
Purchase	280,840	531
Sale (*)	(285,143)	(2,131)
Shares at 31/12/14	**3,867,298**	**29,874**
Purchase	883,678	1,632
Sale (*)	(874,311)	(6,215)
Shares at 31/12/15	**3,876,665**	**25,291**

(*) Sales recognized at the average weighted cost.

The capital loss resulting from the sale of treasury shares in 2015 was charged against reserves in the amount of €4,602 thousand (2014: €1,585 thousand).

In accordance with the provisions of the Spanish Companies Act 2010, the Parent Company maintains a restricted reserve in the amount of the cost of the treasury shares held in its portfolio. This reserve will become unrestricted when the circumstances dictating its establishment cease to exist.

The average number of treasury shares in the portfolio in 2015 was 3,888,783 shares (2014: 3,886,006 shares). (Note 10).

VIII. SHARE PERFORMANCE

VOCENTO's shares ended 2015 at a price of €1.48 per share, which gives rise to a market capitalization of €184.9 million at 31 December 2015. The average daily trading volume during the year was 82,334 shares. VOCENTO's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

IX. EXECUTIVE PLANS

Provisions for share-based payments-

Shareholders at a General Meeting held on 28 June 2012 adopted a resolution to approve an incentive plan for the CEO and other senior executives at Vocento consisting of the establishment of variable remuneration that would be settled only through the delivery of shares in Vocento, S.A. and would be associated with the creation of value for shareholders measured in accordance with certain financial parameters during the term of the plan (up until 2014), as well as an evaluation of the performance of the beneficiaries. At the time the plan was established the maximum number of shares to be used to settle the variable remuneration liabilities totalled 2,154,800 shares, of which a maximum of 241,228 shares may be used to settle the potential liability with the CEO.

The consideration was that the objectives of the plan were not met and the Company did not recognize any provision at 31 December 2014 and, therefore, there was no impact whatsoever on the income statement or equity in 2014.

Provisions for long-term incentive plans-

In 2013 the Parent Company's Board of Directors approved a long-term incentive plan for the CEO and certain executives at the Parent Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2015, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the failure to meet the targets, the Group does not recognize any payment obligation in this respect in the balance sheet at 31 December 2015.

In 2014 the Parent Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain executives at the Company and in the Group.

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The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2016, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any provision in this respect in the balance sheet at 31 December 2015.

Finally, in 2015 the Parent Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain executives at the Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted net profit for 2017, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the net profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any provision in this respect in the balance sheet at 31 December 2015.

X. RESEARCH AND DEVELOPMENT ACTIVITIES

In 2015 the Group did not make any significant investments in research and development activities.

XI. USE OF DERIVATIVE FINANCIAL INSTRUMENTS

The interest rate hedge derivatives contracted by the Company are intended to mitigate the effect of interest rate fluctuations on future cash flows from variable rate loans. A breakdown of these hedge transactions, and their maturity dates, is as follows:

Company	Instrument	Contracted average interest rate	Nominal amount (thousand euro)	Maturity
BBVA	Interest rate swap	1.580%	24,145	2019
Banco Santander	Interest rate swap	1.580%	19,999	2019
Kutxabank	Interest rate swap	1.580%	9,142	2019
Bankia	Interest rate swap	1.580%	11,770	2019
La Caixa	Interest rate swap	1.580%	1,877	2019
Banco Popular	Interest rate swap	1.580%	3,851	2019
	Total		70,784	

The effect of changes in the hedge derivatives in 2015 has been recognized by charging €6 thousand against the heading "Measurement adjustments – Hedge transactions" under equity (2014: €2,074 thousand), and €177 thousand was transferred to the income statement, (2014: €206 thousand) during 2015.

The interest rate swap derivatives in force at 31 December 2015 relate to the hedges contracted by the Group by virtue of the terms of the syndicated financing agreement (Note 11).

The Company has complied with the requirements described in Note 4.e on Accounting Policies, so as to classify the financial instruments listed below as hedges. Specifically, they have been formally

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designated as such and their effective hedging has been verified. The hedges designated by the Company are all effective.

The sensitivity of the interest rate hedge transactions' market value to changes in interest rates that the Company considers reasonably possible, as well as their impact on profit for the period and equity at 31 December 2015 is set out in the following table:

	Thousand euro	
	Change in interest rates (basis points)	
	+ 0.25%	- 0.25%
Fair value	389	(385)
Profit/(loss)		
Equity	280	(284)

The analysis of the liquidity of the derivative instruments, which relates to cash outflows taking into account undiscounted net flows, is as follows (thousand euro):

Company	Instrument	2016	2017	2018	2019 years and afterwards
BBVA	Interest rate swap	312	340	299	31
Banco Santander	Interest rate swap	257	280	246	26
Kutxabank	Interest rate swap	116	129	113	12
Bankia	Interest rate swap	152	166	146	15
La Caixa	Interest rate swap	28	28	24	3
Banco Popular	Interest rate swap	50	54	48	5
	Total	915	997	876	92

XII. TRANSACTIONS WITH RELATED PARTIES

Transactions with group companies, primarily investee associates or those over which Vocento has effective control are carried out on an arm's length basis (Note 4.m) and are recognized in the relevant headings of the accompanying income statements for 2015 and 2014, together with the balances with group companies, primarily investee associates or those over which Vocento has effective control, which are recognized in the relevant headings in the accompanying balance sheet at 31 December 2015 and 2014, are as follows:

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NOTES TO THE ANNUAL ACCOUNTS
(Thousand euro)

	Thousand euro									
	Balances						Transactions			
	Non-current		Current							
2015	Loans to Group companies and associates	Payables to Group companies and associates	Trade payables to Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Trade payables, Group and associated companies	Income from services rendered (Note 15.a)	Other operating expenses (Note 15.b)	Financial income from Group companies and associates	Financial expenses on payables to Group companies and associates
Comeresa Prensa, S.L.U.	972	264,765	158	178	-	26	1,546	262	62	5,274
Veralia Corporación de Productoras de Cine y Televisión, S.L.	11,089	-	-	2	-	-	-	-	695	-
Veralia Contenidos Audiovisuales, S.L.U.	1,739	-	-	9	-	-	-	-	159	-
Diario El Correo, S.A.U.	-	945	10	4,367	-	37	29	75	-	-
Comeresa País Vasco, S.L.U.	-	-	-	589	-	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	9,595	-	-	-	-	-	-
Bilbao Editorial Producciones, S.L.U.	4,125	657	-	-	385	2	-	29	-	-
Diario ABC, S.L.	18,525	-	1	5,261	-	6	2	256	945	-
ABC Sevilla, S.L.	1,234	-	-	222	-	-	-	-	77	-
Radio Publi, S.L.	1,401	-	-	255	-	-	-	-	89	-
Corporación de Medios de Extremadura, S.A.	848	-	-	155	-	-	-	-	55	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	25	-	-	-	-	-	-
Corporación de Medios Internacionales de Prensa, S.A.	-	-	-	-	-	-	-	-	-	-
Other Group companies	-	332	-	188	19	4	25	29	-	-
Total	41,786	266,199	169	21,489	316	75	1,602	1,149	2,082	5,274

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NOTES TO THE ANNUAL ACCOUNTS
(Thousand euro)

	Thousand euro									
	Balances						Transactions			
	Non-current		Current							
2014	Loans to Group companies and associates	Payables to Group companies and associates	Payables to Group companies and associates	Loans to Group companies	Payables to Group companies and associates	Trade payables, Group and associated companies	Income from service rendered (Note 15.a)	Other operating expenses (Note 15.c)	Financial income from Group companies and associates	Financial expense on payables to Group companies and associates
Comeresa Prensa, S.L.U.	1,149	225,058	154	89	-	-	1,192	955	66	12,594
Veralia Corporación de Productoras de Cine y Televisión, S.L.	15,019	-	4	1,506	-	-	1	-	749	-
Veralia Contenidos Audiovisuales, S.L.U.	2,005	-	1	157	-	-	-	-	116	-
Diario El Correo, S.A.U.	-	945	-	4,201	-	15	-	69	-	-
Comeresa País Vasco, S.L.U.	-	-	-	1,154	-	-	-	-	-	-
Sociedad Vascongada de Publicaciones, S.A.	-	-	-	9,516	-	-	-	-	-	-
Bilbao Editorial Producciones, S.L.U.	4,125	437	-	-	189	-	66	25	-	-
Diario ABC, S.L.	21,505	-	-	1,077	-	55	-	534	1,256	-
ABC Sevilla, S.L.	1,435	-	-	111	-	-	-	-	82	-
Radio Publi, S.L.	1,657	-	-	128	-	-	-	-	95	-
Corporación de Medios de Extremadura, S.A.	1,008	-	-	75	-	-	-	-	57	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	1,100	-	-	41	-	-	-	-	-	-
Corporación de Medios Internacionales de Prensa, S.A.	-	475	-	-	-	-	-	-	-	-
Other Group companies	-	142	13	457	146	3	357	20	345	-
Total	47,381	231,449	176	21,419	335	72	1,616	1,171	2,869	12,594

Vocento, S.A.
Pintor Losada, 7. 48004 Bilbao (Bizkaia).

The current balances payable to Group companies and associates recognized under the heading "Current borrowings from group companies and associates" in the amount of €225 thousand (2014: €335 thousand) and a balance in the amount of €1,374 thousand (2014: €1,431 thousand) recognized under the heading "Non-current borrowings from group companies and Associates" as well as the receivables recorded under the heading "Current investments in group companies and Associates-Loans to group companies" in the amount of €8,200 (2014: €9,182 thousand) and an amount of €4,128 thousand (2014: 4,128 thousand) in non-current receivables recognized under the heading "Non-current investments in group companies and associates - Non-current loans to group companies and associates" in the accompanying balance sheet at 31 December 2015 basically relate to the charges applied by the parent company to its subsidiaries for the settlement of corporate income tax under the tax consolidation system (Note 13). These balances have been classified in the balance sheet as current or non-current based on the estimated date of repayment.

The heading "non-current borrowings from group companies and associates" records a payable totaling €238,785 thousand at 31 December 2015 (2014: €228,038 thousand) in the current account maintained with Comeresa Prensa, S.L.U. The current account agreement automatically renews each year unless one of the parties provides notice to the contrary. The Company's Directors do not expect this amount to become due in the short-term. Loans generate a yield calculated in accordance with the average three-month Euribor established for each calendar quarter plus a spread equivalent to the weighted average of the differentials received from third parties by the companies that at any given moment are considered to be Group holdings as compensation for their financial instruments, while borrowings represent a financing cost of the average three-month Euribor plus a spread equivalent to the differentials applied by third parties to the companies that at any given moment are considered to be Group holdings with respect to financing instruments.

The expenses accrued in 2015 on the aforementioned current-account totalled €5,274 thousand (2014: €12,804 thousand) and are recognized in the heading "Financial and similar expenses - Borrowings from group companies and associates" in the accompanying income statement for 2015.

Finally, in 2014 the Company entered into several loan agreements with those companies that repaid bilateral lines within the framework of the syndicated financing totalling €55,487 thousand (Note 11). Editorial Cantabria, S.A., Federico Domenech, S.A. and Habitatsoft, S.L.U. subsequently fully repaid the loan granted to each one of them in the total amount of €5,383 thousand. This year repayments have been made totalling €5,578 thousand for the loans in force with the rest of the companies, and the amount outstanding payment at 31 December 2015 was €36,480 thousand and €4,155 thousand, recognized under the headings "Non-current and current investments in group companies and Associates", respectively. These loans generate a yield calculated under the same conditions as the syndicated financing (Note 11) and the Company has recognized an amount of €2,066 thousand (2014: €2,540 thousand) for the financial income accruing during the year under the heading "Financial income - From group securities" in the accompanying income statement.

XIII. SUBSEQUENT EVENTS

No subsequent events arose between the end of the year and the date on which these annual accounts were prepared.

XIV. FORESEEABLE DEVELOPMENT

In 2016 VOCENTO will focus on continuing with transforming the company and accelerating digital growth for which there are several key lines of work:

(i) Acceleration of the digital business: Work on advertising income using commercial tools and alliances (i.e. agreements with Zeta Group or El Economista) that allow advertising growth in low-medium digit ranges in 2016.

(ii) Reduction of net costs: Improve profitability and grow comparable EBITDA. The best way to maintain and/or improve the press model is through the management of the existing balance between off-line and online (written and digital press). Accordingly, VOCENTO emphasizes the margin on the sale of copies and its digital position by assigning a higher portion of operating costs to the development of new initiatives. The net reduction of structures is necessary for this transformation, consisting mainly of the renewal of profiles and a decrease in the scope of non-core businesses.

(iii) Compliance with the internal financial leveraging threshold towards 2x, beyond the milestones set out in the syndicated financing obtained in 2014: generate ordinary cash through an active working capital management policy and strict control over CAPEX.

XV. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report consists of 50 pages. It is attached to the Consolidated Directors' Report in accordance with the provisions of Article 538 of the Spanish Companies Act 2010. The Annual Corporate Governance Report is also available at the CNMV website, www.cnmv.es.

XVI. ANNUAL ACTIVITY REPORT

The Annual Activity Report prepared by the Audit and Compliance Committee consists of 17 pages and is attached to the Consolidated Directors' Report in accordance with the provisions of Article 18.8 of the Board of Directors Regulations.

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APPENDIX

The Directors of VOCENTO, S.A. formulated on 23 February 2016 the annual accounts of VOCENTO, S.A. and the corresponding management report, resulting in the following documents: balance sheet, profit and loss account, changes to shareholder equity and a cashflow statement, each on pages numbered from 1 to 4, the annual report of 37 pages numbered from 5 to 41, and an appendix of 8 pages, and a management report of 20 pages, including as point xv the annual report on corporate governance and as point xvi the annual report on 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 has formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Bilbao, 23 February 2016

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

D. Luis Enríquez Nistal
(Chief Executive Officer)

D. Fernando Azaola Arteche
(Director)

D. Miguel Antoñanzas Alvear
(Director)

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

MEZOUNA, S.L.
(represented by D. Ignacio Ybarra Aznar)

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 of the Board)

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ANNUAL CORPORATE GOVERNANCE REPORT

VOCENTO, S.A.

2015

ANNUAL CORPORATE GOVERNANCE REPORT

VOCENTO, S.A.

END OF REFERENCE YEAR: 31/12/2015

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:

Name or Company name of shareholder	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	
DON ENRIQUE YBARRA YBARRA	500	ENERGAY DE INVERSIONES, S.L.	8,167,106	6.54
DOÑA CARMEN YBARRA CAREAGA	0	ONCHENA, S.L.	6,836,456	5.47

Indicate the most significant movements in the shareholder structure in the year:

Name of shareholder	Date of transaction	Description of transaction
DOÑA CARMEN YBARRA CAREAGA	08/05/2015	EXCEEDED 5%
DOÑA CARMEN CAREAGA SALAZAR	08/05/2015	WENT BELOW 3%
LIMA, S.L.	18/12/2015	WENT BELOW 3%
SANTANDER ASSET MANAGEMENT, S.A. SGIIC	18/12/2015	EXCEEDED 3%

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	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	
ENERGAY DE INVERSIONES, S.L.	8,167,108		0	6.54
DON GONZALO SOTO AGUIRRE	100	Concerted Action	7,988,912	6.39
DON LUIS ENRIQUEZ NISTAL	71,855		0	0.06
DON SANTIAGO BERGARECHE BUSQUET	700	Shareholder pact	5,986,133	4.79
CASGO, S.A.	4,993,201		0	4.00
DON FERNANDO AZAOLA ARTECHE	6,710		0	0.01
MEZOUNA, S.L.	13,843,275		0	11.08
DON MIGUEL ANTOÑANZAS ALVEAR	10,178		0	0.01
ONCHENA, S.L.	6,836,456		0	5.47
VALJARAFE, S.L.	12,609,314		0	10.09

% total voting rights held by the Board of Directors	48.423

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 voting 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:

Not applicable

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:

Not applicable

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	% of share capital involved	Brief description of the agreement:
(i) DOÑA DOLORES AGUIRRE YBARRA Y OTROS; (ii) DOÑA PILAR AGUIRRE ALONSO-ALLENDE; (iii) DON EDUARDO AGUIRRE ALONSO-ALLENDE; (iv) DON GONZALO AGUIRRE ALONSO-ALLENDE; (v) DOÑA MARÍA ISABEL LIPPERHEIDE; (vi) DON GONZALO SOTO AGUIRRE AGUIRRE (vii) BELIPPER, S.L.; (viii) ALBORGA UNO, S.L.; (ix) ALBORGA DOS, S.L.; (x) MIRVA, S.L.; (xi) GOAGA 1, S.L.; (xii) AMANDRERENA 1, S.L.; y (xiii) LIBASOLO, S.L.	6.39%	Published as a relevant fact on 23 April 2014, registration number 203804. Shareholders connected to the Aguirre family owning 7,969,012 shares (6.393%) reached a one-year agreement 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 28 May 2014 Libasolo, S.L. assumed the place of Magdalena Aguirre Azaola and Carmen Aguirre Azaola. On 3 December 2014, Pilar Aguirre Alonso-Allende sold 6,670 shares in Vocento and the share capital covered decreased to 7,960,342 shares (6.387%).

(i) MECAMUR, S.L., (ii) BORATEPA, S.L., y (iii) EDULA, S.L.	4.79%	Published as a relevant fact on 17 February 2014, with registration number 200550. On 17 February 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.

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

No

State any modification or breaking of these pacts, agreements, or joint actions in the year:

Not applicable

A.7. State if there is any individual or legal entity who exercises or could exercise control of the company, in accordance with article 5 of the Securities Market Law, and indicate them.

No

A.8. Complete 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
3,876,665	0	3.10%

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

There were no major variations

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 28 April 2015 adopted the following agreement:

In accordance with the terms of Articles 146 and following and 509 of the Law on Corporations, and Article 7 of the Rules for the Internal Conduct of the Company, leaving without effect the authorisation awarded in the same area by the shareholder meeting of 14 April 2010, 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.

The shares to be acquired must be fully paid in, unless the shares are to be freely acquired, free of charges and of the obligation to make accessory payments.

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 148 point c of the Law on Corporations, without leading to shareholder equity, as defined in article 146 section 1 point b of the Law on Corporations, being less than the sum of share capital plus the reserves that are not available in law or in the bylaws.

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 146, section 1 point a, of the Law on Corporations."

A.9 bis estimated free float:

	%
Estimated free float	31,30%

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.

Not applicable

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.

Not applicable

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.

Not applicable

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

	Attendance data (*)				
Date of shareholder meeting	% physically present	% proxy	% distance vote		Total %
			Electronic vote	Others	
28 April 2015 (Ordinary AGM 2015)	18.89	56.84	-	-	75.73
29 April 2014 (JG Ordinary AGM 2014)	21.02	58.02	-	-	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	FIFTY (50)

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	Type of Director	Position on board	Date of 1st appointment	Date of last appointment	Electoral procedure
Santiago Bergareche Busquet	–	Nominee	Chairman	12/11/2013	12/11/2013	Co-opted
Gonzalo Soto Aguirre	–	Nominee	Deputy Chairman	26/04/2012	26/04/2012	Shareholder Meeting
Luis Enríquez Nistal	–	Executive	Chief Executive Officer	18/07/2011	26/04/2012	Shareholder Meeting

Casgo, S.A.	Jaime Castellanos Borrego	Nominee	Director	28/04/2012	28/04/2012	Shareholder Meeting
Fernando Azaola Arteche	–	Independent	Director	28/04/2012	28/04/2012	Shareholder Meeting
Mezouna, S.L.	Ignacio Ybarra Aznar	Nominee	Director	28/04/2012	28/04/2012	Shareholder Meeting
Miguel Antoñanzas Alvear	–	Independent	Director	28/04/2012	28/04/2012	Shareholder Meeting
Onchena, S.L.	Álvaro Ybarra Zubiría	Nominee	Director	28/04/2012	28/04/2012	Shareholder Meeting
Energay de Inversiones, S.L.	Enrique de Ybarra Ybarra	Nominee	Director	28/04/2012	28/04/2012	Shareholder Meeting
Valjarafe, S.L.	Soledad Luca de Tena García-Conde	Nominee	Director	28/04/2012	28/04/2012	Shareholder Meeting

Total number of directors	10

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

Name or Company name	Type of director	Date of termination
Rodrigo Echenique Gordillo	Independent	17 February 2015
Lima, S.L.U.	Nominee	21 December 2015

C.1.3 Complete the following tables about the categories of members of the Board:

EXECUTIVE DIRECTORS

Name or Company name	Role at company
Luis Enríquez Nistal	CEO

Total number of executive directors	1
% of total Board	10%

EXTERNAL NOMINEE DIRECTORS

Name or Company name of director	Name or Company name of significant shareholder represented or who proposed appointment
Santiago Bergareche Busquet	Santiago Bergareche Busquet
Energay de Inversiones, S.L.	Enrique de Ybarra Ybarra
Gonzalo Soto Aguirre	Dolores Aguirre Ybarra and others
Casgo, S.A.	Casgo, S.A.
Mezouna, S.L.	Mezouna, S.L.
Onchena, S.L.	Doña María del Carmen Careaga Salazar
Valjarafe, S.L.	Valjarafe, S.L.

Total number of nominee directors	7
% of total Board	70

EXTERNAL INDEPENDENT DIRECTORS

Name or Company name of director	Profile
Fernando Azaola Arteche	Business
Miguel Antoñanzas Alvear	Business

Total number of independent directors	2
% of total Board	20

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.

The group has ordinary business relationships with entities in which independent directors hold director and/or management positions, Elecnor, S.A. (where Don Fernando Azaola Arteche is a director and/or manager) and Viesgo Energía, S.L. (where Don Miguel Antoñanzas Alvear is a director and/or manager)

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.

Name or Company name	Description of relationship	Declaration
Fernando Azaola Arteche	Supply of products and services from Elecnor, S.A or subsidiaries	These business relations (i) use contracts with standardized conditions, (ii) with generally established prices and tariffs, and (iii) are not of a significant amount.
Miguel Antoñanzas Alvear	Supply of electricity from Viesgo Energía, S.L or subsidiaries	

OTHER EXTERNAL DIRECTORS

None

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

Not applicable

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:

This includes only Doña Soledad Luca de Tena García-Conde, the representative of Valjarafe, S.L., a nominee director since 2012.

	Number of female directors				% of total directors of each type			
	2015	2014	2013	2012	2015	2014	2013	2012
Executive	0	0	0	0	0	0	0	0
Nominee	1	1	1	1	14.29%	12.25%	12.25%	12.25%
Independent	0	0	0	0	0	0	0	0
Other external	0	0	0	0	0	0	0	0
Total:	1	1	1	1	10%	8.33%	8.33%	8.33%

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.

Explain the measures
On 16 February 2015 the Appointments and Remuneration Committee unanimously approved a plan with targets for the representation of women on the Board, with the aim of achieving a balance between men and women on the Board.

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:

Explanation
The measures approved in the plan for targets of female representation in the Board implemented by the Appointments and Remuneration Committee include: ▪ When an Independent Director or an Executive Director is needed to fill a vacancy or to increase their number: o the selection procedure will not suffer from the implicit bias that is an obstacle to selecting women; o there will be a deliberate search for women with the right professional profile as potential candidates; and o when it comes to recommending to the Board the appointment of a Director, the need for a balance between men and women will be taken into consideration. ▪ When a Nominee Director is to be appointed, to replace a current director or because a new shareholder requests, the shareholder will be requested to bear in consideration the need for a balanced number of men and women.

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

Explanation
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.1.6 bis Explain the conclusions of the appointments committee about the verification of compliance with the selection policy for directors. In particular, about how this policy is promoting the target that in 2020 the number of female directors will represent at least 30% of the total members of the Board.

There have been no nominations enabling the Committee to verify compliance with its policy for selecting directors.

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 3% of share capital.

Not applicable

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:

Name of Director	Reason for departure
Rodrigo Echenique Gordillo	Don Rodrigo Echenique Gordillo resigned as Director on 17 February 2015, as a result of his assuming executive functions at Banco Santander and the incompatibilities with the Law of Regulating, Monitoring and Solvency of Credit Institutions.
Lima, S.L.	Lima, S.L. resigned as Director on 21 December 2015, as a result of the sale of their stake in the Company.

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

Name or Company name of director	Brief description
Luis Enríquez Nistal	As chief executive officer, he 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	Executive functions?
Luis Enríquez Nistal	Comeresa País Vasco, S.L.	Joint administrator	Yes
Luis Enríquez Nistal	Comeresa Prensa, S.L.	Joint administrator	Yes

Luis Enriquez Nistal	Corporación de Nuevos Medios Digitales, S.L.	Joint administrator	Yes
Luis Enriquez Nistal	Diario ABC, S.L.	Director	No
Luis Enriquez Nistal	Diario El Correo, S.A.	Director	No
Luis Enriquez Nistal	Federico Domenech, S.A.	Director	No
Luis Enriquez Nistal	Radio Publi, S.L.	Chairman and CEO	Yes
Luis Enriquez Nistal	Sociedad Gestora de Televisión Net TV, S.A.	Chairman	No

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 FERNANDO AZAOLA ARTECHE	ELECNOR, S.A.	CHAIRMAN
D. SANTIAGO BERGARECHE BUSQUET	FERROVIAL, S.A.	DEPUTY CHAIRMAN
D. SANTIAGO BERGARECHE BUSQUET	NMAS1 DINAMIA, S.A.	DEPUTY CHAIRMAN

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 29.3 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.1.15 State the total remuneration of the Board of Directors:

Remuneration of board of directors (thousand euros)	1,867
Accumulated pension rights of current directors (thousand euros)	0
Accumulated pension rights of former directors (thousand euros)	0

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

2,351 thousand euros

Name	Position(s)
Iñaki Arechabaleta Torróntegui	Director General of Business
Ana Delgado Galán	Director General ABC
Rafael Martínez De Vega	Director General of Cm Vocento
Joaquín Valencia Von Korff	CFO
Enrique Marzal López	Director of Internal Audit
Íñigo Argaya Amigo	Director General of HR and Organisation
Fernando Gil Lopez	Director General of Operations and Quality
Cristina Marín Conejero (From (1/3/2015)	Director General of Digital Strategy and Classifieds
Juan Luis Moreno Ballesteros (until 28/2/2015)	Director General of Digital Strategy
Manuel Campillo (from 1/3/2015 until 30/7/2015)	Director General of Communications and IR
Emilio Ybarra Aznar (until 11/2/2015)	Director General of Communications and IR

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.

Not applicable

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

Not applicable

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

Yes

Description of modifications
On 13 May 2015 the Board of Directors unanimously agreed to modify the Rules for the Board, to reflect changes in the law and good governance recommendations.

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 18 of the company bylaws, the designation of the directors corresponds to the AGM, the mandate will last for four 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, by the bylaws or the Rules for the Board.

The regulation of these procedures is found, in addition to the legislation, also in Article 18 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 annual assessment of the Board of directors has led to major changes in its internal organisation and the procedures applicable in its activity:

The assessment of the Board gave rise to no major changes in its internal organisation or the procedures applicable to its activities.

C.1.20.bis Describe the process of assessment and the areas assessed that the Board has carried out with the support if applicable of an external consultant, covering the diversity of its membership and competencies, the functioning and membership of its committees, the performance of the Chairman and the chief executive and the performance of each director.

In early 2015 the Board assessed its performance in 2014. Each Director filled in a form which covered the following areas: (i) Board of Directors, (ii) Risk Management, (iii) Planning and Strategy, (iv) Meetings of the Board, (v) Corporate Governance, (vi) Executive Committee, (vii) Audit and Compliance Committee and (viii) Appointments and Remuneration Committee. The result of this assessment was presented to the Board and noted in the minutes.

In early 2016, the process began of assessing the functioning of the Board in 2015, including the diversity of its membership and competencies, the functioning and membership of its committees, the performance of the Chairman and the chief executive and the performance of each director. The Board, following a report from the Appointments and Remuneration Committee, has decided not to hire an external consultant for support.

C.1.20.ter. State any business relations that the consultancy or any of its group companies maintains with the Company or any group company.

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

No

If applicable, describe the differences.

Not applicable

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

Areas where there is a casting vote
All

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

Chairman age limit	CEO age limit	Director age limit
No	**No**	**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.

There are no limitations as to the categories where delegation is possible, beyond the limitations laid down in the law.

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	10
Number of Board meetings without the Chairman	0

If the Chairman is also an executive director, indicate the number of meetings held without the presence or representation of any executive director and under the chair of the coordinating director.

Number of meetings	-

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

Number of meetings of the Executive Committee	4
Number of meetings of the Audit and Compliance Committee	7
Number of meetings of the Appointments and Remuneration Committee	5

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.

Number of meetings with all directors present	10
as a % 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:

No

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

Not applicable

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.

Yes

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

If the Secretary is not a director, complete the following table:

Name or company name of director	Representative
Carlos Pazos Campos	-

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.

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.

No specific mechanisms have been established to preserve the independence of financial analysts, investment banks and rating agencies.

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

Yes

Outgoing auditor	Incoming auditor
Deloitte, S.L.	PricewaterhouseCoopers Auditors, S.L.

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

No

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

	Company	Group	Total
Amount received for non-audit work (thousand euros)	5	53	58
Amount for non-audit work as a % of total billings from the audit firm	2.02	15.04	9.77

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	1	1
Number of years audited by the current firm/ number of years that the firm has been audited (%)	3.85%	3.85%

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

Yes

Detail of the procedure
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

Detail of the procedure
In accordance with Articles 20 and 26 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 credit or reputation of the company could be damaged:

Yes

Explain the rules
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, either for being prosecuted for those crimes established by Article 213 of the Law on Corporations or: 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.

The long-term syndicated financing agreement signed on 21 February 2014 awarded to the Company a maximum amount of €175,274,507, from nine financial institutions with Banco Bilbao Vizcaya

Argentaria, S.A. acting as the lead bank, contains a clause as a result of which in the event of a change of control at Vocento S.A. cancels the financing completely, in which case Vocento S.A. would have to pay back the full amounts due under the financing agreement. A change of control is understood as taking place when any individual or legal entity (including any current shareholder of Vocento S.A.) acting on an individual or concerted basis, acquires directly or indirectly more than 50% of the share capital or voting rights of Vocento, S.A., the right to appoint or replace more than half the members of the Board of Vocento, S.A. or the control of Vocento, S.A. according to the terms of Article 42 of the Commercial Code.

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 (EIGHT)
Type of beneficiary	**Description of the agreement**
Chief Executive Officer	The Chief Executive Officer has in his contract the right to compensation of three times the amount received in the previous 12 months if the labour relationship is terminated by Vocento with no justified reason.
Senior Management	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 plus the variable compensation of the last 12 months.
Other Managers	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

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

	Board of directors	Shareholder Meeting
Body authorising the clauses	Yes	No

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 executive, nominee, external and independent directors on them:

EXECUTIVE COMMITTEE

Name	Position	Type
Santiago Bergareche Busquet	Chairman	Nominee
Luis Enriquez Nistal	Member	Executive
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	17%
Nominee directors	4	67%
Independent directors	1	17%
Other external	0	0%

Indicate the functions attributed to this Committee, describe its procedures and rules of organisation and functioning, and summarise its most significant actions in the year:

Functions: To act as the delegated body of the Board of Directors

Procedures and rules for organisation and functioning: contained in Article 17 of the Rules for the Board, in particular:

- 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 and if the Board has a deputy secretary this person will also have that role at 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 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

Most important actions in the year: The Executive Committee met 4 times in 2015 to support the CEO, exercise the supervisory function delegated by the Board and review financial information in the months when the Board did not meet.

Indicate if the membership of the executive committee reflects the participation in the Board of the different types of director:

Yes

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Type
Miguel Antoñanzas Alvear	Chairman	Independent
Fernando Azaola Arteche	Member	Independent
Gonzalo Soto Aguirre	Member	Nominee
Valjarafe, S.L.	Member	Nominee

	Number	Percent
Executive directors	0	0%
Nominee directors	2	50%
Independent directors	2	50%
Other external	0	0%

Indicate the functions attributed to this Committee, describe its procedures and rules of organisation and functioning, and summarise its most significant actions in the year:

Functions: In general those allocated by Article 529 point 14 of the LSC and the Code of Good Governance for Listed Companies, as reflected in Article 18 of the Rules for the Board.
Procedures and rules for organisation and functioning: contained in Article 18 of the Rules for the Board, in particular:

- The Committee will consist of a minimum of three and a maximum of five external directors appointed by the Board. At least two of them will be independent and all of them and in particular the Chair will be appointed based on their experience and understanding in accounting, auditing, risk management or several of these areas. The Chair will be appointed by the Board from the independent directors 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, and if the Board has a deputy secretary that person will also be deputy secretary of the Committee.
- 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.
- All members of the Board will receive a copy of the minutes of the meetings of the Audit and Compliance Committee.

Most important actions in the year: The Audit and Compliance Committee met 7 times in 2015, and its main actions included: (i) monitoring the functioning of the SCIIF, (ii) reviewing the work of the external auditors, (iii) monitoring the internal audit plan, (iv) analysing the main tax issues at the Group, (v) reviewing financial information and other reports to the market, (vi) reviewing the independence of the external auditors, (vii) monitoring the Crime Prevention Plan, (viii) monitoring the management of business risks, (ix) approving the Code of Good Tax Practices, and (x) reviewing the Policy for Shareholder Relations and Communications.

Identify the director of the Audit Committee who has been appointed Chair as a result of their understanding and experience in accounting, auditing or both, and state the number of years that person has been Chair:

Name of experienced Director	D. Miguel Antoñanzas Alvear, D. Fernando Azaola Arteche, D. Gonzalo Soto Aguirre and Valjarafe,
Number of years as Chairman	1

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Fernando Azaola Arteche	Chairman	Independent
Miguel Antoñanzas Alvear	Member	Independent
Gonzalo Soto Aguirre	Member	Nominee
Mezouna, S.L.	Member	Nominee

	Number	Percent
Executive directors	0	0%
Nominee directors	2	50%
Independent directors	2	50%
Other external	0	0%

Indicate the functions attributed to this Committee, describe its procedures and rules of organisation and functioning, and summarise its most significant actions in the year:

Functions: In general terms those allocated by Article 529 point 15 of the LSC and Code of Good Governance for Listed Companies, and as reflected in Article 19 of the Rules for the Board of Directors.

Procedures and rules for organisation and functioning: contained in Article 19 of the Rules for the Board, in particular:

- The Committee will comprise of a minimum of three and a maximum of five external directors, appointed by the Board of Directors based on their understanding, skills and experience for these functions. At least two will be independent directors. The Chair must be an independent director and will be appointed by the independent directors of the Board. The Secretary of the Board will serve as secretary of the Committee, and if the Board has a deputy secretary that person will also be deputy secretary of the Committee.
- The members of this Committee will resign as soon as they resign as directors of the Board.
- The Appointments and Remuneration Committee must consult the Chairman and CEO, especially in matters concerning the executive directors and Senior Management.
- Any Company director may request the Appointment and Remuneration Committee to take into consideration potential candidates that they believe suitable for covering director vacancies.
- 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 conclusions of each meeting will be contained in minutes that will be sent to the Board in full and to each member of the Board.

Most important actions in the year: The Appointments and Remuneration Committee met 5 times in 2015, and its main actions included: (i) the review of the compensation system for the Directors and Chairman, (ii) the review of the fixed and variable compensation of the CEO and senior management, (iii) the preparation and monitoring of long-term incentive plans, (iv) reports about appointments to Committees of the Board and changes in the representatives of Directors, (v) monitoring organisational changes in business areas and in the Management Committee, (vi) the approval of annual reports in its area of competence, (vii), the approval of the plan for representation of women in the Board, (viii), monitoring succession planning, (ix), preparing a statute for advisory committees for local business, and (x) preparing an induction and training plan for Directors.

C.2.2. Complete the following table with information about the number of female directors who have been members of the Board of Directors at the end of the last four years:

	Number of female directors			
	2015 Number - %	2014 Number - %	2013 Number - %	2012 Number - %
Executive Committee	1 (16.67%)	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.2.5. 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.

The regulations for the committees can be found in the Rules for the Board, which is available on the group website, in the Shareholders and Investors section, at:

http://www.vocento.com/gobierno_reglamento_organizacion.php

In 2015 there was a modification to the Rules for the Board of Directors, in particular to reflect legislative changes and recent good governance recommendations concerning Commitees of the Board.

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

D.1. Explain the procedure for approving transactions with related parties and intra-group transactions.

Procedure for approving transactions with related parties
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.

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:

No significant transaction

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.

No significant transaction

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.

No significant transaction

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

None

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

48,867 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. Whenever 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), in writing to the Chair, making available as much information as they request to evaluate the circumstances of the case. Any person aware of a person with a conflict of interest must also inform the UCC about the situation. If the UCC sees a conflict of interest it 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, which will be consider the case and report to the Board of Directors about any decision, informing the UCC. 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.

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

No

Identify any subsidiaries listed in Spain:

Not applicable

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:

Not applicable

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

Not applicable

E.- RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Describe the scope of the company's risk management system, including tax risks.

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. This was implemented in 2015.

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

The Risks Committee is a 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. It is responsible for preparing regular risk reports, which are reviewed by the Risks Committee and the Audit and Compliance Committee.

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, including tax risks.

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 subject to special monitoring. In 2015 these were not altered. Listed below are the main risks in each of the six risk areas identified.

Strategic: Including mainly falls in advertising sales and circulation revenues, as well as actions from competitors.

Organisational: given the economic situation, includes the lack of ability to pursue growth and digital transformation, and talent retention.

Operational: these risks include not being able to reach tangible levels of quality in products or their distribution.

Compliance: principally covers compliance with internal and external norms and the risks of non-compliance, especially in terms of tax at the Group and a possible different interpretation of the rules by competent tax authorities, or those compliance risks derived from publishing and regulated sectors, with the risk of lawsuits and a loss of assets as detailed in the consolidated annual report of the Group.

Financial: including impacts in raising funds, such as access to financing, and delays and defaults in payments. Specifically, the sale of content and advertising is affected when consumption falls in a recession, while the existence of debt, although less than at competitors and with syndicated financing in place, requires some cash flows from operations to be used to meet payment obligations rather than be allocated to new investments or projects.

Technological: in particular IT security, as in addition to the risk of attacks on systems there is the risk of technological change requiring the media in general to invest in these areas.

E.4. State if the entity has a level of tolerance to risk, including tax 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, including tax risks, materialized in 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 consumption, and the migration of readers towards online formats. 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, including tax risks.

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 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 SYSTEMS FOR CONTROL AND MANAGEMENT OF RISKS IN THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (SCIIF)

Describe the mechanisms of the systems for risk control and management, in relation to the entity's procedure for issuing financial information (SCIIF).

F.1. The control environment of the entity

Indicate and describe the main characteristics of at least:

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 for the Board of Directors

On 13 May 2015 the Board of Directors approved a new version of the Rules for the Board, to bring it in line with the terms of the Law on Corporations.

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 6 of the Rules for the Board of Directors of Vocento refers to the general oversight function, and establishes the following functions of the Board which cannot be delegated:

- The formulation of the annual accounts and their presentation to the shareholder meeting.
- 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 of the Rules for the Board of Directors establishes that the Audit and Compliance Committee has the following responsibilities, among others:

- Supervising the effectiveness of the internal controls of the company, of the internal audit services and systems for controlling risks, including tax risks, and discussing with the auditor any significant weaknesses in the internal control system detected during the audit.
- Supervising the process of preparing and presenting the financial information required.
- Informing the Board in advance of all issues covered in the Law, Bylaws and Rules of the Board, in particular about:

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

b) It is also the responsibility of the Audit and Compliance Committee

- Monitoring the process of preparation of the financial information relating to the Company and the Group and ensuring its integrity, reviewing compliance with legal requirements, the accurate establishment of the consolidation perimeter and the correct application of accounting criteria.
- To ensure the Independence of the internal audit function
- Establishing and monitoring a mechanism which enables employees to communicate confidentially any irregularities of major import, especially financial and accounting irregularities, that they find in the Company.
- Ensure the independence of the external auditor and in the event of their resignation examining the conditions that led to it.

Article 41 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, in compliance with the Internal Rules of Conduct in Securities Markets at Vocento.

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 SCIIF), approved 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, approved 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 date. 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.

In 2015 management were treated to a communications and information plan, and it is expected that in 2016 all employees will be trained, segmented by category 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 any financial or accounting irregularities.

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.

In the year, training and regular updates were provided to personnel involved in preparing and reviewing financial information and in assessing the SCIIF, in the following subjects:

- Norms for recording fixed assets.
- Norms for recording payables.
- Valuation of companies.
- Recording Corporation Tax.
- Tax update: tax developments in Spain and the Basque Country for the 2015 tax year.
- Introduction to auditing.
- Basics of Internal Control: new COSO.

Some forty people attended the courses from Vocento departments including Financial Planning, Financial Administration, Shared Services, and all the Financial Directors of group companies.

F.2 Assessment of risks of financial information

State at the 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

Vocento has formally implemented a risk management system for financial information based on the principles and good practices of the reference document and the supporting information of the CNMV in the document "Internal control over financial information at listed companies" and in the company's own Norm for the internal control system for financial information (SCIIF), which is formalised and supported by its own IT system.

- 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.

<u>Objectives</u>

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:

- Accuracy
- 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.

This risk assessment is monitored by the Audit and Compliance Committee.

- **The existence of a process for identifying the consolidation perimeter, including, among others, the possible existence of complex company structures, instrumental entities or 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, tax, 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.

The process also considers the effects of tax risks, inasmuch as they may affect financial information, and as a result of this assessment a series of additional controls has been processed for the tax process.

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

Universe of risks

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, such as technological and tax risks.

The body 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. 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, internal audit carries out tests on a sample of controls and draws conclusions about the effective coverage of risks. 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 and with varying frequencies in order 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 will report any instance in which the control has not been carried out or in which significant incidents have been detected during the execution.

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 correct functioning 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 spreadsheets 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, hypotheses 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 system of certifications 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 full 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 2015, there was an upgrade of the Management System for Information Security (SGSI), redefining the existing 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 project also includes the review of 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

State, including the main characteristics, at least the following:

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, in accordance with the Rules for the Board of Directors of Vocento and the legislation in force:

a) Supervision of the regulated 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 communication 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.

Internal audit carries out a review of the SCIIF controls in each reporting period 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 reported 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 resolve 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 The report of the external auditor

State:

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.

The 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. In addition, the external auditor enjoys full access to the IT support system of the SCIIF to assist them in carrying out their auditing work.

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.

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.

Not applicable

3. That during the ordinary shareholder meeting, as a complement to the distribution of the annual corporate governance report, the Chairman of the Board will orally inform shareholders in sufficient detail about the most relevant aspects concerning corporate governance at the company, in particular:

a) Of the changes that have taken place since the previous AGM.

b) Of the specific reasons why the Company does not follow a recommendation of the Code of Corporate Governance and of any alternative rules applied in this area.

Compliant

4. That the company defines and supports a policy for contacting and communicating with shareholders, institutional investors and proxy advisors, which is fully compliant with all laws on market abuse and on an equal treatment for shareholders in the same position.

And that the company publishes this policy on its website, including information about how it has been put into practice, identifying the representatives responsible for implementing it.

Compliant

5.That the Board does not submit to the approval of the shareholder meeting a proposal for delegating powers for the issue of shares or convertible securities without preferential subscription rights, for an amount more than 20% of capital at the time of the delegation.

And that when the Board approves any issue of shares or convertible securities without preferential subscription rights, the company immediately publishes on its website the reports about this exclusion as referred to in commercial law.

Compliant

6. That listed companies prepare the reports cited below, either obligatorily or voluntarily, and publish them on their website with sufficient time before the date of the AGM, although this distribution may not be obligatory:

a) A report about the independence of the auditor.

b) Reports about the functioning of the audit committee and appointments and remuneration committee

c) A report from the audit committee about transactions with related parties

d) A corporate social responsibility report

Compliant

7. That the Company broadcasts live on its website the general shareholder meetings.

Compliant

8. That the Audit Committee aims to ensure that the Board of Directors presents the accounts to the General Meeting without reservations or qualifications in the auditor's report, and in the event of any qualifications in exceptional circumstances, both the Chairman of the Audit Committee and the auditors will clearly explain to shareholders the content and scope of these.

Compliant

9. That the company publishes on its website, and permanently, the requirements and procedures that will be accepted to confirm ownership of shares, the right of attendance at the AGM and the exercise or delegation of the vote.

And that these requirement and procedures will support the attendance and exercise of their rights by shareholders and will be applied in a non-discriminatory way.

Compliant

10. That when any legitimate shareholder has exercised before the general shareholder meeting the right to complete the order of the day or present new proposals for agreement, the company:

a) Immediately publishes these complementary points and new proposals for agreement.

b) Publishes the attendance and proxy voting forms or distance voting forms with the modifications needed so that the new points or proposals can be voted, just as the proposals of the Board of Directors.

c) Submits alternative points or proposals for voting with the same voting rules as the points proposed by the Board, in particular any presumptions or deductions about each vote.

d) Following the general shareholder meeting, publishes the voting results for these complementary points and alternative proposals.

Not applicable

11. That in the event the company pays bonuses for attending the shareholder meeting, it establishes in advance a general policy about these payments and that this policy is stable/

Not applicable

12. That the Board of Directors carries out its functions with a single unified purpose and independent judgement, treating the same all shareholders in the same condition, guided by the social interest of achieving a business that is profitable and sustainable in the long term, and aims to ensure the company's continuity and maximize the value of the business.

And in the search for social interest, as well as respecting laws and regulations and behaving with good faith, ethics and respect for commonly accepted good practices and uses, it aims to reconcile this social interest with the corresponding legitimate interests of employees, suppliers, clients and other stakeholders who may be affected, as well as with the impact of the Company on society generally and on the environment.

Compliant

13. That the Board has the scale need for an effective and participatory functioning, which between five and fifteen members advisable.

Compliant

14. That the Board of Directors approves a policy for selecting directors which:

a) Is specific and verifiable.

b) Ensures that proposals for appointment or re-election are based on a prior analysis of the needs of the Board.

c) Favours diversity of knowledge, experience and gender.

That the result of the prior analysis of the needs of the Board is provided in a report from the appointments committee which is published when the general shareholder meeting is called and at which is submitted for ratification the appointment or re-election of each director.

And that the director selection policy supports the goal that in 2020 the number of female directors will represent at least 30 of the total number of members of the Board.

The appointments committee will verify annually compliance with the director selection policy and will include this in the annual corporate governance report.

Compliant

15. That external nominee directors and independent directors represent an ample majority of the board, and that the number of executive directors reaches the minimum necessary, based on the complexity of the group and the participation of executive directors in the company's capital.

Compliant

16. That the percentage of nominee directors in the total of non-executive directors is not greater than the proportion between the share capital represented by these directors and the rest.

This measure may be relaxed:

a) In large capitalisation companies with few stakes that may legally considered to be significant.

b) For companies where a plurality of shareholders are represented on the Board, with no links between them.

Compliant

17. That the number of independent directors represents at least half of the total of directors.

That, nevertheless, when the Company does not have a large capitalisation or is a large cap but with one shareholder, or several acting together, with more than 30% of share capital, the number of independent directors represents at least one third of the total.

Explain

Given the high level of participation of nominee directors, without there being a relationship between them, there are two independent directors, representing 22.2% of the total number of directors.

18. That companies publish on their website and maintain updated the following information about their directors:

a) A professional profile and biography.

b) Other Boards of Directors to which they belong, at either unlisted or listed companies, as well as other remunerated activities of any nature.

c) The category of director to which they belong, indicating for nominee directors the shareholder they represent or with whom they are connected.

d) The date of their first appointment as director and of subsequent re-elections.

e) Company shares and options on them they hold.

Compliant

19. That in the annual report on corporate governance, following verification from the appointments committee, reasons are given why nominee directors have been appointed at the bidding of shareholders with a stake of less than 3%, also with reasons given why formal requests for a presence on the board from shareholders with a stake that is equal to or higher than others who are nominee directors have not been heeded.

Not applicable

20. That nominee directors resign when the shareholder they represent fully transfers their shareholding, and that when a shareholder reduces their shareholding to a level which requires a reduction in the number of nominee directors they carry this out correspondingly.

Not applicable

21. That the Board of Directors does not proposes the dismissal of any independent director before the completion of the period laid down in the by-laws, except when there exists just cause as approved by the Board following a report from the appointments committee. In particular, just cause will be seen to exist when the director takes up new positions or assumes new obligations that prevent him from fulfilling the duties inherent in the position or when the director is in circumstances that mean he is no longer independent, in accordance with the legislation applicable.

Independent directors may also be dismissed as a consequence of takeover bids, mergers or other similar corporate transactions which lead to a change in the share capital structure, when these changes in the structure of the Board follow the principles of proportionality of recommendation 16.

Compliant

22. 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 corporate law, 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.

Compliant

23. 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.

Not applicable

24. 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.

Compliant

25. That the appointments committee ensures that non-executive directors have enough time to carry out their functions correctly.

And that the rules for the Board establish a maximum number of companies where they may be directors.

Compliant

26. That the Board meets frequently enough to perform its functions with effectiveness, and at least eight times per year, 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.

Compliant

27. That directors are absent only when essential, and these are listed in the Annual Report on Corporate Governance. And that if proxy representation is indispensable, it is granted with instructions.

Compliant

28. 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.

Not applicable

29. That the company established by which directors can obtain advice needed to carry out their function, including if required by circumstances external advice paid by the company.

Compliant

30. That, independently of the knowledge required of directors for the exercise of their functions, the companies also offer a programme updating their knowledge when circumstances so advise.

Compliant

31.That the order of the day of meetings clearly indicates those points where the Board must adopt a decision or come to agreement, so that directors can study before hand the information needed for this.

When exceptionally and for reasons of urgency, the Chairman wants to submit for approval to the Board decisions or agreements not in the order of the day, this will require the express consent of the majority of directors present, and this will be stated in the minutes.

Compliant

32. That directors are regularly informed of any movements in share ownership and of the opinion of the company and its group held by significant shareholders, investors and rating agencies.

Compliant

33. That the Chairman, who is responsible for the effective functioning of the Board, as well as exercising the functions allocated to him by law and by-law, prepares and submits to the Board a programme of dates and business to discuss; organises and coordinates the regular assessment of the Board and if applicable of the chief executive; is responsible for the management of the Board and its effective functioning; ensures that enough time is dedicated to discussing strategic issues, and approves and reviews the programmes for updating the knowledge of each director when circumstances recommend this.

Compliant

34. That when there exists a coordinating director, the by-laws or rules for the Board, as well as the powers legally allocated, attribute the following: chairing the Board when the chair is absent and the deputies absent, if there are any; note the concerns of non-executive directors; maintain contacts with investors and shareholders to understand their perspective and their concerns, in particular about corporate governance at the company, and coordinate the succession plan for the Chairman.

Not applicable

35. That the Secretary of the Board takes special care that the actions and decisions of the Board take into consideration the Recommendations of good governance contained in this Code which are applicable to the company.

Compliant

36. That the Board of Directors in full assesses once a year and adopts if needs be an action plan to correct any deficiencies detected in:

a) The quality and efficiency of the functioning of the Board

b) The functioning and membership of its committees

c) The diversity of the membership and competencies of the Board

d) The performance of the Chairman of the Board and the chief executive

e) The performance and contribution of each director, paying special attention to those responsible for the various Board committees

To assess the various committees, the basis will be the reports they submit to the Board and the report of the appointments committee.

Every three years, the Board will be supported in the assessment by an external consultant, whose independence will be verified by the appointments committee.

The business relations that the consultant or any company of his group maintains with the company or any group company must be disclosed in the annual report on corporate governance.

The process and the areas assessed will be described in the annual report on corporate governance.

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.

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 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, and that the majority of members are independent directors.

Partly compliant

The Audit Committee consists of four members, two of whom, including the Chairman, are independent.

40. That there is an internal audit function which, under the supervision of the Audit Committee, monitors the good performance of the information systems and internal control systems and reports to the non-executive chair of the Board or of the Audit Committee.

Compliant

41. 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

42. That it corresponds to the Audit Committee, in addition to the functions established by the law, the following functions:

1. Concerning information and internal control systems:

a) Monitoring the process of preparation of the financial information relating to the Company and the Group and ensuring its integrity, reviewing compliance with legal requirements, the accurate establishment of the consolidation perimeter and the correct application of accounting criteria.

b) Ensuring the independence of the internal audit unit; proposing the selection, appointment, re-appointment and dismissal of the person responsible for internal audit; proposing the Budget for this service; approving its direction and work plans, and ensuring that its activity is focused mainly on the relevant risks of the Company; receiving regular information about its activities; and verifying that Senior Management consider the conclusions and recommendations of its reports.

c) Establishing and monitoring a mechanism which enables employees to communicate confidentially and if possible and appropriate, anonymously, any irregularities of major import, especially financial and accounting irregularities, that they find in the Company.

2. Concerning the external auditor:

a) In the event that the external auditor resigns, to examine the circumstances which led to this.

b) Make sure that the compensation of the external auditor for their work does not compromise their quality or independence.

c) Ensure that the company publishes as a relevant fact to the Comisión Nacional del Mercado de Valores any change in auditor, accompanying this with a statement clarifying any disagreements with the auditor.

d) Ensure that the external auditor holds an annual meeting with the full Board of Directors to discuss the work carried out, the accounting situation and the risks at the company.

e) 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.

Compliant

43. 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

44. That the Audit Committee is informed about any transactions of structural or corporate modifications that the Company is planning for analysis and for its prior report to the Board about the financial conditions, accounting impact and in particular, if applicable, the swap ratio proposed.

Not applicable

45. That the policy for controlling and managing risks identifies at least:

a) the various types of risks (operational, technological, financial, legal, social, environmental, political, 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.

Compliant

46. That under the direct supervision of the Audit Committee or any specialist committee of the Board, there is an internal function for controlling and management the risks, managed by a unit or internal department at the Company with the following functions expressly attributed to it:

a) Ensure the smooth functioning of control systems and risk management, and in particular identify, manage and quantify the major risks that affect the company.

b) Participating actively in preparing the risks strategy and in important management decisions.

c) Ensuring that control systems and risk management adequately mitigate risks as part of the policy defined by the Board.

Compliant

47.

That members of the appointments and remuneration committee – or of the two separate committees if applicable – are appointed on the grounds of their understanding, skills and experience for the functions they are called on to carry out, and that the majority of members are independent directors.

Partly compliant

The Appointments and Remuneration Committee consists of four members, two of whom, including the Chairman, are independent.

48. That large cap companies have separate appointments and remuneration committees.

Not applicable

49. 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

50. That the appointments committee carries out its functions with independence and that as well as those functions it has under law also carries out the following:

a) Proposing to the Board the basic conditions of contracts for senior managers.

b) Confirming the observance of the remuneration policy established by the company.

c) Regularly reviewing the remuneration policy applied to directors and senior managers, including compensation paid with shares and its application, and guaranteeing that individual compensation is proportionate to that paid to other directors and senior managers at the company.

d) Ensuring that any conflicts of interest do not jeopardise the independence of the external advice provided to the Committee.

e) Verifying the information about the compensation of directors and senior management contained in corporate documents, including the annual report about the remuneration of directors.

Compliant

51. 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

52. That the rules of membership and functioning of the committees of supervision and control are included in the rules for the Board and are consistent with those applicable to legally obligatory committees, those mentioned in other recommendations, including:

a) That they consist exclusively of non-executive directors, with a majority of independents.

b) That their chairs are independent directors.

c) That the Board appoints members of these committees on the grounds of their understanding, skills and experience for the functions of each committee, considers their proposals and reports and that the committees report to the full Board following their meetings about their activity, with a response to their work.

d) That the Committees can receive external advice when they consider it necessary to carry out their functions.

e) That minutes are taken of their meetings and made available to all directors.

Not applicable

53. That the supervision of compliance with corporate governance rules, internal codes of conduct and the corporate social responsibility strategy is allocated to one committee or distributed among several committees of the Board, which may be the audit committee, appointments committee, corporate social responsibility committee, if it exists, or a specialist committee that the Board of Directors, in the exercise of their powers of self-organisation, decides to create for this purpose, with the following specific functions as a minimum:

a) The supervision of compliance with internal codes of conduct and corporate governance rules at the company.

b) The supervision of the strategy for communicating and relations with shareholders and investors, including small and medium shareholders.

c) The regular assessment of the appropriateness of the company's corporate governance, in order to comply with the mission of defending social interest, taking into consideration the corresponding legitimate interests of other stakeholders.

d) The review of the company's corporate social responsibility policy, ensuring that it is focused on value creation.

e) Monitoring the strategy and practices of corporate social responsibility and assessing the level of compliance.

f) Supervising and monitoring the processes of stakeholder relations.

g) The assessment of everything related to non-financial risks at the company, including operational risks, technological, legal, social, environmental, political and reputational.

h) Coordinating the process of reporting non-financial information and diversity information, in accordance with applicable norms and international reference standards.

Compliant

54. That the corporate social responsibility policy includes the principles or commitments that the company assumes voluntarily with various stakeholders, identifying at least:

a) The aims of the corporate social responsibility policy and the development of supporting instruments.

b) The corporate strategy for sustainability, the environment, and social issues.

c) Specific practices in issues related to: shareholders, employees, clients, suppliers, social questions, the environment, diversity, tax responsibility, respect for human rights and the prevention of illegal behaviour.

d) Methods or systems for monitoring the results of the application of the specific practices noted above, their associated risks and the management of these.

e) Mechanisms for supervising non-financial risks, ethics, and business conduct.

f) Channels for communication, participation and dialogue with stakeholders.

g) Responsible communication practices which avoid manipulated information and defend integrity and honour.

Compliant

55. That the Company reports in a separate document or in the management report about issues related to corporate social responsibility, using for this purpose an internationally accepted methodology.

Compliant

56. That the remuneration of directors is enough to attract and retain directors of the desired profile and to compensate for the dedication, qualification and responsibility required of the position, but not so high as to affect the independence of judgement of the non-executive directors.

Compliant

57. That variable compensation linked to the performance of the Company and personal performance is limited to executive directors, as well as remuneration in shares, options, rights on shares or securities benchmarked to the share price, and long term savings mechanisms such as pension plans, retirement plans or other social welfare systems.

Shares may be delivered as compensation to non-executive directors when they are required to hold onto them until they are no longer directors. This will not apply to those shares the director may need to sell to meet the costs related to the acquisition.

Compliant

58. That in the area of variable remuneration, the compensation policies of the company incorporate the limits and technical cautions needed to ensure that they are related to the professional performance of their beneficiaries and not only from the general performance of the markets, the sector of the company, or other similar circumstances.

In particular, that the variable components of remuneration:

a) Are linked to predetermined performance criteria that are measurable, and that these criteria consider the risks involved in obtaining a result.

b) Support the sustainability of the Company and include non-financial criteria that are appropriate for long-term value creation, such as compliance with the rules and internal procedures of the company and its policies for risk control and management.

c) Are based on a balance between meeting short, medium, and long-term targets, hence enabling the remuneration of a confirmed performance over enough time to appreciate a contribution to sustainable value creation, so that the factors determining the variable remuneration are not based only on one-off, occasional or extraordinary events.

Compliant

59. That the payment of a relevant part of the variable components of remuneration is deferred for a minimum time enough such that it can be proved that the previously established conditions for payment have been met.

Compliant

60. That remuneration that is related to Company results takes into consideration any qualifications in the external auditor's report that reduces these results.

Compliant

61. That a relevant percentage of the remunerable variation of the executive directors is linked to the award of shares or financial instruments benchmarked to their value.

Not applicable

62. That once they have been awarded the shares or options or rights to shares corresponding to the remuneration systems, directors may not transfer the ownership of a number of shares equivalent to twice their fixed annual remuneration, nor exercise the options or rights until at least three years after the award.

This does not apply when the director needs to make a sale to satisfy the costs related to the acquisition.

Not applicable

63. That contractual agreements include a clause permitting the Company to claw back the variable components of remuneration when the payment has not been adjusted to the conditions of the performance of when they have been paid on the grounds of data that have subsequently been proved to be inaccurate.

Compliant

64. That payments for the termination of a contract do not exceed an amount equivalent to two years of total annual remuneration and are not made until the company has been able to prove that the director met the previously established performance criteria.

Partly compliant

The Chief Executive Officer has in his contract a clause giving him the right to compensation of three years of his total annual remuneration.

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 entity or the group, detail them briefly here.

On 28 April 2015 there was a change to the physical personal representative of the director Mezouna, S.L., with D. Santiago Ybarra Churruca leaving the position and D. Ignacio Ybarra Aznar assuming it.

On 18 January 2016 Casgo, S.A. resigned as director.

2. In this section, the company may also 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.

Not applicable.

3. The company may also indicate if it has voluntarily signed up to other codes of ethical principles or good practices, whether internationally, for its sector, or any other. If so, identify the code in question and the date of joining. In particular, state if the company signed up to the Code

of Good Tax Practices of 20 July 2010.

On 27 July 2015, on the proposal of the Audit and Compliance Committee, the Board of Directors approved the Code of Good Tax Practices of Grupo Vocento.

Indicate if any directors voted against or abstained from the approval of this report.

No

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This Annual Corporate Governance Report for Vocento for the year ending 31 December 2015 was unanimously approved by the Board of the company at its meeting on 23 February 2016, following a favourable report from the Audit and Compliance Committee at its meeting of 22 February 2016.

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ANNUAL REPORT OF ACTIVITIES

OF THE AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

2015

Approved by the Audit and Compliance Committee on 22 February 2016
Ratified by the Board of Directors on 23 February 2016

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ANNUAL REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

END DATE OF REFERENCE YEAR: 31/12/2015

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 18.8 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 ANTECEDENTES

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, the functions and composition of the Committee has changed following a modification to the Rules for the Board in May 2015, in response to changes to the Law on Corporations by Law 31/2014 of 3 December, which aims to improve corporate governance, as well as the approval of the Code of Good Governance by the CNMV in February 2015.

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 two members must be independent directors.

The Chairman will be appointed by the independent directors of 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. Miguel Antoñanzas	19 January 2015	Independent
Directors	**Appointment**	**Type**
D. Gonzalo Soto	12 June 2012	External, nominee
D. Fernando Azaola	19 January 2015	Independent
VALJARAFE, S.L.	12 June 2012	External, nominee

On 21 December 2015, Lima S.L. resigned as a Director and hence as a member of the Audit and Compliance Committee, following the sale of its stake in the company. As a result, the Committee has since then consisted of the four members indicated.

All members of the Audit and Compliance Committee are External Directors. Furthermore, in compliance with the 39 recommendations of the Code of Good Governance for Listed Companies, all members of the Committee have training and experience in accounting, auditing or risk management.

The Secretary, D. Carlos Pazos, 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. Likewise, the Deputy Secretary, D. Pablo Díaz Gridilla, is Deputy Secretary of the Board, in accordance with this article.

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 of the Law on Corporations:

4.1 GENERAL FUNCTIONS

- Informing the Shareholder Meeting about the issues raised there that fall within the Committee's area of concern.
- Monitor the effectiveness of the internal controls of the Company, as well as internal audit, the system for managing risks including fiscal risks, and discussing with the auditor any significant weaknesses in the internal control system detected in the course of the audit.
- Monitoring the process of preparation and presentation of the financial information required by law.

- Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract, and regularly receiving information about the audit plan and its implementation, as well as preserving independence in these functions.
- Establish the appropriate relations with the external auditor for receiving information about those matters that may jeopardise the auditor's independence, to be examined by the Committee, and any other matters related to the audit, as well as any other communications established by auditing law and norms. The Committee will receive each year from the external auditor a declaration of independence from the entity and entities related to it directly or indirectly, as well as information about additional services of any other class provided by the auditor or related people or entities, in accordance with the legislation on auditing accounts.
- Publish each year prior to the publication of the audit of the accounts a report expressing an opinion about the independence of the auditor. This report must contain a valuation of the additional services mentioned in the previous point, broken down individually and also overall, apart from the legal audit service, as related to the status of independence and the norms governing audits.

- Informing the Board of Directors in advance about all the matters addressed by the Law, By Laws and Rules for the Board, in particular about:
  - a) the financial information that the Company must regularly publish
  - b) the creation or acquisition of stakes in special purpose vehicles or entities based in countries or territories considered to be tax havens which will only be posible when other fair and equivalent alternatives do not exist and which comply with the laws and good tax practices applicable to the Group; and
  - c) transactions with related parties.

4.2 SYSTEMS FOR INFORMATION AND INTERNAL CONTROL

- Monitoring the process of preparation of the financial information relating to the Company and the Group and ensuring its integrity, reviewing compliance with legal requirements, the accurate establishment of the consolidation perimeter and the correct application of accounting criteria.
- Ensuring the Independence of the internal audit unit; proposing the selection, appointment, re-appointment and dismissal of the person responsible for internal audit; proposing the Budget for this service; approving its direction and work plans, and ensuring that its activity is focused mainly on the relevant risks of the Company; receiving regular information about its activities; and verifying that Senior Management consider the conclusions and recommendations of its reports.
- Establishing and monitoring a mechanism which enables employees to communicate confidentially any irregularities of major import, especially financial and accounting irregularities, that they find in the Company.

4.3 EXTERNAL AUDITOR

- In the event that the external auditor resigns, to examine the circumstances which led to this.
- Make sure that the compensation of the external auditor for their work does not compromise their quality or independence.
- Ensure that the Company publishes as a relevant fact to the Comisión Nacional del Mercado de Valores any change in auditor, accompanying this with a statement clarifying any disagreements with the auditor.
- Ensuring that the external auditor holds an annual meeting with the full Board of Directors to discuss the work carried out, the accounting situation and the risks at the Company.
- 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.

4.4 SUPERVISION OF COMPLIANCE WITH CORPORATE GOVERNANCE RULES, INTERNAL CODES OF CONDUCT AND THE CORPORATE RESPONSIBILITY STRATEGY

- Monitoring compliance with internal codes of conduct and corporate governance rules.
- Monitoring the communications strategy and the investor relations strategy, including small and medium shareholders.
- The regular assessment of the company's corporate governance system, and how it complies with its missions of supporting social interest and reflect the legitimate interests of stakeholders.
- The review of the company's corporate responsibility policy, ensuring it is focused on the creation of value.
- Monitoring the strategy and practices of corporate social responsibility and evaluating the level of compliance.
- Supervising and evaluating the processes of relations with the various stakeholders.
- Evaluating everything that concerns non-financial risks at the Company, including operational risk, technological, legal, social, environmental, political and reputational.
- Coordinating the process of reporting non-financial information and diversity information in accordance with applicable norms and international standards.
- Providing the Board with information about the tax policies and criteria applied by the Company, and about the level of compliance with good tax practices at the Group.
- Publishing the reports and implementing the actions that the Board or Chairman request from it in the exercise of its functions.

5. ACTIVITIES UNDERTAKEN IN 2015

5.1. MEETINGS

In 2015 the Audit and Compliance Committee met on seven (7) occasions, on the following dates:

1) 27 January 2015
2) 23 February 2015
3) 11 May 2015
4) 24 June 2015
5) 23 July 2015
6) 10 November 2015
7) 15 December 2015

The following section summarizes the issues discussed, agreements reached and recommendations made by the Audit and Compliance Committee:

MEETING OF 27 JANUARY 2015

- Assessment of the remuneration of the Internal Audit Director.

- Report from the external auditors with preliminary conclusions about 2014.
- Further information about the Internal Audit Plan for 2014 and 2015.
- Demonstration of the functioning of the SCIIF.
- Description of the process of circulation sales at the Group.

MEETING OF 23 FEBRUARY 2015

- Report from account auditors about the annual accounts of Vocento and the consolidated group for 31 December 2014.
- Report from account auditors confirming their Independence from the Group and dependent bodies, plus information about additional services provided.
- Analysis of the main tax aspects of the Group.
- Presentation of the regular public financial information to be sent to the CNMV and the market for 31 December 2014.
- Report about the functioning and effectiveness of the SCIIF controls in the fourth quarter of 2014.
- Proposed Annual Report from Internal Audit 2014.
- Proposed formulation of the Annual Accounts of Vocento and the consolidated group for 31 December 2014.
- Proposed Annual Report of Activities of the Audit and Compliance Committee for 2014.
- Proposed Annual Corporate Governance Report for 2014.
- Report from the Committee with an opinion about the independence of the auditors and the delivery of additional services.
- Analysis of self-assessment of the Committee for 2014.

MEETING OF 11 MAY 2015

- Information from the external auditors about internal control recommendations for 2014.
- Monitoring of the Internal Audit Plan 2015.
- Monitoring of the implementation of the Crime Prevention Plan.
- Functioning of the SCIIF in the first quarter of 2015.
- Risk Management report for the first quarter of 2015.
- Presentation of the regular public financial information to send to the CNMV and to the market, for the first quarter of 2015.
- Review and proposed approval of the new Rules for the Board of Directors.
- Delivery to the external auditors of the Limited Review of accounts to 30 June 2015.

MEETING OF 24 JUNE 2015

- Presentation of the Audit Plan of PriceWaterhouseCoopers.

- Explanation of the implementation of the project for outsourcing the Ethics Channel portal.

MEETING OF 23 JULY 2015

- Report from the external auditor about the limited review of consolidated financial information for 30 June 2015.
- Approval of the Code of Good Tax Practices.
- Presentation of the regular public financial information to send to the CNMV and to the market, for the second quarter of 2015.
- Functioning of the SCIIF in the second quarter of 2015.
- Accounting of *media for equity* operations.
- Monitoring of the Internal Audit Plan 2015 – Management and Control of tax risks.
- Outsourcing of the Ethics Channel.
- Update about the implementation of the Crime Prevention System.

MEETING OF 10 NOVEMBER 2015

- Functioning of the SCIIF in the third quarter of 2015.
- Presentation of the regular public financial information to send to the CNMV and to the market, for the third quarter of 2015.
- Risk Management Report; presentation of the new format.
- Status of the corporate simplification process.
- Proposal for corporate credit cards.
- Policy for shareholder relations and communications.
- Agreement to appoint Comeresa Prensa, S.L.U. as representative of the tax group in Spain, in accordance with the law on corporation tax.
- Monitoring of Internal Audit Plan for 2015.
- Plan for implementation of the Crime Prevention Plan 2015.

MEETING OF 15 DECEMBER 2015

- Report from the external auditors with preliminary conclusions about the review of the consolidated financial statements for 30 September 2015.
- State of implementation of the Crime Prevention Plan 2015.
- Proposed Corporate Social Responsibility policy at Vocento.
- Annual assessment of the risks of the SCIIF corresponding to 2015.
- Monitoring of recommendations of Internal Audit.
- Proposed Internal Audit Plan and Budget for 2016.
- Proposed organisational structure for tax issues.

The Chairman of the Audit and Compliance Committee informed the Board about the main business discussed in the meetings held, and the Secretary of the Committee and Board prepared minutes of each meeting which were sent to all Directors immediately for their approval.

Various managers appeared at the Committee in the year, including the Chief Financial Officer and the Internal Auditor.

The external auditor participated in the meetings of the Audit Committee, when requested to, providing information about the development and results of the audits.

5.2 ASSESSMENT

In 2015, 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.

5.3 FINANCIAL INFORMATION

The Audit and Compliance Committee reports to the Board prior to its approval of the financial information that Vocento must publish regularly.

Consequently it monitors the process of preparing and guaranteeing financial information and ensures compliance with legal requirements, and the correct application of the consolidation perimeter and accounting standards.

In these tasks it has been supported by the financial department and the internal and external auditors.

The Committee in the various meetings of the the year has reviewed:

- The Regular Public Financial Information to send to the CNMV and to the market, following a report from internal audit about the effectiveness of SCIIF controls, ensuring that the quarterly and half-yearly reports are prepared in accordance with the same principles, criteria and professional practices as the annual report and with the same level of accuracy.
- The report from the external auditors following the limited review of the consolidated financial information to June.
- The proposal for the formulation of the Annual Accounts of Vocento and the consolidated group.
- The report from the external auditors about the preliminary conclusions of the review of consolidated financial statements to September.
- The report from the external auditors about the annual accounts of Vocento and the consolidated group.
- The report from the external auditors about internal control recommendations for the year.

5.4 EXTERNAL AUDITOR

The Audit and Compliance Committee must regularly receive from the external auditor information about the audit plan and its implementation and preserve their independence in these processes. In the year it undertook the following activities in this area:

- Received a report from the account auditors confirming their independence from the Company and dependent entities, as well as information about additional services provided.
- Prepared a report expressing an opinion about the independence of the account auditors and the delivery of additional services.
- Requested from the external auditors a limited review of the consolidated half-yearly accounts to June.
- Received information about the Audit Plan from the external auditor.

5.5 INTERNAL AUDIT

5.5.1 Supervision of the function

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.

Its competencies are established by the Internal Audit Statute approved by the Audit and Compliance Committee, approved by the Chairman of the Audit and Compliance Committee.

Complying with its responsibilities for supervising internal audit services, the Audit and Compliance Committee carried out an assessment of the performance of the director of internal audit, including an assessment of the compensation corresponding to 2014.

5.5.2 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 2015 and the budget.

The Internal Audit Plan for 2015 was practically fully implemented. The Plan included specific reviews of the controls of the SCIIF, in each financial reporting period to the market and to the regulator. All components of the internal control system for financial information were reviewed, enabling overall conclusions to be drawn about the effectiveness of the SCIIF, in accordance with the international COSO standard.

In addition, another objective of the audit plan, included in the Strategic Plan for Internal Audit, was to ensure compliance with the increasing responsibilities of the Audit and Compliance Committee, in the area of corporate governance and the supervision of risk control and management, increasing as a result of new legislation. Internal audit reviewed the adaptation of the Rules for the Board of Directors of Vocento, with the requirements of the Law on Corporations and the Code of Good Governance for Listed Companies, as part of the responsibilities and functions of the Audit and Compliance Committee.

Internal Audit, as the third line of defence (1) has developed a global assurance map for Vocento, detailed the coverage of the relevant risks that have been identified by the risk management system, indicating the controls in place for their mitigation and the areas responsible for managing these controls – the second line of defence – which provides the universe of processes and controls for internal audit to review.

5.5.3 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.

5.5.4 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.

Internal Audit has carried out its work with the independence required and there has been a satisfactory level of cooperation from managers and employees, with no relevant incidents or any difficulties in accessing information or people; information channels functioned correctly.

5.6 SYSTEMS FOR RISK MANAGEMENT AND CONTROL

5.6.1 Risk Management System

The Audit and Compliance Committee is responsible for ensuring the effectiveness of internal controls and risk management systems, including tax risks.

Vocento has implemented a risk management system which aims to enable understanding and oversight of the risks to which the Company is exposed, aligning business objectives, the risks identified, response measures and the controls established, in order to minimize the impact of any of these risks materializing.

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1 *To facilitate the audit and compliance committee in its work of monitoring the risk management and control systems, the Federation of European Risk Management Associations (FERMA) and the European Confederation of Institutes of Internal Auditing (ECIIA) propose a methodological focus that is aligned with the three lines of defence model, which establishes the role of internal audit as to guarantee the functioning of the internal control system for the governance and senior management organisations, based on an assessment of the effectiveness of the risk management and compliance functions.*

In 2014, this risk management system was subject to an in-depth review and on 13 November 2014 the Board of Directors approved a new Risk Management Policy for Vocento and group companies.

In the year the Chief Financial Officer, in charge of the function of managing risks, presented to the Audit and Compliance Committee a new risk management report that was the outcome of the process of identifying and assessing risks that was carried out by the Risks Committee, which consists of members of the Management Committee of Vocento, including key indicators for the management and control of the main risk whose materialization could affect the objectives of Vocento.

Regarding the new responsibilities over tax risks, the Audit and Compliance Committee has requested an analysis of the main tax issues at Vocento from the external tax advisor, and a proposed organisational structure for tax matters from the chief financial officer.

5.6.2 Internal Control System for Financial Information (SCIIF)

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, as documented in an internal norm approved by Senior Management, and supported by an IT application that enables the execution of the controls and their review by internal audit.

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 control, 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.

5.6.3 System for Preventing Crime and Responding to it

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 any employee can confidentially report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable, including financial and 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.

All Vocento employees have been notified of the Code of Ethics and are understood to have welcomed and accepted it.

During the year, the Company outsourced the receipt and management of any communications to an external supplier, with their own IT system, which provides more independence to the receipt of communication, ensuring their confidentiality and complying with the law governing the protection of personal data.

In 2015, to implement the Crime Prevention Policy, a specific and effective internal control system has been developed using the competent bodies, to prevent crimes, which consists of a series of measures designed to assess risks, prevent, detect and respond to any non-compliance with the Code of Ethics or possible crimes, and to document the practices that Vocento has historically carried out.

Included in this internal control system are 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 are 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 have signed 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.

The Secretary of the Ethics Committee has regularly informed the Audit and Compliance Committee about the progress of the implementation of the system for preventing and responding to crime, and has submitted for its consideration a report on crime prevention prepared by the Ethics Committee, which provides information about all the activities carried out in the year.

5.7 CORPORATE GOVERNANCE AND COMPLIANCE

5.7.1 Corporate governance

It corresponds to the Audit and Compliance Committee to monitor the internal codes of conduct and rules of corporate governance, to supervise the strategy of communications with shareholders and to review the corporate social responsibility policy.

Complying with these responsibilities, the Audit and Compliance Committee carried out the following activities:

- Review of the Annual Report on Corporate Governance and proposal to the Board
- Review of the new Rules for the Board of Directors and proposal to the Board
- Review of the Code of Good Tax Practices and proposal to the Board of Directors

- Review of the Shareholder Relations and Communications Policy and proposal to the Board of Directors
- Review of the Corporate Social Responsibility Policy

5.7.2 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 and in the interaction of the Group with the Comisión Nacional del Mercado de Valores.

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.

6. CONCLUSIONS FROM THE ACTIVITIES UNDERTAKEN

In the period under consideration, the Audit and Compliance Committee has functioned in normality, exercising fully and without interference its competencies and with total respect for the legislation in force and the internal norms of functioning and organisation contained in the Rules for the Board of Directors. Over the course of the year, the Audit and Compliance Committee has been supported by the services of Internal Audit, the Corporate Compliance Unit and the External Auditors, who have carried out the functions entrusted to them.

As a result of this work, the members of the Audit and Compliance Committee:

- consider that the Committee has in the course of the year satisfactorily complied with the functions assigned to it by the Board of Directors of Vocento and contained in its Rules, in particular those functions pertaining to the monitoring of the process of preparing and presenting regulated financial information, and the supervision of internal audit;
- state their approval of the effectiveness of the internal control systems associated with the process of preparing this regulated financial information, and with the level of compliance with the norms and recommendations of good corporate governance; and
- have informed the Board of Directors and the Management of the company about those aspects which may be approved in their corresponding areas of responsibility.

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VOCENTO, S.A.

Independent auditor's report on consolidated annual accounts as at December, 31 2015.

pwc

This version of our report is a free translation from the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

INDEPENDENT AUDITOR´S REPORT ON CONSOLIDATED ANNUAL ACCOUNTS

To the shareholders of Vocento, S.A.:

Report on the Consolidated Annual Accounts

We have audited the accompanying consolidated annual accounts of Vocento, S.A. and its subsidiaries, which comprise consolidated statement of financial position as at December 31, 2015, and the consolidated income statement, statement of other comprehensive income, statement of changes in equity, cash flow statement and related notes for the year then ended.

Director's Responsibility for the Consolidated Annual Accounts

The parent company´s directors are responsible for the preparation of these consolidated annual accounts, so that they present fairly the consolidated equity, financial position and financial performance of Vocento, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable to the Group in Spain and for such internal control as directors determine is necessary to enable the preparation of consolidated annual accounts 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 annual accounts based on our audit. We conducted our audit in accordance with legislation governing the audit practice in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the parent company´s directors´ preparation of the consolidated annual accounts 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 presentation of the consolidated annual accounts taken as a whole.

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

pwc

Opinion

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and financial position of Vocento, S.A. and its subsidiaries as at December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable in Spain.

Other matters

The consolidated annual accounts of Vocento, S.A. and its subsidiaries as at December 31, 2014, were audited by other auditor who express an unmodified opinion on the consolidated annual accounts at February 25, 2015.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' Report for 2015 contains the explanations which the parent company´s directors consider appropriate regarding Vocento, S.A. and its subsidiaries´ situation, the development of their business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the directors' Report is in agreement with that of the consolidated annual accounts for 2015.Our work as auditors is limited to checking the directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Vocento, S.A. and its subsidiaries´ accounting records.

PricewaterhouseCoopers Auditores, S.L.

(Original in spanish version
signed by Virginia Arce Peralta)

23 de febrero de 2016

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DECLARATION OF THE ACCURACY OF THE ANNUAL FINANCIAL REPORT

The Directors of VOCENTO, S.A. formulated on 23 February 2016 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 78 pages numbered from 6 to 85 and an appendix of 8 pages, a management report of 21 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.

Bilbao, 23 February 2016

D. Santiago Bergareche Busquet (Chairman)	D. Gonzalo Soto Aguirre (Deputy Chairman)
D. Luis Enríquez Nistal (Chief Executive Officer)	D. Fernando Azaola Arteche (Director)
D. Miguel Antoñanzas Alvear (Director)	ENERGAY DE INVERSIONES, S.L. (represented by D. Enrique Ybarra Ybarra)
MEZOUNA, S.L. (represented by D. Ignacio Ybarra Aznar)	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 of 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 overall of the companies it consolidates, and that the Management Report includes an accurate analysis of the performance, results and position of VOCENTO, S.A. and the companies it consolidates as well as the description of the main risks and uncertainties that they face.

Bilbao, 23 February 2016

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

D. Luis Enríquez Nistal
(Chief Executive Officer)

D. Fernando Azaola Arteche
(Director)

D. Miguel Antoñanzas Alvear
(Director)

ENERGAY DE INVERSIONES, S.L.
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Dña. Soledad Luca de Tena García-Conde)

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Vocento, S.A. and Subsidiaries

Annual Accounts and Directors' Report for 2015 together with the Audit Report

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Vocento, S.A. and Subsidiaries

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2015 AND 2014
(Thousand euro)

ASSETS	Note	2015	2014 (*)
NON-CURRENT ASSETS		[illegible]	[illegible]
Intangible assets		[illegible]	[illegible]
Goodwill	8	[illegible]	[illegible]
Other intangible assets	9	[illegible]	[illegible]
Property, plant and equipment	10	[illegible]	[illegible]
Property, plant and equipment in operation		[illegible]	[illegible]
Property, plant and equipment in progress		[illegible]	[illegible]
Investment Properties	10	[illegible]	[illegible]
Entities measured using the equity method	11	[illegible]	[illegible]
Financial assets		[illegible]	[illegible]
Non-current securities portfolio	[illegible]	[illegible]	[illegible]
Other non-current financial investments	[illegible]	[illegible]	[illegible]
Other non-current receivables	[illegible]	[illegible]	[illegible]
Deferred tax assets	[illegible]	[illegible]	[illegible]
CURRENT ASSETS		[illegible]	[illegible]
Inventories	14	[illegible]	[illegible]
Trade and other receivables	[illegible]	[illegible]	[illegible]
Public administrations	[illegible]	[illegible]	[illegible]
Current tax assets		[illegible]	[illegible]
Other receivables from public administrations		[illegible]	[illegible]
Cash and cash equivalents	[illegible]	[illegible]	[illegible]
Assets held for sale	7	[illegible]	[illegible]
TOTAL ASSETS		[illegible]	[illegible]

EQUITY AND LIABILITIES	Note	2015	2014 (*)
EQUITY		[illegible]	[illegible]
Parent Company	17	[illegible]	[illegible]
Share capital		[illegible]	[illegible]
Reserves		[illegible]	[illegible]
Treasury shares		[illegible]	[illegible]
Net profit for the period		[illegible]	[illegible]
Non-controlling shareholdings		[illegible]	[illegible]
NON-CURRENT LIABILITIES		[illegible]	[illegible]
Provisions	[illegible]	[illegible]	[illegible]
Bank borrowings	[illegible]	[illegible]	[illegible]
Other non-current payables	[illegible]	[illegible]	[illegible]
Deferred tax liabilities	[illegible]	[illegible]	[illegible]
CURRENT LIABILITIES		[illegible]	[illegible]
Bank borrowings	[illegible]	[illegible]	[illegible]
Trade and other payables	[illegible]	[illegible]	[illegible]
Public administrations	[illegible]	[illegible]	[illegible]
Current tax liabilities		[illegible]	[illegible]
Other payables to public administrations		[illegible]	[illegible]
Provisions for other liabilities and charges	[illegible]	[illegible]	-
TOTAL EQUITY AND LIABILITIES		[illegible]	[illegible]

The consolidated balance sheet at 31 December 2014 is presented solely and exclusively for the purposes of comparison.

Notes 1 through 40 of the Notes to the Accounts form an integral part of the balance sheet at 31 December 2015.

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Vocento, S.A. and Subsidiaries

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014
(Thousand euro)

	NOTE	2015	2014 (*)
CONTINUING OPERATIONS			
Income	25	457,646	494,841
Revenues		457,181	494,334
Work performed on the Company's own intangible assets		21	225
Other income	4.m	444	282
Supplies	27	(74,036)	(85,060)
Changes in trade and other provisions	15	(565)	(2,535)
Personnel expenses	28	(155,119)	(164,459)
External services	29	(180,887)	(203,595)
Impairment and gains/(losses) on disposals of property, plant and equipment and intangible assets	9 and 10	(524)	(231)
Amortisation and depreciation	9 and 10	(23,655)	(23,281)
Write-down of goodwill	8	(5,358)	(15,069)
Profit from companies consolidated using the equity method	11	257	(2,451)
Financial income	30	1,537	6,575
Financial expense	31	(7,785)	(10,459)
Other gains/(losses) on financial instruments	13	585	(5,369)
Net profit/(loss) on disposal of non-current financial instruments	2.d	(1,516)	7,477
PROFIT/(LOSS) BEFORE TAXES ON CONTINUING OPERATIONS		15,161	(5,739)
Corporate income tax on continuing operations	23	(6,057)	(13,612)
NET PROFIT FOR YEAR		9,104	(19,351)
Profit/(loss) attributed to non-controlling shareholdings	17	5,023	2,994
Profit/(loss) attributed to parent company shareholders		4,081	(22,345)
EARNINGS PER SHARE IN EURO	33	0.03	(0.19)
From continuing operations		0.03	(0.19)

(*) The income statement at 31 December 2014 is presented solely and exclusively for the purposes of comparison.

Notes 1 to 40 of the Notes to the accounts form an integral part of the income statement at 31 December 2015.

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Vocento, S.A. and Subsidiaries

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Thousand euro)

	NOTE	2015	2014 (*)
Net profit/(loss) for year		9,104	[illegible]
Other integral profits		-	-
Items that will not be reclassified to profit/(loss)		-	-
Items that may be reclassified to profit and loss		34	(2,097)
Hedging instruments	21	49	(2,912)
Tax effect on items that may be reclassified to profit and loss		(15)	815
Other integral profits		34	(2,097)
TOTAL RECOGNISED INCOME AND EXPENSE		9,138	(21,420)
Net profit/(loss) for the year attributable to non-controlling shareholders		5,023	2,994
Other integral profit/(loss) attributed to non-controlling shareholders		-	14
Profit/(loss) for the year attributed to the parent company	21	4,115	(24,428)

(*) The statement of recognised income and expense at 31 December 2014 is presented solely and exclusively for the purposes of comparison.

Notes 1 to 40 of the Notes to the accounts form an integral part of the income statement at 31 December 2015.

Vocento, S.A. and Subsidiaries

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR 2015 (Thousand euro)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousand euro)

	Share capital	Parent company's legal reserve	Other Parent company reserves	Unrealised asset and liability revaluation reserve	Reserves in consolidated companies	Treasury shares	Net profit for the period	Non-controlling shareholdings	Total
Ending balance 2013	24,994	4,999	322,011	(95)	[illegible]	(31,474)	(15,135)	[illegible]	[illegible]
Application of prior year results	-	-	(15,083)	-	948	-	15,135	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(4,930)	(4,930)
Recognised income and expense									
Profit/(loss) for the year	-	-	-	-	-	-	(22,345)	2,994	(19,351)
Other recognised income and expenses	-	-	-	(2,083)	-	-	-	(14)	(2,097)
Total recognised income and expense	-	-	-	(2,083)	-	-	(22,345)	2,980	(21,448)
Transactions with non-controlling shareholdings	-	-	-	-	-	-	-	(922)	(922)
Transactions with treasury shares	-	-	(1,595)	-	-	1,600	-	-	5
Other	-	-	-	-	107	-	-	(80)	27
Ending balance 2014	24,994	4,999	305,333	(2,178)	[illegible]	(29,874)	(22,345)	[illegible]	222,572
Application of prior year results	-	-	18,387	-	(40,732)	-	22,345	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(3,684)	(3,684)
Recognised income and expense									
Profit/(loss) for the year	-	-	-	-	-	-	4,081	5,023	9,104
Other recognised income and expenses	-	-	-	34	-	-	-	-	34
Total recognised income and expense	-	-	-	34	-	-	4,081	5,023	9,138
Transactions with non-controlling shareholdings (Note 17)	-	-	-	-	3,614	-	-	(8,454)	(4,840)
Transactions with treasury shares	-	-	(4,602)	-	-	4,583	-	-	(19)
Other (Note 2.f)	-	-	(3,871)	-	(582)	-	-	(24)	(4,477)
Ending balance 2015	24,994	4,999	315,247	(2,144)	[illegible]	(25,291)	4,081	[illegible]	[illegible]

Notes 1 to 40 of the Notes to the accounts form an integral part of the consolidated statement of changes in equity at 31 December 2015.

(*) The consolidated statement of changes in equity at 31 December 2014 is presented solely and exclusively for the purposes of comparison.

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Vocento, S.A. and Subsidiaries

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR 2015 (Thousand euro)

	NOTES	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year from continuing operations		4,4[illegible]	([illegible])
Profit/(loss) for the year attributable to non-controlling shareholders		4,[illegible]	3,[illegible]
Adjustments due to –			
Amortisation and depreciation	9 and 10	[illegible]	2[illegible]
Write-down of goodwill	8	[illegible]	10,[illegible]
Change in provisions	16, 18 and 25	7[illegible]	3,[illegible]
Change in deferred income		-	([illegible])
Companies consolidated using the equity method	11	([illegible])	3,[illegible]
Financial expense	31	7,70[illegible]	10,[illegible]
Financial income	30	(1,[illegible])	([illegible])
Income tax	28	[illegible]	1[illegible]
Impairment and profit/(loss) on disposal of non-current assets	9, 10, 11 and 17	-	([illegible])
Other adjustments to profit/(loss)		1,7[illegible]	(1,[illegible])
Flows from ordinary operating activities before changes in working capital		[illegible]	[illegible]
Increase/decrease in trade and other accounts receivable	13 and 24	4,[illegible]	[illegible]
Increase/decrease in inventories	14	[illegible]	[illegible]
Increase/decrease in current operating liabilities	19 and 24	(14,[illegible])	(17,[illegible])
Corporate income tax paid		([illegible])	([illegible])
Net cash flows from operating activities (I)		[illegible]	[illegible]
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets		([illegible])	(4,77[illegible])
Acquisition of property, plant and equipment		([illegible])	([illegible])
Acquisition of subsidiaries and associates		([illegible])	([illegible])
Acquisitions of other financial assets	13	([illegible])	3[illegible]
Increase/decrease in suppliers of property, plant and equipment and intangible assets	19	1,[illegible]	(1,[illegible])
Amounts received on disposal of property, plant and equipment and intangible assets	9 and 10	[illegible]	377
Amounts received on disposal of financial assets	11	21[illegible]	17,70[illegible]
Effect of divestments		([illegible])	(1,[illegible])
Interest collected	30	21[illegible]	[illegible]
Dividends received	11, 13.a and 30	[illegible]	[illegible]
Net cash flows from investing activities (II)		([illegible])	[illegible]
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	31	(7,[illegible])	(14,[illegible])
Inflow/(outflow) of cash due to non-current financial liabilities	20	-	[illegible]
Inflow/(outflow) of cash due to current financial liabilities	20	(17,[illegible])	(1[illegible],71[illegible])
Dividends paid		([illegible])	([illegible])
Inflow of cash due to sale of treasury shares	17	1,[illegible]	[illegible]
Outflow of cash due to acquisition of treasury shares	17	(1,[illegible])	([illegible])
Acquisition/sale of non-controlling shareholdings without loss of control	17	([illegible])	([illegible])
Net cash flows from financing activities (III)		([illegible])	([illegible])
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I+II+III)		([illegible])	(1[illegible])
Cash and cash equivalents at start of the year	16	[illegible]	[illegible]
Cash and cash equivalents at end of the year		[illegible]	[illegible]

Notes 1 through 40 of the Notes to the Accounts form an integral part of the cash flow statement at 31 December 2015.

1. Company activities

Vocento, S.A. was incorporated for an indefinite period as a public limited liability company on 28 June 1945 and its bylaws state that is corporate purpose is the addition, distribution and sale of unitary publications, whether or not newspapers, containing general, cultural, sports, artistic or any other type of information, the printing of those documents, the operation of printing shops and, in general, any other activity relating to the publishing and graphic arts industries, the establishment, use and operation of radio, television and any other broadcast facilities to broadcast, produce and promote audio-visual media, as well as the production, edition, and distribution of discs, cassettes, magnetic tapes, films, programs and any other devices or communication media of any type, the holding, acquisition, sale and application of any administration or possession action through any means of shares, securities, or interests in companies engaging in any of the aforementioned activities and, in general, any other activity that is directly or indirectly relating to the above activities that is not prohibited by current legislation.

All the activities which make up the aforementioned company object may be carried on in Spain or abroad, and may be carried on indirectly (totally or partially) through the ownership of shares or other equity investments in companies with an identical or a similar corporate purpose (Notes 11, 12 and Appendix).

Shareholders at a General Meeting held on 17 March 2001 adopted a resolution to change the name of Bilbao Editorial, S.A., to Grupo Correo de Comunicación, S.A.

As a result of the merger with Prensa Española, S.A., Shareholders at an extraordinary General Meeting held on 28 November 2001 adopted a resolution to change the Company's name to Grupo Correo Prensa Española, S.A. Finally, Shareholders at a General Meeting held on 29 May 2003 adopted a resolution to change the Company's name to Vocento, S.A. (hereinafter the Parent Company).

Shareholders at a General Meeting of the Parent Company held on 29 April 2014 adopted a resolution to change the registered address from Calle Juan Ignacio Luca de Tena 7 in Madrid to Calle Pintor Losada, 7 in Bilbao. The Company's domicile for tax purposes was already located at the latter address.

Given the activities in which the Group is involved, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be significant with respect to its equity, financial situation and results. For this reason, no specific breakdowns are provided in these Notes to the consolidated annual accounts regarding environmental information.

2. Basis of presentation of the consolidated annual accounts and consolidation principles

a) Basis of presentation

The consolidated financial statements for 2015 for Vocento were prepared:

- By the directors of Vocento, at the Board of Directors Meeting held on 23 February 2016.

- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union under Regulation (EC) 1606/2002 of the European Parliament and 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). Note 4 sets out the main accounting principles and the main measurement standards applied in preparing Vocento's 2015 consolidated annual accounts.

- All of the accounting principles and standards and mandatory, as well as the alternatives that the law allows in this respect, as specified in section b of this Note to the consolidated annual accounts of Vocento, are taken into account.

- This thus gives a true and fair view of the consolidated equity and financial position of Vocento at 31 December 2009 and the results of its operations, the consolidated changes in equity and its cash flows at the Group during the year then ended.

- On the basis of the accounting records kept by Vocento and by the other Group companies. However, in view of the fact that the accounting principles and measurement criteria used to prepare the Group's 2015 (IFRS) consolidated financial statements differ to those applied by certain Group entities, the adjustments and reclassifications necessary to standardize the principles and criteria used and to ensure compliance with IFRS were made on consolidation.

To facilitate a uniform presentation of the items making up the consolidated annual accounts, the parent company's accounting principles and standards have been applied to all companies included in the consolidation.

The 2014 consolidated annual accounts for Vocento were approved by the shareholders at the Annual General Meeting of Vocento held on 28 April 2015 and were filed with the Vizcaya Mercantile Registry. The consolidated annual accounts for the Group and its group companies for 2015 are pending approval at their respective Shareholders' Meetings. However, the Board of Directors of Vocento considers that these annual accounts will be approved without any changes.

b) Adoption of International Financial Reporting Standards (IFRS)

The IFRS establish certain application alternatives, of which we note the following:

i) Both intangible assets and the assets recognised under the heading "Non-current assets - Property, plant and equipment and investment properties" may be measured at market value or acquisition cost adjusted by accumulated depreciation and any write-downs that have been applied.

   The Group chose to recognize those assets at adjusted acquisition cost.

ii) Capital grants may be recognised deducting the amount of the grants received for the acquisition of the assets from the carrying amount concerned or those grants may be presented as deferred income on the liability side of the balance sheet.

   The Group selected the second option.

iii) The business combinations from prior to 1 January 2004 have not been reconstructed.

c) Adoption of new standards and interpretations

c.1) Standards and interpretations taking effect this year

During the 2015 new accounting standards have entered into force and, therefore, they have been taken into account when preparing these consolidated annual accounts.

IFRIC 21 "Levies"

This interpretation covers the accounting treatment of levies imposed by public administrations, other than income tax and fines and penalties imposed for failing to comply with legislation. The main question that is raised in this respect is when the company must recognize a liability for the obligation to make payment of a levy that is recognised in accordance with IAS 37. It also covers the accounting treatment of a liability deriving from the payment of a levy when the payment schedule and amount are certain.

Annual improvements to IFRS, 2011-2013 cycle.

In December 2013 the IASB published the IFRS Annual Improvements for the 2011-2013 cycle. The amendments included in these annual improvements are generally applicable to the years commencing 1 January 2015. The main amendments relate to:

(Thousand euro)

- IFRS 3 "Business combinations": Exceptions to the scope for joint ventures.
- IFRS 13 "Fair value measurement": Scope of the "Portfolio exception" Available in IFRS 13.
- IAS 40 "Investment properties": Relationship between IAS 40 and IFRS 3 when a property is classified as an investment property or a property occupied by the owner.

The impact of the application of these standards has not been significant in these annual accounts.

c.2) Standards, amendments and interpretations that have not entered into force on the date of preparation of these annual accounts

At the date these consolidated annual accounts were prepared the most significant standards and interpretations that have been published by the IAS be but which have not yet entered into force, either because they have an effective date subsequent to that of these annual accounts or because they have not yet been adopted by the European Union for application by the Group, and whose potential impacts have been evaluated by Directors taking into consideration their effective date and will not have a significant effect on the consolidated annual accounts, except for IFRS 15 and IFRS 16, which have yet to be analysed and evaluated, are described below.

a) Standards, amendments and interpretations that have not yet entered into force but which may be adopted before the start of financial years commencing 1 January 2015.

Standards, amendments and interpretations	Description	Applicable to years commencing on or after:
IAS 19 (Revised)	Defined benefit plans: Employee contributions	1 February 2015

Improvement project, 2010-2012 cycle	Description	Applicable to years commencing on or after:
IFRS 2	Share-based payments	1 February 2015
IFRS 3	Business combinations	1 February 2015
IFRS 8	Operating segments	1 February 2015
IFRS 13	Fair value measurement	1 February 2015
IAS 16	Property, plant and equipment	1 February 2015
IAS 24	Information to be disclosed regarding related parties	1 February 2015

b) Standards, amendments and interpretations applied to existing standards may not be adopted early or have not been adopted to date by the European Union

Improvement project, 2012-2014 cycle	Description	Applicable to years commencing on or after:
IFRS 5	Non-current assets held for sale and discontinued operations	1 January 2016
IFRS 7	Financial instruments: Disclosures	1 January 2016
IAS 19	Employee benefits	1 January 2016
IAS 34 (*)	Interim financial information	1 January 2016

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Vocento, S.A. and Subsidiaries

CASH FLOW STATEMENT FOR 2015
(Thousand euro)

Standards, amendments and interpretations	Description	Applicable to years commencing on or after:
IFRS 11 (Revised)	Recognition of purchases of shares in joint ventures	1 January 2016
IAS 16 (Revised) and IAS 38 (Revised)	Clarification of acceptable depreciation and amortisation methods	1 January 2016
IFRS 15 (*)	Ordinary income from contracts with customers	1 January 2018
IFRS 9 (*)	Financial instruments	1 January 2018
IFRS 10 (*) (Revised) and IAS 28 (*) (Revised)	Sale or contribution of assets between an investor and its associates or joint ventures.	Undetermined
IAS 1 (Revised)	Presentation of financial statements	1 January 2016
IFRS 10 (*) (Revised), IFRS 12 (*) (Revised) and IAS 28 (*) (Revised)	Investment entities: Applying the exception to consolidation	1 January 2016
IFRS 16 (*)	Leases	1 January 2019
IAS 12 (*)	Recognition of deferred tax assets due to unrealized losses	1 January 2017
IAS 7 (*)	Initiative regarding disclosures	1 January 2017

(*) Standards and amendments pending adoption by the European Union.

d) Changes in scope

The shareholdings in the following companies at 31 December 2015 and 2014 are as follows:

Companies	Direct and indirect Interest		Percentage of control (*)	
	31.12.15	31.12.14	31.12.15	31.12.14
Periodic-				
FEDERICO DOMENECH, S.A.	83.68%	78.26%	83.68%	78.26%
ROTOMADRID, S.L.	95.00%	61.23%	95.00%	61.23%
CORP. MEDIOS DE ANDALUCIA,S.A.	99.11	98.74%	99.11%	98.74%
INVERSOR EDICIONES, S.L.	66.31%	60.26%	82.82%	75.91%
SERVICIOS DE IMPRESIÓN DEL OESTE, S.L. – CORPORACIÓN DE MEDIOS DE EXTREMADURA, S.A., Joint venture, Law 18/1982, of 26 May (**)	-	48.98%	0.00%	50.00%
EL NORTE DE CASTILLA MULTIMEDIA, S.L.U. (**)	-	77.60%	0.00%	100.00%
Audio-visual				
EUROPRODUZIONE, S.R.L.	-	69.99%	-	100.00%
TELEDONOSTI, S.L.	67.45%	50.07%	88.97%	66.04%
CANAL CULTURAL BADAJOZ, S.A.U. (**)	-	97.96%	-	100.00%

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(Thousand euro)

CARTERA DE MEDIOS, S.A.U. (***)	-	97.96%	-	100.00%
E-MEDIA PUNTO RADIO, S.A.U.(***)	-	100.00%	-	100.00%
LA 10 CANAL DE TELEVISIÓN, S.L.U. (***)	-	100.00%	-	100.00%
Classified				
11870 INFORMACIÓN EN GENERAL, S.L.	35.57%	35.16%	35.57%	35.16%
Other-				
FACTORÍA DE INFORMACIÓN, S.A.U. (***)	-	100.00%	-	100.00%
Structure-				
CORP. MEDIOS INTERN. PRENSA, S.A.U. (**)	-	100.00%	-	100.00%
RICH MEDIA, S.L. (**)	-	50.00%	-	50.00%
CORP. MEDIOS DE COMUNICACIÓN, S.L.U. (***)	-	100.00%	-	100.00%

(*) This percentage makes reference to the direct interest held by the Group company to which it pertains.

(**) Liquidated companies

(***) Merged companies

The main transactions carried out by the Group in 2015 are set out below:

- In March 2015 an acquisition commitment was reached with the non-controlling shareholders of Federico Domenech, S.A., under which Comeresa Prensa S.L.U. acquires 4.10% of the shares in the company. The acquisition price was €8,150 thousand.

- In June 2015 the Group company Comeco Impresión, S.L.U. acquired 33.77% of the shares in Rotomadrid, S.L. for a price of €4,250 thousand. This transaction gave rise to a decline in the equity of non-controlling shareholders totalling €7,573 thousand.

- In September 2015 the Group company Veralia Contenidos Audiovisuales, S.L.U. sold all of the shares it held in Europroduzione, S.L.R. This transaction gave rise to the exit of that company from the scope of consolidation and generated a capital loss of €1,255 thousand.

All other transactions did not have a significant effect on the consolidated income statement or consolidated equity.

The main transactions carried out by the Group in 2014 are set out below:

- On 15 December 2014 the Group company Corporación de Medios de Comunicación, S.L. sold all of its 80% interest in the share capital of Sarenet, S.A., an Internet service provider, to the company Lomedel, S.L., which owned the remaining 20% of the share capital of Sarenet, S.A. The sale took place at a price of €12,800 thousand and therefore the Group recognised net income totalling €7,782 thousand under the heading "Net profit/loss on the disposal of non-current financial instruments" in the consolidated income statement for 2014. That transaction gave rise to a decrease in the equity of non-controlling shareholders totalling €898 thousand (Note 17). After that transaction Sarenet, S.A. exited the scope of the Group's consolidation.

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e) Consolidation principles

Scope

Vocento's consolidated annual accounts include all of the subsidiaries of Vocento, S.A.

Subsidiaries

Subsidiaries are all companies that the Group controls. The Group controls a company when it is exposed, or has a right, to variable returns due to its involvement in the investee company and has the capacity to influence those returns through the power to direct the company's activities. Subsidiaries are consolidated as from the date on which control is transferred to the Group. They cease to be consolidated as from the date on which that control is lost.

Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The accounting policies followed by subsidiaries have been modified where necessary to ensure uniformity with policies adopted by the Group. The interest of non-controlling shareholders in the results and equity of subsidiaries is presented separately in the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated statement of changes in equity and in the consolidated balance sheet, respectively.

Associates

Associates are all companies over which the Group exercises significant influence but does not control individually or jointly. This is generally the case when the Group holds between 20% and 50% of voting rights.

Investments in associates are recorded using the equity method and are initially recognised at cost.

Joint arrangements

Under IFR S 11, Joint Arrangements, investments in joint arrangements are classified as joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, not necessarily the legal structure of the joint arrangement.

Vocento has joint operations and joint ventures.

Joint operations: The Group recognizes its direct right to assets, liabilities, income and expenses relating to joint operations and the portion to which it is responsible for any asset, liability, income or expense maintained or incurred on a joint basis. They have been included in the consolidated annual accounts under the appropriate headings. Details of joint operations are sent out under Note 12.

Joint ventures: Interests in joint ventures are recognised using the equity method after being initially recognised at cost in the consolidated balance sheet. Details of joint ventures are sent out under Note 11.

Equity method

Under the equity method investments are initially recognised at cost and then adjusted to proportionally recognize the investee's profits or losses subsequent to the acquisition and the Group's portion of the movements in the statement of recognised income and expense Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the portion of losses that pertain to the Group with respect to an investment recognised using the equity method is equal to, or exceeds, it's interest in the company, including any other non-current receivable that is not secured, the Group does not recognize any additional losses unless it has incurred obligations or made payments on behalf of the other company. Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the value of the asset transferred. The accounting policies followed by investees recognised using the equity method have been modified where necessary to ensure uniformity with policies adopted by the Group.

Changes in the ownership stake

The Group recognises transactions involving non-controlling shareholding transactions that do not result in the loss of control as transactions with the owners of the Group's equity. A change in an ownership stake results in an adjustment of the carrying amounts of the controlling and non-controlling shareholdings to reflect the relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling shareholdings and any consideration paid or received, is recognised in a separate reserve under Equity attributable to the owners of the Group. When the Group ceases to consolidate or use the equity method to recognize and investment due to a loss of control, joint control or significant influence, any retained interest in the entity is reappraised at fair value through changes in the carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of the subsequent recognition of the shareholding maintained as an associate, joint venture or financial asset. Furthermore, any amount previously recognised in respect of this entity is recognised as if the Group directly obtained the relevant assets or liabilities. This may mean that the previously recognised amounts under other overall results are reclassified to the income statement. If the stake in a joint venture or associate is reduced but joint control or significant influence is maintained, only the proportional stake in the previously recognised amounts in equity is reclassified to income when appropriate.

Business combinations

The Group is considered to be carrying out a business combination when the assets acquired and liabilities assumed constitute a business. The Group accounts for each business combination by applying the acquisition method, which entails identifying the acquirer, determining the acquisition date -which is the date on which control is obtained- and cost of acquisition, recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree and, lastly, recognising and measuring the capital gain or profit.

The identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair value and any non-controlling interest is measured at fair value or the proportional share held by that interest in the net identifiable assets.

The Group recognizes a capital gain or goodwill on the acquisition date for any excess of (a) over (b), where:

- (a): (i) the transferred consideration after a fair value at the acquisition date is measured.

  (ii) the amount of the non-controlling shareholding.

  (iii) If it is a business combination carried out by phases, the fair value at the acquisition date of the interest previously held by the Group (the difference between the preceding cost values is taken to the income statement).

- (b): The net amount of the acquired identifiable assets and the liabilities assumed.

In the event that there is no access, but rather (b) is higher than (a), the Group will again analyse all of the values to determine if there actually is an acquisition in very advantageous terms, in which case the difference will be taken to the income statement.

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Loss of control

When the Group loses control over a subsidiary, it derecognises the subsidiary's assets (including goodwill) and liabilities and the non-controlling interest at the carrying amount thereof at the date on which control is lost. The consideration received and the investment retained in the aforementioned company are measured at their fair value at the date when control is lost and any gain or loss is recognised in profit or loss.

f) Comparability

As required by IAS 1, the information relating to 2015 contained in these notes to the consolidated annual accounts is presented, for comparison purposes, together with the information relating to 2014 and, accordingly, it does not constitute Vocento's consolidated annual accounts for 2014.

The heading "Other" under movements in equity in 2015 mainly includes the impact of the recalculation of the value of the investment in Valdisme, S.L. Subsequent to the preparation of the Vocento accounts, Valdisme S.L. prepared its accounts and recognised an error from prior years that has an impact on the measurement of the investment totalling €1,989 thousand (Note 11).

3. Applicable legislation

In 2010 Law 7/2010 (31 March), on General Audio-visual Communications and relating to the television and radio industry, basically amended the concession system and transformed the existing concessions into radio and television licenses.

Television

The Group has a presence in various areas, of which the essential parts are indicated.

- Vocento's presence in the national digital land television industry is through its interest in Sociedad Gestora de Televisión Net TV, S.A. and the General Audio-visual Communications Act was applied to transform the concession into a license.

- Vocento is also present in regional television broadcasts, which is also regulated, in terms of the basic legislation, by the General Audio-visual Communications Act and since 1 May 2010 the new legislation is in effect. The Group also has a presence in the Regional Digital Land Television system (TDT).

In both cases the necessary authorization system has not changed and it continues to be necessary to obtain a license to render the television service.

Radio

The Group maintains two concessions to operate public radio broadcasts using digital land systems that are mutually compatible and nationally this is structured through to Group companies, with and without the capacity to make land disconnections.

The Group also owns several FM and AM radio broadcast licenses.

4. Accounting policies

The main accounting policies followed when preparing the consolidated annual accounts were as follows:

a) Goodwill

Goodwill on consolidation is calculated as explained in Note 2.e.

For the purposes of verifying impairment, the goodwill acquired in a business combination will be distributed among each of the cash generating units at the buyer as from the acquisition date and which are expected to benefit from the business combination synergies, regardless of whether or not other assets or liabilities from the acquired entity are assigned to those units or groups of units. The Directors of the Parent Company consider that the cash generating units coincide with the companies for these purposes.

At each accounting close an estimate is made as to whether there has been any impairment that may have reduced its recoverable amount to below the net cost recognised. If so, the appropriate write-down is charged against the heading "Write-downs of goodwill" in the consolidated income statement.

The recoverable amount is the higher of fair value less necessary selling costs and value-in-use, which is understood to be the present value of future estimated cash flows before taxes, based on the most recent budgets approved by the Directors. These budgets include the best available estimates of income and costs relating to the cash generating units using industry forecasts and future expectations.

These future projections cover the coming five years (three years last year), including an adequate terminal value for each business using the fifth year as a base. Taking into account their past experience and no-how with respect to the various businesses, the Directors consider that given the evolution of the key variables in certain businesses the use of projections over a time horizon of five years may distort the analysis and, in such cases, the terminal value used is calculated based on specific projections that allow for the calculation of a normalized year which is used to calculate the terminal value.

The assumptions used for each business are based on a consensus of macro-economic estimates (evolution of GDP, inflation, etc.) as well as estimates of the development in the industry (paper and Internet advertising, written press, etc.) based on studies performed by entities of recognised prestige These flows are discounted to calculate their present value at a before tax rate, which reflects the average weighted cost of capital employed as adjusted to take into account the business risk affecting each cash generating unit. In the event that the recoverable amount is less than the asset's carrying amount, an impairment loss is recognised for the difference with a charge to the consolidated income statement.

Any impairment losses relating to goodwill cannot be subsequently reversed.

In the case of a disposal by other means of an activity within a cash generating unit to which goodwill has been assigned the carrying amount of that activity will include the previously assigned goodwill when determining the result deriving from the disposal.

b) Other intangible assets-

Intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction or which are developed by the Group companies. They are initially recognised at acquisition or production cost in the heading "Non-current Assets-Intangible Assets-Other intangible assets" in the consolidated balance sheet (Note 9), and they are subsequently measured at cost, less any accumulated amortisation and impairment losses, and provided that it is likely that financial benefits will be obtained and their cost may be reliably measured.

Intangible assets acquired separately

These items match the cost incurred on their acquisition, and are amortized on a straight-line basis over the course of their estimated useful lives which is normally 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 costs incurred when developing several projects are recognised as an asset provided that the following conditions are met:

- The expenditure is specifically identified and controlled by project and its distribution over time is clearly defined.

- The Directors may demonstrate the manner in which the project will generate future profits.

- The cost of developing the asset including, if appropriate, the cost of the Group employees engaging in those projects, may be reliably evaluated.

The internally generated intangible assets that meet the conditions for capitalization are amortized on a straight-line basis over their useful lives.

When an internally generated intangible asset cannot be recognised, the development costs are recognised as an expense in the period in which they are incurred.

Film productions

This item is considered to be an internally generated intangible asset that complies with the capitalization criteria and therefore it is recognised as indicated in the preceding point.

The cost of completed productions is amortized on a straight-line basis over three years with the consideration that this is the approximate term over which income from them will be generated starting at the time at which they are in a position to produce income.

Film scripts

Scripts may be acquired or developed internally, and they are recognised as explained above. In both cases they are amortized in accordance with their estimated useful life.

Rights to distribute film productions

These items are intangible assets acquired from a third party and therefore the cost incurred is recognised. They are differentiated based on the target market, as follows:

- Television distribution

  These costs are recognised as intangible assets and they are amortized in accordance with the expected consumption pattern relating to the future financial benefit deriving from those rights, which is around five years.

- DVD distribution

These costs are recognised under the heading "Trade and other Receivables-Other receivables" (Note 15) since the term over which income will be generated and, therefore, the apportionment of expenses, is less than one year and they are taken to the income statement in accordance with the agreements concluded with producers.

c) *Property, plant and equipment and real estate Investments-*

The elements that make up property, plant and equipment are stated at cost, which includes, in addition to purchase price, acquisition cost includes 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 provided by IFRS 1, certain assets acquired before 1 January 2004 are measured at restated cost in accordance with various legal provisions.

Costs relating to extensions, modernization or improvements which increase productivity, capacity or efficiency, or extend the useful lives of the assets are capitalized as an increase in the cost of the assets concerned.

Period upkeep and maintenance expenses incurred during the year are charged to the consolidated income statement.

The Group depreciates property, plant and equipment on a straight-line basis by applying coefficients in accordance with the estimated useful lives of the items making up those assets (Note 5)

The heading "Other plant, tooling and furnishings" (Note 10) includes €5,545 thousand relates to Patrimonio Histórico-Artístico de Diario ABC, S.L., and consists of a video and document archive and a collection of artwork and drawings by artists that have collaborated with the publications ABC and Blanco y Negro. In the opinion of consulted specialists, the residual value of that artistic patrimony exceeds the cost at which it is recognised in the consolidated balance sheet and therefore it is not depreciated.

The amount charged to expenses in 2015 and 2014 for property, plant and equipment depreciation is recognised under the heading "Amortisation and depreciation" in the accompanying consolidated income statement.

d) *Impairment of assets other than goodwill*

At the end of each year, the Group analyses the value of its non-current assets to determine whether there is any indication that those assets might have suffered an impairment loss. If there is any such indication, the recoverable amount for that asset is estimated in order to determine the amount of any write-down that is finally necessary. If concerning identifiable assets that on an individual basis do not generate cash flows, the Group estimates the recoverability of the cash generating unit to which the asset pertains.

The recoverable amount is the higher of market value less costs to sell and value in use, which is taken 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 Company estimate pre-tax discount rates that reflect the value of money over time and the risks associated with 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 income statement.

For the other financial assets, the Group considers the following to be objective indicators of impairment:

- financial difficulty of the issuer or significant counterparty;
- default or payment delays,
- likelihood that the borrower will enter bankruptcy or a financial reorganization process.

Impairment losses recognised for an asset in prior years are reversed when there is a change in the estimates concerning the recoverable amount of the asset, increasing the carrying amount of the asset, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no write-down been applied.

e) Leases

The Group classifies leases as finance leases whenever the terms of the lease the lessor substantially transfers all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The assets acquired under finance leases are recognised under non-current assets as appropriate to their nature and function. Each asset is depreciated over their useful lives since the Group considers that there is no doubt that the ownership of those assets will be acquired when the finance lease term ends. The recognised value is the lower of the fair value of the least asset and the present value of the future payments deriving from the operation of the finance lease, crediting the heading "Bank borrowings" in the consolidated balance sheet.

Financial expenses arising on finance leases are recognised in the income statement unless they are directly attributable to a qualified asset, in which case they are recognised as an increase in the value of the asset financed by the finance lease (Note 10).

The expenses deriving from operating leases are attributed to the heading "External services" (Note 20) in the consolidated income statement over the life of the lease in accordance with the accruals principle.

f) Inventories

Inventories basically consist of paper for the printing of the newspapers and they are measured at the lower of their cost in accordance with the threefold method (first in first out) or their net realizable value. Commercial discounts, any other type of discounts or similar items are deducted from the acquisition price (Note 14).

The amount of the value discounts recognised in profit/loss for the year is recognised under the heading "Change in trade and other provisions" in the consolidated income statement.

g) Financial instruments

Financial assets

Financial assets are initially recognised at acquisition cost, including inherent transaction costs.

The Group classifies its current and non-current financial assets in the following four categories:

- Traded financial assets: These assets have certain of the following characteristics:

- The Group intends to generate a profit from short-term fluctuations in their prices.
- They have been included in this asset category since their initial recognition, provided that they are listed on an active market or their fair value may be reliably estimated.

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The financial assets included in this category are stated in the consolidated balance sheet at fair value, and the changes in fair value are recognised under "Financial expense" and "Financial income", as appropriate, in the consolidated income statement. The Group includes those derivative instruments that do not meet the conditions that are necessary to be considered to be an accounting hedge as stipulated by IAS 39 "Financial Instruments" in this category.

- Held-to-maturity financial assets. These are financial assets with fixed or determinable payments and a fixed maturity date that the Group intends to maintain until the date of maturity. The assets included in this category are measured at "amortized cost", and the interest income is recognised in the income statement on the basis of their effective interest rate, and they are subject to impairment tests. The amortized cost is understood to be the initial cost minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial 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 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 amortized cost and are tested for impairment.

- Available-for-sale financial assets. These are financial assets not classified in any of the aforementioned three categories, nearly all of which relate to financial investments in equity. These assets are presented in the consolidated balance sheet at 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, by discounting expected future cash flows. Changes in this market value are recognised with a charge or a credit to "Equity - Unrealised Asset and Liability Revaluation Reserve" in the consolidated balance sheet until these investments are disposed of, at which time the accumulated balance of this heading relating to these investments is allocated in full to the consolidated income statement (Note 13.a).

  Those investments in the share capital of unlisted companies whose fair value cannot be reliably measured are recognised at acquisition cost.

The Directors decide on the most appropriate classification for each asset on acquisition and reviews the classification at the end of each year.

<u>Impairment of financial assets</u>

At each balance sheet date, the Group assesses whether there is objective evidence of impairment losses affecting a financial asset or group of financial assets. A financial asset or group of financial assets is impaired, and an impairment loss arises, if and only if there is objective evidence of the impairment as a result of one or more events taking place after the initial recognition of the asset (an "event" that causes the loss), and this event or events causing the loss have an impact on the future estimated cash flows relating to the financial asset or group of financial assets that may be reliably estimated.

In the case of investments in equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the instrument to a point below its cost is considered to be evidence that the asset has become impaired.

If a loan or an investment held to maturity bears variable interest, the discount rate used to calculate any impairment loss is the actual effective interest rate established in the contract. For practical purposes, the

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Group may calculate impairment based on the fair value of the instrument, using an observable market price. If subsequently the amount of the impairment decreases, and the decrease can be objectively attributed to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the impairment previously recognised is recorded in the consolidated income statement.

Impairment loss tests for receivables are described in Note 15.

Assets classified as available-for-sale: If there is any objective evidence of the impairment of available-for-sale financial assets, the cumulative loss determined as the difference between the acquisition cost and current fair value, less any impairment loss in that financial asset previously recognised in the income statement is eliminated from equity and recognised in the income statement. The impairment of the value of equity instruments that was recognised in the income statement for the year is not reversed through the income statement for a subsequent year. If, in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase may be objectively attributed to an event taking place after the impairment loss was recorded in the income statement, the impairment loss is reversed in the income statement.

<u>Cash and cash equivalents</u>

"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 18).

<u>Financial liabilities and equity</u>

Financial liabilities and equity instruments are classified in accordance with the content of the relevant agreements. An equity instrument is a contract that represents a residual share in the Group's equity The main financial liabilities maintained by the Group are held-to-maturity financial liabilities that are measured at amortized cost.

<u>Debentures, bonds and bank borrowings</u>

Loans, bonds and similar interest-bearing items are initially recognised at the amount received, net of direct issue costs, under "Bank Borrowings" in the consolidated balance sheet (Note 20). Borrowing costs are recognised on an accrual basis in the consolidated income statement using the effective interest 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.

Should any existing liabilities be renegotiated, no substantial modification to financial liabilities is deemed to exist when the new lender is the same party that granted the initial loan and the present value of cash flows, including net commissions, does not differ by more than 10% of the present value of the cash flows pending payment with respect to the original liability calculated using the same method.

<u>Trade payables</u>

Trade payables are initially recognised at fair value and are subsequently measured at amortized cost using the effective interest method (Note 19).

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(Thousand euro)

Categories of financial assets at fair value

Following is an analysis of the financial instruments which at 31 December 2015 and 2014 were measured at fair value 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 2015			
	Thousand euro			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets Shareholdings in unlisted companies (Note 13) (*)	-	-	-	-
Marketable financial liabilities Financial derivatives (Note 21)	-	(2,984)	-	(2,984)
Total	-	(2,984)	-	(2,984)

	Fair value at 31 December 2014			
	Thousand euro			
	Category 1	Category 2	Category 3	Total
Available-for-sale financial assets Shareholdings in unlisted companies (Note 13) (*)	-	-	655	655
Marketable financial liabilities Financial derivatives (Note 21)	-	(3,029)	-	(3,029)
Total	-	(3,029)	655	(2,374)

(*) Val Telecomunicaciones, S.L.

List of financial assets and liabilities

At 31 December 2015 and 2014 the Company holds the following financial assets and liabilities:

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Vocento, S.A. and Subsidiaries

CASH FLOW STATEMENT FOR 2015
(Thousand euro)

31 December 2015 (Thousand euro)			
Financial assets	**Loans and receivables and other**	**Available for sale**	**Total**
Non-current securities portfolio	-	3,501	3,501
Other non-current financial investments	736	-	736
Other non-current receivables	4,765	-	4,765
Trade and other receivables	92,063	-	92,063
Cash and other equivalents	19,348	-	19,348
Total	116,912	3,501	120,413

31 December 2014 (Thousand euro)			
Financial assets	**Loans and receivables and other**	**Available for sale**	**Total**
Non-current securities portfolio	-	4,360	4,360
Other non-current financial investments	512	-	512
Other non-current receivables	3,682	-	3,682
Trade and other receivables	98,990	-	98,990
Cash and cash equivalents	23,451	-	23,451
Total	126,635	4,360	130,995

31 December 2015 (Thousand euro)				
Financial liabilities	**Liabilities at fair value through changes in profit or loss**	**Hedge derivatives**	**Other financial liabilities at amortised cost**	**Total**
Trade and other payables	-	-	105,599	105,599
Bank borrowings	-	-	117,282	117,282
Derivative financial instruments	95	2,889	-	2,984
Other non-current payables	-	-	19,665	19,665
Total	95	2,889	242,546	245,530

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Vocento, S.A. and Subsidiaries

CASH FLOW STATEMENT FOR 2014
(Thousand euro)

31 December 2014 (Thousand euro)				
Financial liabilities	**Liabilities at fair value through changes in profit or loss**	**Hedge derivatives**	**Other financial liabilities at amortised cost**	**Total**
Trade and other payables	-	-	109,014	109,014
Bank borrowings	-	-	134,884	134,884
Derivative financial instruments	148	2,881	-	3,029
Other non-current payables	-	-	29,272	29,272
Total	**148**	**2,881**	**273,170**	**276,199**

Financial derivatives and hedging operations

Financial derivatives are initially recognised at their acquisition cost in the consolidated balance sheet as assets and liabilities and subsequently the required measurement adjustments are made to reflect their fair value at all times (Note 21). Gains and losses arising from these changes are recognised in the consolidated income statement, unless the derivative has been designated as a hedge instrument.

- Fair value hedge:

In the case of fair value hedges, changes in the fair value of the derivative financial instruments designated as hedges and changes in the fair value of a hedged item due to the hedged risk are recognised with a charge or credit, as appropriate, such that the headings "Financial income" and "Financial expense" include, respectively, the income or expense accrued jointly by the hedged item and the hedge instrument to the consolidated income statement.

- Cash flow hedge:

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 income statement, and the effective portion is recognised under "Reserves - Unrealised Asset and Liability Revaluation Reserve" in the consolidated balance sheet.

Derivatives embedded in other financial instruments are recognised separately when their characteristics and risks are not closely related to those of the host contracts and the host contracts are not stated at fair value, and the changes in value are recognised with a charge or a credit to the consolidated income statement.

When hedge accounting is discontinued, any cumulative loss or gain at that date recognised under "Reserves - Unrealized Asset and Liability Revaluation Reserve" 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 the consolidated income statement. In order for these financial instruments to be classified as accounting hedges, they are initially designated as such and the hedge relationship is documented. In addition, Vocento initially, and regularly thereafter over the course of its life (at least at the end of each year), verifies that the hedging relationship is effective, i.e. that it can be expected, on a prospective basis, that changes in fair value or in the cash flows from the hedged item (attributable to the

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hedged risk) will be almost completely offset by the hedging instrument and, on a retrospective basis, the results of the hedge ranged between 80% and 125% with respect to the result of the hedged item.

The market value of the various financial instruments is calculated as follows:

- The market value of derivatives listed on an organized market is their market price at year-end.
- To measure derivatives not traded on an organized market, the Group uses assumptions based on year-end market conditions. Specifically, the market value of the interest rate swaps is calculated as the adjusted market interest rate value of the spread on swap rates.

i) Classification of assets and liabilities as current and non-current

In the accompanying consolidated balance sheet, financial assets and liabilities are classified based on their maturity dates, i.e., as current when they mature in 12 months or less and as non-current when they mature in more than that time.

j) Pension and indemnity commitments

Defined-benefit contributions are recognised under the heading "Personnel expenses" in the accompanying consolidated income statement and will originate a long-term remuneration liability to personnel when, at the end of the year, accrued contributions that have not been satisfied are recognised. That liability will be measured at the year-end at the present value of the best estimate available of the amount that will be necessary to cancel or transfer the obligation to a third-party (Notes 18 and 22).

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises these benefits when it has demonstrably undertaken to terminate employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits which are not going to be paid within 12 months of the balance sheet date are discounted to present value.

k) Parent company treasury shares

All of the shares in the Parent Company owned by consolidated companies are recognised at their acquisition cost and are presented as a reduction in the heading "Equity-Treasury shares in the portfolio" in the consolidated balance sheet (Note 17).

Any gains or losses obtained by Vocento on the disposal of these treasury shares are also recognised in the heading "Reserves-Voluntary reserves" in the accompanying consolidated balance sheet.

l) Provisions

A distinction is drawn between:

- Provisions: present obligations at the balance sheet 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.

The Group's consolidated financial statements include all the material provisions with respect to 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 annual accounts but rather are disclosed, except for those which 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 re-estimated at the end of each financial year, 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) Capital grants

The Group accounts for capital grants received as follows:

- Capital grants: These items are measured at the amounts of the grant, recognised as deferred income and taken to the income statement in proportion to the depreciation applied during the year to the assets financed by the grants.

- Operating grants: Non-repayable grants relating to specific expenses are recognised in the consolidated income statement in the same year in which the relevant expenses accrue together with those granted to offset operating deficits during the year granted.

In 2015 and 2014 the Group took €444 thousand and €282 thousand, respectively to the income statement, crediting the heading "Other income" in the accompanying consolidated income statements for 2015 and 2014.

n) Income recognition.

Income from the sale of goods

The Group primarily sells newspapers, magazines, promotional products or television programs and the income obtained is calculated at the fair value of the consideration received or to be received for the items delivered within the ordinary framework of the business, less any discounts, VAT and other taxes.

Sales of goods are recognised when substantially all inherent risks and advantages have been transferred.

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CASH FLOW STATEMENT FOR 2016
(Thousand euro)

Income from services rendered

The primary services rendered by Vocento include the distribution of the press and other products, the sale of advertising space, the printing of newspapers, Internet connection services or technical advisory services regarding audio-visual productions. The income deriving from the rendering of these services is calculated at the fair value of the consideration received or to be received, less any discounts, VAT and other taxes, and is recognised based on the degree to which the complete service has been rendered.

If the final income cannot be reliably estimated, it is only recognised in the amount of recognised expenses that are considered to be recoverable.

Income from the assignment of rights

This income is recognised on an accruals basis in accordance with the substance of the agreement, provided that it is likely that income will be obtained and may be reliably estimated.

Income from the assignment of film projection rights

This income is recognised on a straight-line basis over the term of the assignment agreement and therefore advance payments relating to this income are recognised in the heading "Trade and other payables" in the consolidated balance sheet (Note 19).

Income from television productions

This income is considered to be from the rendering of services.

The Group recognizes this income based on the degree of completion and the final estimated margin based on the agreed selling price.

Interest and dividend income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest method, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

o) Volume discounts

The Group grass volume discounts to customers, essentially advertising agencies, based on sales made and they the relevant expenses are apportioned at the end of each year on an accrual basis.

The payable deriving from the aforementioned volume discounts is recognised under the heading "Current Liabilities-Trade and other payables" on the liability side of the consolidated balance sheet (Note 19). The amount of the volume discount is offset against receivables from the relevant advertising agency and, consequently, are presented as a reduction in the balance of "Current Assets-Trade and other receivables" in the consolidated balance sheet (Note 15).

p) Income tax

Corporate income tax expense is recognised in the consolidated income statement, except when deriving from a transaction whose results is recorded directly in equity, in which case the relevant tax is also recorded under equity.

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The income tax expense is accounted for 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 (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 tax timing differences, unless the timing difference derives from the initial recognition of goodwill whose amortisation cannot be deducted for tax purposes or from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect book or reported results.

Vocento recognizes deferred tax assets provided that it expects to have sufficient taxable profits in the future against which they may be offset.

Double taxation 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.

In accordance with IFRS deferred taxes are classified as non-current assets or liabilities even if the estimation is that they will be realized in the coming 12 months.

Income tax expense represents the sum of the income tax expense for the year and any change in recognised deferred tax assets and liabilities that are not recorded under equity (Note 23).

At the time of each accounting closing, deferred tax assets and liabilities are reviewed in order to verify that they remain in force and any relevant adjustments are made in accordance with the results of the analysis performed.

All recognised deferred tax assets and liabilities are recorded at the present nominal rate for the year in which they will be settled with the respective tax authorities.

q) Share-based payments

The Group apportions these future payments and recognizes the expense in the heading "Personnel expenses" in the consolidated income statement, as is described below:

- The Group apportions the present value of the portion of the obligation that will be settled in cash, which is calculated by applying a simplified method in the plan's consolidation period, which is recognised through a credit to the heading "Provisions-Provisions for share-based payments" in the accompanying consolidated balance sheet at 31 December 2015 (Note 18).

- The Group apportions the amount of the obligation that will be satisfied through the delivery of Company treasury shares during the consolidation period based on a measurement of the plan at the date granted, which is recognised by crediting the heading "Reserves-Share-based payments" (Note 17).

r) Earnings per share

Basic earnings per share are calculated by dividing the 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 in the Parent Company held.

Diluted earnings per share are calculated by dividing the net profit or loss for the year by the weighted average number of ordinary shares outstanding in the year, adjusted by the weighted average number of

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ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares of the Company. For such purposes, conversion is deemed to take place at the start of the period or when the potentially dilutive ordinary shares are issued, where they have become outstanding during the period in question.

In the case of the Group's consolidated annual accounts for 2015 and 2014, basic earnings per share coincide with diluted earnings per share, since there were no potential shares outstanding in those years (Note 33).

s) Dividends

Any interim dividend approved by the Board of Directors reduces the Group's equity. However, any complementary dividend proposed by the Board of Directors of Vocento, S.A. to shareholders at the Annual General Meeting are not deducted from equity until approved by the shareholders.

t) Balances and transactions denominated in foreign currency

The Group's functional currency is the euro. As a result, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rates prevailing on the transaction dates.

At each consolidated balance sheet date, monetary assets and liabilities denominated in foreign currency are converted at the rates in force at the balance sheet date. Gains or losses are taken directly to the consolidated income statement.

Balances denominated in foreign currency recognised that 31 December 2015 and 2014 and transactions in foreign currency carried out in 2015 and 2014 are not significant (Note 8).

u) Consolidated cash flow statements

The terms employed in the consolidated cash flow statements have the following meanings:

- Cash flows: change in the heading "Current Assets-Cash and cash equivalents".

- Operating activities: the Company's typical activities as well as others that cannot be classified as investing or financing activities, including income tax and other taxes.

- Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that alter the amount and structure of equity and liabilities that are not operating activities.

v) Disposal groups of items and assets 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 of an asset or disposal group 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 program to locate a buyer and complete the plan must have been initiated.

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- 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 to the plan will be made.

Assets and disposal groups classified as held-for-sale are measured in the consolidated balance sheet at the lower of their carrying amount and fair value, less selling costs (Note 7). Also, non-current assets are not depreciated while they are classified as held for sale.

w) *Profit/(loss) from discontinued operations*

A discontinued operation is a business that has been sold or otherwise disposed of, or that has been classified as held-for-sale (Note 4.v) whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes.

5. <u>Responsibility for the information and estimates made</u>

The information in these consolidated financial statements is the responsibility of Vocento's Board of Directors.

When measuring some of the assets, liabilities, income, expense and commitments in the consolidated annual accounts for 2015 the group has occasionally relied on estimates made by the senior executives of the Parent Company and the consolidated companies and subsequently ratified by the Group Directors. These estimates relate basically to the following:

- Impairment losses affecting certain assets: the primary risk of asset impairment at the Group relates to the goodwill acquired in business combinations (Notes 4.a and 8) and tax-loss carry forwards and deductions yet to be offset (Notes 4.o and 23).

- The assumptions used in the actuarial calculation of Other long-term employee benefits (Note 4.q).

- The useful life of property, plant and equipment and other intangible assets (Notes 4.b, 4.c, 4.d, 9 and 10).

  The estimated useful lives applied in general in 2015 and 2014 were as follows:

	Estimated useful life
Software	2-5
Other intangible assets	3-10
Buildings	10-50
Plant and machinery	3-15
Other assets	3-15

  Some intangible assets are amortized in accordance with the expected pattern of consumption of the future financial benefits obtained from those assets and therefore at the end of each year the Group makes a new estimate and any appropriate change to future amortisation (Note 9).

  The Directors consider that certain radio licenses acquired in 2009 through a business combination have an indefinite useful life since there is no foreseeable limit to the period over which those licenses may be expected to generate net inward cash flows since they are assets that the Group expects to control indefinitely. The carrying amount of those assets total €16,145 thousand (€16,145 thousand at 31 December 2014) (Note 8). The Group estimates the recoverable value of these licenses based on an appraisal of the radio business cash generating unit, supplemented by technical studies and the consideration is that there has been no impairment whatsoever in 2015.

- Provisions and contingent liabilities (Notes 4.j, 4.l and 18).

- The Group applies the degree of completion method to recognize income from some television productions (Note 4.n). This requires that a reliable estimate must be made of the revenue from each contract and the total contract costs, as well as of the percentage of completion at the year-end from technical and financial standpoints.

- At the year-end the Group analyses its accounts receivable and, on the basis of its best estimates, quantifies the amount thereof that could be uncollectible (Notes 4.g and 15).

- As is indicated in Note 21, the Group has certain derivative instruments that are not traded on an active market whose fair value has been calculated using measurement techniques that are widely used in financial practices.

Although these estimates were made on the basis of the best information available at 31 December 2015 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, recognizing the effects of the change in estimates in the related consolidated income statements.

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. Vocento's corporate management 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.

Potential risks relating to financial instruments used by the Group and the information relating to these instruments is set out below:

- Exchange rate risk

The acquisition of certain film production distribution rights that the Group carries out in dollars may have a negative impact on financial expense and on profits for the year.

At 31 December 2015 and 2014 there are no payables denominated in foreign currency.

There is a receivable totalling $348 thousand (2014: $584 thousand).

- Interest rate risk

Interest rate fluctuations affect the fair value of assets and liabilities that bear a fixed rate of interest and future flows of assets and liabilities that bear a floating rate of interest.

The objective of interest rate management is to attain a balance in the debt structure that allows the aforementioned risks to be minimized together with the cost of the debt.

The structure of the nominal value of loans and credit facilities from credit institutions at 31 December 2015 and 2014, making a distinction between fixed and variable rate items, is as follows:

(Thousand euro)

	Thousand euro	
	2015	2014
Fixed interest rate	827	9,149
Variable interest rate	119,690	128,968
Total	120,517	138,117

The Group partially mitigates (in the amount of €71,881 thousand of the total bank borrowings at 31 December 2015) the interest rate risk through the use of financial derivatives (€79,103 thousand at 31 December 2014) (Notes 20 and 21).

The composition of bank deposits is as follows:

	Thousand euro	
	2015 (*)	2014 (*)
Fixed interest rate	1,085	1,088
Variable interest rate	-	110
Total (Note 16)	1,085	1,198

(*) Accrued interest not collected is excluded.

The Group has €18,243 thousand in cash (€22,247 thousand in 2014) (Note 16), of which €2,588 thousand is held in on-demand bank accounts that bear a market rate (2014: €4,097 thousand).

Finally, current and non-current payables include the following amounts with an embedded financial cost:

	Thousand euro	
	2015	2014
Other non-current payables (Note 22)	2,352	4,651
Liabilities for old benefits for employees	-	1,022
Indemnities pending payment	2,287	3,616
Other	65	13
Trade and other payables (Note 19)	2,508	3,841
Liabilities for old benefits for employees	1,031	2,080
Indemnities pending payment	1,473	1,741
Other	4	5
Total	4,860	8,493

- <u>Credit risk</u>

Given its business the Group maintains balances with a very large number of customers (Note 15). In addition to the analysis explained in Note 4.g, certain Group companies cover credit risk by maintaining surety policies to reduce the risk of insolvency. For this reason, the Parent Company Directors consider that there is no significant unrecognized risk of insolvencies affecting receivables at 31 December 2015 and 2014.

Excluding the insurance that the Group currently has, the potential total credit risk amounts to €80,604 thousand and €83,973 thousand at 31 December 2015 and 2014, respectively (Note 15).

(Thousand euro)

- <u>Liquidity risk</u>

  The Group maintains a liquidity policy that combines its cash position with the available line of credit granted by certain financial institutions as part of the syndicated financing transaction (Note 20), in accordance with its projected cash needs, and the situation of that and capital markets.

  Notes 20 and 21 show the contractual maturity dates for bank borrowings relating to financing transactions and derivatives, respectively. Note 16 shows the Group's cash position.

  Although 31 December 2015 there is negative working capital totalling €8,459 thousand, the Directors believe that there are no short-term liquidity problems due to the generation of cash by group companies projected for the coming year and to the fact that the Group has available lines of credit (Note 20).

  The contractual flows of financial liabilities are shown below together with their maturity dates:

		31.12.2015			
Financial liabilities	**2016**	**2017**	**2018**	**2019 and beyond**	**Total**
Trade and other payables	105,599	-	-	-	105,599
Bank borrowings	27,356	21,291	25,526	58,259	132,432
Other non-current payables	1,008	3,439	3,109	12,222	19,778
Total financial liabilities	**133,963**	**24,730**	**28,635**	**70,481**	**257,809**

7. <u>Profit/(loss) on discontinued operations and assets held-for-sale</u>

In 2015 and 2014 there were no transactions classified as discontinued operations.

These items are recognised in the heading "Assets held-for-sale" in the balance sheet at 31 December 2015, principally consisting of the net value of the assets pertaining to the company Andaluprint, S.L.U.

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6. Goodwill

The composition and movements in this consolidated balance sheet heading in 2015 and 2014 are as follows:

	Thousand euro										
	Balance at 31.12.13	Additions (Notes 2.d and 32)	Write-downs	Disposals (Note 2.f)	Other movements	Balance at 31.12.14	Additions (Notes 2.d and 32)	Write-downs	Disposals (Note 2.f)	Other movements (Note 13.a)	Balance at 31.12.15
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.	2,045	-	-	-	-	2,045	-	-	-	-	2,045
Corporación de Medios de Extremadura, S.A.	1,005	-	-	-	-	1,005	-	-	-	-	1,005
El Norte de Castilla, S.A.	1,984	-	-	-	-	1,984	-	-	-	-	1,984
Sociedad Vascongada de Publicaciones, S.A.	3,347	-	-	-	-	3,347	-	-	-	-	3,347
Federico Doménech, S.A.	56,233	-	(6,000)	-	(3,177)	47,056	-	(3,350)	-	-	43,706
El Correo, S.A.	127	-	-	-	-	127	-	-	-	-	127
Desde León al Mundo, S.L.	-	178	-	-	-	178	-	-	-	-	178
Audio-visual -											
Veralia Contenidos Audiovisuales, S.L.U.	18,528	-	(9,000)	-	-	9,528	-	-	(527)	-	9,001
Veralia Distribución de Cine, S.A.U.	16,656	-	-	-	-	16,656	-	(2,000)	-	-	14,656
Teledonosti, S.L.	204	-	-	-	-	204	-	-	-	-	204
Las Provincias Televisión, S.A.U.	93	-	-	-	-	93	-	-	-	-	93
Other-							-	-	-	-	
Sarenet, S.A.	2,454	-	-	(2,454)	-	-	-	-	-	-	-
Classifieds-				-							
Habitatsoft, S.L.U.	1,597	-	-	-	-	1,597	-	-	-	-	1,597
Infoempleo, S.L.	2,326	-	-	-	-	2,326	-	-	-	-	2,326
Autocasión Hoy, S.A.	2,976	-	-	-	-	2,976	-	-	-	-	2,976
Gross total	116,327	178	(15,000)	(2,454)	(3,177)	95,874	-	(5,350)	(527)	-	89,997

The cash generating units coincide with companies, except for the cash generating unit formed by the companies Radio Publi, S.L. and Onda Ramblas, S.A.U. There is goodwill relating to this cash generating unit assigned to intangible assets with an indefinite useful life totalling €16,145 thousand (€16,145 thousand at 31 December 2014) (Notes 5 and 9).

<u>Analysis of the recoverability of goodwill</u>

As indicated in Note 4.a, each year the Group assesses whether it's goodwill has become impaired. The summary of the analysis performed by Directors on the most significant goodwill is as follows:

- Federico Domenech, S.A.

In the case of Federico Domenech, S.A. the Group has calculated the value-in-use based on cash flow projections, mainly taking into consideration the expected situation of the advertising market in the written press sector and the development of the online business over the coming five years (Note 4.a), discounted using pre-tax rates calculated as the weighted average cost of capital (WACC) using comparable companies as a reference. Those discount rates range between 10.00% and 12.00% (11.43% and 13.57% in 2014) for the different businesses that make up the cash generating unit (7.5% and 9% after taxes in 2015 and 8% and 9.5% in 2014), which are 0.5% less than those used in 2014 as a result of the market situation. Due to the current economic situation, cash flows after the fifth year have been extrapolated using growth rates of between 1.5% and 2.5% (0.5% and 2% in 2014). Given the various businesses that make up the cash generating unit (press, online publishing, etc.), the Directors have applied growth rates that they consider to be in line with each one of those businesses, in accordance with both external sources (growth projections for the written press and Internet media sector, situation of competitors, public information regarding the sector, etc.) and internal sources (similar companies within the Group). As a result of all of the above, the estimated future cash flows in 2015 (including that for the year at a normalized rate), are less than those taken into consideration in 2014.

Based on the assumptions taken into consideration the Group has recognised impairment affecting this cash generating unit totaling €3,350 thousand and €8,000 thousand in 2014.

The key variables on which the Directors have based their calculation of the value-in-use of the business of Federico Domenech, S.A. in accordance with future projections are as follows:

- Evolution of the advertising market: the Directors have taken into consideration and approximate annual rate of 1% projected advertising growth during the period for the publishing activity and 8.7% in the online activity (8% in 2014), including both the evolution of the market itself as well as events having an impact on Federico Domenech, S.A., but at no time are advertising levels similar to those in 2007 attained. There is also a forecast for a gradual increase in the weight of online advertising in the mix of advertising income. The Directors have taken into consideration internal analyses and market reports when making these estimates.

- Sale of copies: a reduction in the number of copies sold is projected at an approximate annual rate ranging between -6% and -4% over the coming years (-6% and -4% in 2014). The decline in the number of copies sold is offset by the increase in the price of those copies, which leads to the income on the sale of copies being maintained or slightly declining.

- Evolution of operating costs: estimated operating costs reflect the rationalization plans that commenced in prior years.

To determine the sensitivity of the value-in-use to changes in the basic assumptions, the following scenarios have been analysed on an individual basis without there being any significant impairment losses affecting the goodwill assigned to any of them:

- Scenario 1: Reduction of advertising growth by 5%.

- Scenario 2: Reduction in income from the sale of copies by 15%.

- Scenario 3: Increase in the discount rate by 1%.

- **Veralia Contenidos Audiovisuales, S.L.U.**

In the case of Veralia Contenidos Audiovisuales, S.L.U. the Group has calculated the value-in-use based on cash flow projections, basically by taking into consideration the expected Evolution of the audio-visual market and the Company's market share, as well as the evolution of margins on productions over the coming 5 years, discounted using pre-tax rate calculated as the weighted average cost of capital (WACC) using comparable companies as a reference. This discount rate was 10.32% (11.18% in 2014) (7.74% after taxes in 2015 and 7.83% in 2014), which are 0.1% less than those used in 2014 as a result of the market situation. The cash flows after the fifth year have been extrapolated using a 2% growth rate (2% in 2014), which the Directors consider to be reasonable for the long-term growth of the businesses concerned.

Based on productions already contracted and the concentration of invoicing, and 2015 the Directors re-estimate the projection of income and expenses relating to the audio-visual business over the next few years.

By virtue of the assumptions applied, and also taking into consideration the situation of the audio-visual market, in 2014 the Group recognised the impairment of the goodwill relating to this cash generating unit totalling 69,000 thousand.

To determine the sensitivity of the value-in-use to changes in the basic assumptions, the following scenarios have been analysed on an individual basis without there being any significant additional impairment losses affecting the goodwill assigned to any of them:

- Scenario 1: Reduction of expected income volume by 15%.

- Scenario 2: Increase in the discount rate by 1%.

- Scenario 3: Reduction in the perpetual growth rate of up to 1%.

The analysis of the projections used assumptions regarding changes in the key business variables (increase in the discount rate, reduction in income volume from the sale of content, etc.), based on market reports and internal assessments. In accordance with the estimates made by the Directors, those possible changes in key assumptions would not give rise to significant impairment in addition to the that has already been recognised.

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- **Veralia Distribución de Cine, S.L.U.**

In the case of Veralia Distribución de Cine, S.L.U., the Group has prepared an individual analysis of the cash flow that is generated by each film in each possible sales window (sales to television stations, DVD, video on demand, online video platforms, etc.), based on contracts already concluded, past sales and the market situation, up until the expiration date of its rights. The cash flow is discounted at a pre-tax rate calculated as the weighted average cost of capital (WACC) using comparable companies as a reference. This rate is 10.32% (11.19% in 2014) (7.74% after taxes in 2015 and 7.83% in 2014).

In accordance with this calculation the Group recognised the impairment of the goodwill relating to this cash generating unit totalling €2,000 thousand in 2015.

Due to the fact that the film catalogue of Veralia Distribución de Cine, S.L.U. is currently not being expanded, the amounts received over the coming years will gradually reduce the value of this catalogue.

- **The rest of the cash generating units**

The recoverable amount from the cash generating units associated with the goodwill has been measured using the value-in-use method (Note 4.a). That value-in-use has been calculated based on cash flow projections that represent the best estimates for at least 5 years (with a normalized year the calculation of the residual value), as well as by applying discount rates that are in accordance with the risks associated with the business being analysed.

The cash flows for the periods after those covered by the projections have been extrapolated using constant growth rates that the Directors consider will not exceed the average long-term growth rate for the sector in which those companies operate, which is between 0% and 2.5% in 2015, while in 2014 it ranged between 0% and 3%. The pre-tax discount rates used in the calculation of the value-in-use of the various businesses ranges between 10% and 12% (7.5% and 9.0% after taxes) in 2015 and between 11.19% and 13.57% (7.83% and 9.5% after taxes) in 2014.

In order to determine the sensitivity of the value-in-use to changes in key assumptions, the Directors have analysed the impact that the changes would have on the aforementioned key assumptions, and there are no significant impairment losses affecting goodwill.

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9. Other intangible assets

The summary of the transactions recognised in this consolidated balance sheet heading in 2015 and 2014 are as follows:

	Thousand euro										
	Balance at 31.12.13	Additions and allocations	Increase/(decrease) due to transfers	Disposals, write-offs or reductions	Changes in scope of consolidation (Note 2.d)	Balance at 31.12.14	Additions and allocations	Increase/(decrease) due to transfers	Disposals, write-offs or reductions	Changes in scope of consolidation (Note 2.d)	Balance at 31.12.15
COST											
Industrial property rights	27,551	220	(250)	(69)	(503)	26,932	9	-	(68)	(61)	26,767
Computer software	58,796	3,555	583	(1,071)	(178)	58,888	4,463	649	(24,592)	(22)	38,598
Scripts and projects	4,051	57	250	-	-	4,358	21	-	-	(251)	4,128
Development expenses	[illegible]	224	-	(18)	-	871	40	(224)	(138)	-	549
Rights to distribute film productions	104,742	-	-	-	-	104,742	115	-	-	-	104,857
Film productions	10,706	-	-	-	-	10,706	42	-	-	-	10,750
Advance payments for intangible assets in progress	533	488	(583)	(17)	(26)	843	763	(425)	-	-	1,081
Total cost	206,419	4,773	-	(1,063)	(774)	205,432	5,473	-	(24,836)	(334)	185,717
ACCUMULATED AMORTISATION											
Industrial property rights	(8,588)	(88)	232	12	374	(8,080)	(67)	-	57	10	(7,980)
Computer software	(47,838)	(4,322)	-	1,732	141	(50,348)	(4,380)	(85)	24,851	12	(30,050)
Scripts and projects	(3,828)	(105)	(232)	-	-	(4,206)	(68)	-	-	240	(4,063)
Development expenses	(544)	(114)	-	16	-	(643)	(81)	65	139	-	(497)
Rights to distribute film productions	(120,930)	(4,778)	-	-	-	(125,708)	(3,810)	-	-	-	(129,678)
Film productions	(10,697)	(11)	-	-	-	(10,708)	(2)	-	-	-	(10,710)
Total accumulated amortisation	[illegible]	(9,398)	-	1,760	515	(197,919)	(8,378)	-	24,817	330	(181,030)
IMPAIRMENT	(15,399)	-	-	114	-	(15,249)	-	-	-	-	(15,249)
Total net cost	40,299	(4,625)	-	(119)	(259)	[illegible]	(2,905)	-	(7)	(15)	[illegible]

The right-offs recorded at 31 December 2015 in the heading "Computer software" in the preceding table relate to applications that are no longer in use at the Group and they had all been fully amortised. Additions of computer software relate to developments carried out for the Group's business.

The amount of fully amortized intangible assets still being used at 31 December 2015 is €131,311 thousand (€147,842 thousand at 31 December 2014).

At 31 December 2015 the Group did not have any commitments to acquire any significant intangible assets.

The Group estimates the recoverable value of licenses with an indefinite useful life based on appraisals prepared using after-tax discounted cash flows from the radio business cash generating units totalling 8.5% (9% in 2014) and a 2% growth rate (2.5% in 2014), supplemented by technical assessments, and the consideration is that there has been no impairment whatsoever during 2015 and 2014.

(Thousand euro)

10. Property, plant and equipment and investment properties

The summary of the transactions recognised in these consolidated property, plant and equipment balance sheet headings in 2015 and 2014 is as follows:

	Thousand euro									
	Balance at 31.12.13	Additions and allocations	Increase/(decrease) due to transfers	Disposals, write-offs or reductions	Changes in scope of consolidation (Note 2.d)	Balance at 31.12.14	Additions and allocations	Increase/(decrease) due to transfers (*)	Disposals, write-offs or reductions	Tra
COST										
Land, buildings and other Buildings	162,786	6	-	(293)	(1,473)	161,026	37	(2,064)	(413)	
Plant and machinery	234,201	546	1,087	(19,655)	-	216,179	349	(475)	(27,240)	
Other plant, tooling and furnishings	72,713	547	(1,087)	(1,296)	(1,222)	68,656	1,403	82	(9,008)	
Other assets	48,278	987	-	(1,615)	(7,852)	38,808	638	479	(21,932)	
Advance payments and property, plant and equipment under construction	98	86	-	-	-	184	695	(86)	-	
Total cost	518,076	2,172	-	(22,859)	(10,547)	484,853	3,122	(2,064)	(58,593)	
ACCUMULATED DEPRECIATION										
Buildings	(54,607)	(3,186)	-	185	442	(57,166)	(2,993)	591	413	
Plant and machinery	(184,038)	(5,237)	(601)	19,497	-	(171,379)	(5,223)	469	27,201	
Other plant, tooling and furnishings	(53,240)	(2,984)	601	1,179	637	(53,807)	(2,325)	(1)	9,002	
Other assets	(43,964)	(1,989)	-	1,566	7,210	(37,177)	(994)	(468)	21,939	
Total accumulated depreciation	(335,849)	(14,396)	-	22,427	8,489	(319,529)	(11,535)	591	58,555	
IMPAIRMENT	(6,632)	(139)	-	111	-	(6,660)	-	139	-	

(Thousand euro)

Total net cost	175,595	(12,353)	-	(321)	(2,058)	160,863	(8,415)	(1,334)	(39)

(*) The transfers mainly related to the value of the offices of Editorial Cantabria, S.A. which have been reclassified to the heading "Investment properties"

(**) At 31 December 2015 the Group transferred the carrying amount of the printing press and machinery pertaining to the company Andaluprint S.L.U. to the balance sheet heading "Assets held-for-sale".

	Thousand euro									
	Balance at 31.12.13	Additions and allocations	Increase/(decrease) due to transfers	Disposals, write-offs or reductions	Changes in scope of consolidation (Note 2.d)	Balance at 31.12.14	Additions and allocations	Increase/(decrease) due to transfers (Note 9) (*)	Disposals, write-offs or reductions	Balance at 31.12.15
COST										
Land	3,052	-	-	-	-	3,052	-	-	-	3,052
Buildings	5,775	-	-	-	-	5,775	-	2,064	-	7,839
Total cost	8,827	-	-	-	-	8,827	-	2,064	-	10,891
ACCUMULATED DEPRECIATION Buildings and other facilities	(1,915)	(121)	-	-	-	(2,036)	(144)	(591)	-	(2,771)
Total accumulated depreciation	(1,915)	(121)	-	-	-	(2,036)	(144)	(591)	-	(2,771)
IMPAIRMENT	(141)	(90)	-	-	-	(231)	(79)	(139)	-	(449)
Total net cost	6,771	(211)	-	-	-	6,560	(223)	1,334	-	7,671

The summary of the transactions recognised in these consolidated investment property balance sheet headings in 2015 and 2014 is as follows:

(*) The transfers mainly related to the value of the offices of Editorial Cantabria, S.A. which have been reclassified to the balance sheet heading "Investment properties"

The Group believes that the fair value does not significantly differ from the carrying amount of investment properties.

The write-offs recognised at 31 December 2015 in the heading "Plant and machinery" in the preceding table mainly relate to the elimination of the fully amortised printing press and machinery pertaining to the companies Bilbao Editorial Producciones, S.L.U., El Comercio, S.A. and Prensa Malagueña, S.A., while the write-offs recognised in the heading "Other assets" relate to the elimination of fully amortised and unused computer equipment.

This heading includes €10,897 thousand and €14,456 thousand at 31 December 2015 and 2014, respectively, relating to assets being acquired under finance leases (Note 4.e), which are classified based on their nature. The minimum lease payments in this connection at 31 December 2015 were as follows (in thousand euro):

	Thousand euro
Up to 1 year	2,319
Between 1 and 5 years	7,103
More than 5 years	-
Total amounts payable	9,422
Financial expense	519
Present value of the instalments (Note 20)	8,903
	9,422

The main assets being acquired under finance leases at 31 December 2015 relate to the printing presses for the various printing plants that the Group maintaines.

The amount of fully depreciated property, plants and equipment still being used at 31 December 2015 is €129,702 thousand (€188,488 thousand at 31 December 2014).

In 2015 and 2014 there have been no significant investments in property, plant and equipment.

The account "Plant and machinery" in the preceding table mainly records the value of the printing presses, finishing and other machinery owned by the Group, as well as the associated facilities, while the account "Other plant, tooling and furnishings" records the value of the various facilities in printing buildings and plants at which the Group carries out its activity, in addition to the matters mentioned in Note 4.c, and diverse office equipment.

The account "Other assets" in the preceding table includes the diverse computer equipment which has a carrying amount of €2,050 thousand and €2,031 thousand at 31 December 2015 and 2014, respectively.

There were no significant commitments to acquire property, plant and equipment at 31 December 2015.

The Group has formalized insurance policies to cover the possible risks to which certain property, plant and equipment are subject and the possible claims that may be filed in relation to the performance of its operations. These policies are understood to provide sufficient coverage of the risks to which the assets are subject.

vocento

Vocento, S.A. and Subsidiaries

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR 2015
(Thousand euro)

11. Shareholdings measured using the equity method

The summary of the transactions recognised in 2015 and 2014 in the carrying amount of the shareholdings in Group companies measured using the equity method is as follows (See the Appendix to these notes to the annual accounts).

	Thousand euro										
	Balance at 31.12.13	Profit for the period	Impairment	Other movements	Dividends received	Balance at 31.12.14	Profit for the period	Impairment	Dividends received	Other movements	Balance at 31.12.15
Audio-visual-											
Sociedad de Radio Digital Terrenal, S.A.	[illegible]	(4)	-	(4)	-	-	-	-	-	-	-
Classifieds-											
11870 Información en General, S.L. (Note 2.d)	[illegible]	[illegible]	(2,300)	-	-	[illegible]	[illegible]	-	-	22	214
Newspapers -											
Distribuciones Papiro, S.L.	[illegible]	[illegible]	-	-	[illegible]	[illegible]	72	-	[illegible]	-	547
Cirpress, S.L.	[illegible]	[illegible]	-	-	(41)	[illegible]	[illegible]	-	(41)	-	541
Distrimedios, S.A.	[illegible]	[illegible]	-	-	-	[illegible]	120	-	-	2	3,101
Val Disme, S.L.	[illegible]	[illegible]	-	-	-	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Structure-											
Rol Media, S.L. (*)	-	(110)	-	122	-	12	[illegible]	-	-	(11)	-
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L. (*)	-	(127)	-	(112)	-	[illegible]	[illegible]	-	-	-	[illegible]
	[illegible]	[illegible]	[illegible]	6	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]

(Thousand euro)

The Group evaluated the recoverability of its shareholdings measured using the equity method in 2015 and 2014. In 2014 impairment was considered to exist regarding the investment in "11870 Información en General, S.L." totalling €2,300 thousand, which was recognised under the heading "Profit from companies consolidated using the equity method" in the accompanying consolidated income statement for 2014.

As is mentioned in Note 2.f, the amount recognised in the column "Other movements" at 31 December 2015 refers to the adjustment to the result on the equity consolidation of Val Disme, S.L as a result of an error in prior years.

In 2015 and 2014 the Group did not carry out significant transactions with its investee companies other than those mentioned in Note 2.d.

Details of the primary financial figures relating to equity-consolidated companies at the end of 2015 and 2014 are as follows:

2015

	Thousand euro			
	Total equity	Total assets	Operating income	Result
Classifieds				
11870 Información en General, S.L.	(162)	123	627	(86)
Newspapers				
Distribuciones Papiro, S.L.	1,902	4,840	30,860	309
Cirpress, S.L.	2,301	4,788	19,565	234
Distrimedios, S.L.	4,324	21,707	67,708	(108)
Val Disme, S.L.	595	17,861	79,214	142
Structure				
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.	(508)	1,228	55	(5)

2014

	Thousand euro			
	Total equity	Total assets	Operating income	Result
Classifieds				
11870 Información en General, S.L.	(120)	189	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	84,851	358
Structure				
Rei Media, S.L.	28	145	20	(221)
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.	(489)	1,168	581	(275)

(Thousand euro)

12. Interests in joint ventures

The most relevant financial information relating to the interest held in Localprint, S.L., is jointly controlled together with another shareholder and in which the Group holds a 50% stake, is summarised below:

	Thousand euro	
	31.12.15	31.12.14
Revenue	4,674	5,367
Net operating profit/(loss)	(41)	208
Non-current assets	15,623	17,597
Current assets	1,516	936
Non-current liabilities	3,153	3,590
Current liabilities	2,297	3,123

13. Financial assets

a) Non-current securities portfolio

The carrying amount of the most representative shares in the non-current securities portfolio at 31 December 2015 and 2014 is as follows:

Company	Thousand euro 31.12.15	Thousand euro 31.12.14	% shareholding at 31.12.15	% shareholding at 31.12.14
Edigrup Producciones TV, S.A.	551	551	4.85%	4.85%
Val Telecomunicaciones, S.L.	-	655	-	6.76%
Dima Distribución Integral, S.L.	1,452	1,452	17.82%	17.92%
Other investments	1,498	1,702		
Total	3,501	4,360		

The entire non-current securities portfolio is classified under "Available-for-sale financial assets" and is recognised as is explained in Note 4.g.

The Group has several shareholdings in unlisted companies which are presented at their acquisition cost, less any applicable impairment, since their value cannot be measured using a more reliable alternative method.

In 2015 the Group received dividends totalling €478 thousand (2014: €8,081 thousand) from its interest in the company Val Telecomunicaciones, S.L. which were received and recognised in the heading "Financial income" in the consolidated income statement at 31 December 2015 (Note 30). The Group sold that shareholding for €218 thousand on 22 December 2015.

In 2014 that company carried out a share capital reduction through the par value of its shares, the purpose of which was to return capital to shareholders. This transaction led the Group to eliminate the held-for-sale financial asset in the amount of €4,770 thousand, which was collected in full at the end of 2014. After the recognition of these two transactions, the Group re-estimated the recoverable value of its investment and determined that there was impairment totalling €5,331 thousand, including the write-off of goodwill totalling €3,177 thousand (Note 8), which was recorded by charging the heading "Other profit/(loss) on financial instruments" in the consolidated income statement for 2014.

b) Other non-current financial investments

This heading basically records non-current deposits and guarantees.

(Thousand euro)

c) Other non-current receivables

This heading essentially records non-current loans, among which is a non-current loan granted to Fundación Colección ABC.

14. Inventories

The composition of this consolidated balance sheet heading at 31 December 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Raw materials	12,067	12,050
Other raw materials	488	638
Spares	540	613
Goods purchased for resale and finished	808	934
Other inventories	402	482
Prepayments to suppliers	392	205
Impairment of raw materials	(1,190)	(1,342)
Total	13,505	13,580

At 31 December 2015 and 2014, there were no inventories provided to secure the payment of debts or in relation to any other obligations with third parties.

15. Trade and other receivables

The composition of the heading "Current assets - Trade and other receivables" on the asset side of the consolidated balance sheet at 31 December 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Trade receivables for sales and services rendered	108,110	116,184
Trade bills receivable	2,334	2,897
Less- "Discount due to sales volume" (Note 4.o)	(8,054)	(7,057)
Receivables from related companies (Note 34)	3,285	3,805
Other receivables (Note 4.b)	10,175	11,454
Provision for unrecoverable receivables	(23,787)	(28,153)
	92,063	98,956

All unimpaired balances, whether or not in a default situation, have an estimated collection period of less than 12 months. The carrying amount of these assets does not significantly differ from their fair value.

The amount of outstanding balances that are not impaired totals €15,703 thousand at 31 December 2015 (2014: €15,751 thousand). These accounts relate to a number of independent customers for which there are no recent default data. The age of these accounts is analysed below:

	Thousand euro	
	2015	2014
Up to 3 months	11,843	12,434
Between 3 and 6 months	2,775	2,556

(Thousand euro)

Over 6 months	1,145	781
Total	15,763	15,751

Of this amount, €10,264 thousand had been collected at the date these annual accounts were prepared (2014: €11,473 thousand) and of the amount not received, €2,285 thousand (2014: €1,980 thousand) relates to balances pending payment by Public Administrations and these amounts have been duly recognised as outstanding by those administrations. In addition, certain Group companies cover credit risk by maintaining surety policies to reduce the risk of insolvency (Note 6). All outstanding balances not yet received are in active collection management.

At 31 December 2015, the amount of the provision for the impairment of receivables totals €23,767 thousand (2014: €28,153 thousand). The changes deriving from the impairment loss is recognised in the balance sheet heading "Provision for unrecoverable receivables" in 2015 and 2014 were as follows:

Balance of the Provision at 31.12.2013	32,234
Appropriations	3,234
Reversals	(621)
Applications	(5,951)
Other	(743)
Balance of the Provision at 31.12.2014	28,153
Appropriations	1,459
Reversals	(484)
Applications	(5,361)
Balance of the Provision at 31.12.2015	23,767

The balance of the heading "Provision for unrecoverable receivables" at the end of 2015 and 2014 is €5,800 thousand relating to the impairment recognised by the Group company "Sociedad Gestora de Televisión Net TV, S.A." of its receivables from the company Homo Videns, S.A.

16. Cash and cash equivalents

The composition of the heading "Current assets - Cash and cash equivalents" in the company's consolidated balance sheet at 31 December 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Other current loans	10	8
Current term and other deposits (Note 6)	1,095	1,196
Cash	18,243	22,247
	19,348	23,451

This heading basically includes cash and current 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 availability of those balances except for any excess cash that must be used to repay the syndicated financing loan early (Note 20). The Parent Company Directors consider that there is no excess cash at 31 December 2015.

The carrying amount of these assets does not significantly differ from their fair value.

(Thousand euro)

17. Equity

Share capital

The Parent Company's share capital at 31 December 2015 totals €24,994 thousand and is represented by 124,970,306 fully subscribed and paid shares with a par value of €0.20 each, and there has been no change compared with 31 December 2014. The Company's shares are listed on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

Since shares in Vocento are represented by book entries, the interest held by shareholders in share capital is not precisely known. However, in accordance with public information in the possession of the Parent Company, at 31 December 2015 Mezouna, S.A. and Valjarafe, S.L., with interests amounting to 11.077% and 10.09%, respectively, are the only shareholders with a stake exceeding 10%, as was the case 31 December 2014.

Capital management objectives, policies and processes

The Group maintains a policy of applying maximum financial prudence as a fundamental part of its strategy. The target capital structure is defined by the commitment to solvency and the objective of maximizing returns for shareholders.

The Group establishes the quantification of the target capital structure as the relationship between net financing and equity:

	Thousand euro	
	31.12.15	31.12.14
Cash and cash equivalents (Note 16)	19,348	23,451
Bank borrowings (*) (Note 20)	(123,545)	(141,207)
Other current and noncurrent payables with a financial cost (Notes 8, 19 and 22)	(4,860)	(8,433)
Other non-current loans and receivables with a financial cost	270	380
Net debt position	(108,787)	(125,809)
Equity	318,250	322,572

(*) Relates to bank borrowings at nominal value.

The evolution and analysis of this ratio is continuous and estimates for the future are made in this respect as a key and limiting factor for the Group's investment strategy and dividend policy.

(Thousand euro)

Reserves

The breakdown of Reserves at 31 December 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Parent company reserves	**320,246**	**310,332**
Legal reserve	4,999	4,999
Reserve for treasury shares	25,291	29,874
Voluntary reserves	289,956	275,459
Unrealised asset and liability revaluation reserve (Note 21)	**(2,144)**	**(2,178)**
Reserves in consolidated companies	**(56,878)**	**(19,178)**
Reserves for companies consolidated using the equity method (Note 11)	(1,026)	1,117
Reserves for companies consolidated using the full and proportional methods	(55,852)	(20,295)
Total	261,224	288,976

The amount of Group's restricted reserves at 31 December 2015 and 2014 total €85,382 thousand and €85,999 thousand, respectively.

Share premium

The Spanish Companies Act 2010 expressly allows the use of the share premium account to increase share capital and there are no specific restrictions with respect to the availability of this balance.

Legal reserve

In accordance with the Spanish Companies Act, 10% of profits must be transferred to the legal reserve each year until it represents at least 20% of share capital. The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

This reserve had been fully funded by the Parent Company in accordance with the described legislation at 31 December 2015 and 2014.

Treasury shares

The Parent Company maintains 3,870,665 shares equivalent to 3.1% of its share capital and there is no restriction on their transfer.

Movements in treasury shares in 2015 and 2014 are as follows:

	No. of shares	Cost (Thousand euro)
Shares at 31/12/13	3,871,581	31,474
Purchase	280,840	531
Sale (*)	(285,143)	(2,131)
Shares at 31/12/14	3,867,278	29,874
Purchase	883,678	1,632
Sale (*)	(874,311)	(6,215)
Shares at 31/12/15	3,876,645	25,291

(*) Sales recognised at the average weighted cost.

The capital loss resulting from the sale of treasury shares in 2015 was charged against reserves in the amount of €4,602 thousand (2014: €1,595 thousand).

In accordance with the provisions of the Spanish Companies Act 2010, the Parent Company maintains a restricted reserve in the amount of the cost of the treasury shares held in its portfolio. These reserves will become unrestricted when the circumstances dictating their establishment cease to exist.

The average number of treasury shares in the portfolio in 2015 was 3,868,783 shares (2014: 3,868,006 shares). (Note 33).

Dividends

The Parent Company did not distribute any dividend whatsoever in 2015 and 2014 and at the end of both years there was no amount pending payment in this respect.

Non-controlling shareholdings

At 31 December 2015 and 2014 the main non-controlling shareholdings relate to the subgroup Sociedad Vascongada de Publicaciones, the subgroup Veralia and "Sociedad Gestora de Televisión Net TV, S.A."

The main transactions carried out in 2015 and 2014 that affected the non-controlling shareholdings are as follows:

2015

- As a result of the acquisition of Rotomadrid, S.L. (Note 2.d), non-controlling shareholdings declined by €7,573 thousand. The other transactions did not have a significant impact.

2014

- As a result of the sale of Sarenet, S.A. (Note 2.d), non-controlling shareholdings declined by €898 thousand. The other transactions did not have a significant impact.

Distribution of profit

The distribution of the 2015 profit of Vocento, S.A. (individual annual accounts) that the Parent Company's Board of Directors will propose for approval by the shareholders at the Annual General Meeting is as follows:

	Thousand euro
Available for distribution:	
Profit/(loss) for the year	10,148
Distribution of profit:	
To be offset against prior-year losses	10,148

(Thousand euro)

19. Provisions

The composition of this heading in the accompanying consolidated balance sheets, as well as movements during 2015 and 2014, are set out below:

	Thousand euro										
	Balance at 31.12.13	Appropriations	Reversals	Applications	Transfers	Balance at 31.12.14	Appropriations	Reversals	Applications	Transfers	Balance at 31.12.15
Provisions for pensions (Note 4.l)	[illegible]	[illegible]	[illegible]	[illegible]	-	470	-	[illegible]	[illegible]	[illegible]	[illegible]
Provisions for long-term incentive plans	-	150	-	-	-	150	-	(150)	-	-	-
Legal and tax provisions (Note 23)	[illegible]	[illegible]	[illegible]	-	14	[illegible]	441	(115)	(257)	152	[illegible]
Provision for disassembly	[illegible]	-	-	-	-	[illegible]	-	-	-	-	[illegible]
Provisions for publishing and audio-visual litigation	470	73	-	[illegible]	-	[illegible]	30	-	[illegible]	215	[illegible]
Other provisions	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	482	[illegible]	[illegible]	-	[illegible]

At each balance sheet date, the Group estimates the liabilities arising from litigation and similar events which require the recognition of provisions of a tax and legal nature. Although the Group considers that the cash outflows will take place in the coming years, it cannot predict the settlement date of these liabilities and, therefore, it does not make an estimate of the specific dates of the cash outflows, considering the effect of a potential discount to present value to be immaterial.

At 31 December 2015, certain litigation and claims were in progress 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 these proceedings and claims will not have an additional material effect on the consolidated annual accounts for the years in which they are settled (Note 4.l).

Provisions for share-based payments-

Shareholders at a General Meeting held on 28 June 2012 adopted a resolution to approve an incentive plan for the CEO and other executives at Vocento consisting of the establishment of variable remuneration that would be settled only through the delivery of shares in Vocento, S.A. and would be associated with the creation of value for shareholders measured in accordance with certain financial parameters during the term of the plan (up until 2014), as well as an evaluation of the performance of the beneficiaries. At the time the plan was established the maximum number of shares to be used to settle the variable remuneration liabilities totalled 2,154,600 shares, of which a maximum of 241,228 shares may be used to settle the potential liability with the CEO.

The consideration was that the objectives of the plan were not met and the Group did not recognize any provision in this respect at 31 December 2014 and, therefore, there was no impact whatsoever on the consolidated income statement or consolidated equity in 2014.

Provisions for long-term incentive plans-

In 2013 the Parent Company's Board of Directors approved a long-term incentive plan for the CEO and certain executives at the Parent Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2015, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any payment obligation in this respect in the consolidated balance sheet at 31 December 2015.

In 2014 the Parent Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain executives at the Parent Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2016, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any provision in this respect in the consolidated balance sheet at 31 December 2015 and 2014.

Finally, in 2015 the Parent Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain executives at the Parent Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted net profit for 2017, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the net profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any provision in this respect in the consolidated balance sheet at 31 December 2015.

Provisions for pensions and similar obligations

At 31 December 2015 the Group had externalized all employee pension commitments in accordance with Royal Decree 1588/1999 (15 October). These commitments are as follows:

<u>Defined contribution</u>

The main defined contribution commitments assumed by the Group are set out below:

- An annual contribution will be made for the Group's executives based on previously defined categories. This commitment is structured through an insurance policy.

- A contribution consisting of a percentage of the eligible salary of each participating employee will be made to a pension plan for certain Group employees. Employees hired after 8 May 2000 are subject to a two-year grace period before they can voluntarily join the pension plan.

The expense for these commitments in 2015 and 2014 totalled €675 thousand and €777 thousand, respectively, and is recognised in the heading "Personnel expenses" in the accompanying consolidated income statement for 2015 and 2014 (Note 28).

<u>Other long-term employee benefits</u>

The collective wage agreements for certain Group companies establish an obligation to make payment of certain length of service bonuses to employees after 20, 30 and 40 years of service. 31 December 2015 and 2014 the Group recognizes provisions calculated using actuarial methods to cover this accrued liability. The assumptions applied include, among others, a technical interest rate of 2.25%, GRM/F95 mortality tables and a long-term salary growth rate of 3.5%, and the provisions total approximately €33 thousand and €53 thousand, respectively, and are included under the heading "Provisions" on the liability side of the accompanying consolidated balance sheets. A net amount of €11 thousand and €87 thousand, respectively, reversed in 2015 and 2014.

Contingent liabilities

Details of the main contingent liabilities at 31 December 2015 are as follows:

- A libel suit was filed by an individual with the Court of First Instance 3 in Cadiz against SEVERAL GROUP NEWSPAPERS claiming €7,000 thousand. The Group received a favourable judgment and the claimant was obligated to pay the court costs, and the judgment on appeal was also favourable to the Group. A further appeal was filed and a judgment had yet to be received, but with two preceding favourable judgments the risk continues to be considered remote. The Supreme Court confirmed the judgments issued by the two lower courts and fully disallowed the claimant's case on 8 July 2015. The judgment is final and the appraisal of costs has been approved.

- Administrative Appeal 117/2014 was filed by a company against decisions made by the Council of ministers on 28 May and 11 June 2010 regarding the transformation of concessions to television operating licenses, including that of the Group investee company, SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A. Legal advisors continue to understand that there is no risk in this respect. In July 2015, the Supreme Court returned each administrative file to the competent Ministry and ordered the dismissal of the relevant cases and, therefore, SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A. saw its right to continue to operate its two current channels confirmed.

- Administrative Appeal 118/2014 was filed by a company against decisions made by the Council of ministers on 28 May and 11 June 2010 regarding the transformation of concessions to television operating licenses, including that of the Group investee company, SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A. Legal advisors continued to understand that the case is unlikely to prosper since the transformation into a license was mandatory in accordance with Law 7/2010 (31 March), on Audio-visual Communications, notwithstanding the fact that the closing of a channel by SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A. did not give rise to any accounting harm whatsoever (due to the absence of goodwill or valuable assets associated with the operation of channels). In July 2015, the Supreme Court returned each administrative file to the competent Ministry and ordered the dismissal of the relevant cases and, therefore, SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A. saw its right to continue to operate its two current channels confirmed.

- Judgment issued by the National Court on 3 December 2015 which allows the appeal filed by Europroducciones Group, now Veralia Contenidos Audiovisuales, against a judgment issued by the Central Tax and Administrative Court regarding Corporate Income Tax. The claimed amount totalled €1,077 thousand, which had previously been paid upon request by the Company. Due to formalities, the intention of the Tax Authorities regarding the filing of an appeal for reversal against that judgment is not known. However, in the opinion of legal advisors, the clarity of the judgment foreshadows the return of a total amount of €1,500 thousand, accrued late-payment interest included, which has already been recognised in the 2015 income statement.

- Penalty relating to the reinvestment deduction as a result of the inspection of corporate income tax for 2008 and 2009 relating to La 10 Canal de Televisión, S.L.U. (acquired in 2015 by Corporación de Nuevos Medios Digitales) initially for an amount of €826 thousand and subsequently for €578 thousand. In the opinion of legal advisors, the absence of negligence in the error incurred by the company should mean that no penalty will be imposed. Allegations were filed with the Central Tax and Treasury Court and a guarantee was provided to support the subsequent appeal, which was maintained when the subsequent claim was filed in this respect and the court has yet to reach a decision and a judgment.

- Corporate income tax settlements received by COMERESA PRENSA S.L.U. for 2006, 2007, 2008 and 2009 for amounts totalling €1,826 thousand, €1,819 thousand, €1,701 thousand and €0, respectively. In the opinion of legal advisors, in the first case the shortfalls in the prosecution of the proceedings make it likely that the arguments put forth by Comeresa Prensa, S.L.U. will be allowed and in the rest of the cases the mandatory application of a bilateral adjustment by Vocento S.A. ensures the recovery of the tax payment in cases in which one was made.

- Judgment issued by the Superior Court of Justice in Extremadura on 18 December 2013 which strikes down the resolution adopted on 13 August 2009 by the General Secretariat of the Government of Extremadura that affected, among others, the radio broadcasting licenses in Badajoz, Merida and Caceres. An appeal for reversal against the judgment has been filed by the Group investee company CARTERA DE MEDIOS S.A.U, and legal advisors consider that there may be a successful outcome on appeal.

- Claim filed with Commercial Court 9 in Madrid claiming the amount imposed on the Group investee company SOCIEDAD GESTORA DE TELEVISIÓN NET TV S.A., concerning certain rights for an initial amount of €1,051 thousand, regardless of the existence of any third-party. Legal advisors consider that an unfavourable judgment is not likely and even if it does arise under no circumstances should it be for the aforementioned amount.

- Libel suit filed with the Court of First Instance 37 in Barcelona by an individual against DIARIO ABC, S.L claiming the amount of €750 thousand. The Company has replied to the claim and legal advisors consider that if an unfavourable judgment arises the amount should be much less than the amount claimed, and it could even be passed on to third parties. Oral proceedings took place on 19 October 2015 and the trial took place on 9 February 2016. The initial judgment in February 2016 confirmed the preceding opinion, since it only covered a nominal judgment of €10 thousand.

- Libel suit filed with the Court of First Instance 1 in Barcelona by an individual against DIARIO ABC, S.L. and several journalists claiming the amount of €600 thousand. Judgments were issued in first and second instance on 30 July 2014 and 20 April 2015 and the penalty was reduced to €80 thousand. However, despite having made provision for that amount it should be noted that an appeal for reversal has been filed by DIARIO ABC, S.L. as its legal advisors believe that even if the judgment is ratified, the penalty could be lowered.

19. Trade and other payables:

The composition of this consolidated balance sheet heading at 31 December 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Trade payables-		
Payables to related companies (Note 34)	1,042	1,012
Trade payables	58,705	63,480
Invoices yet to be received	12,021	13,673
Trade bills receivable	4,754	7,045
Other creditors and volume discounts (Note 4.n)	(601)	(548)
	75,921	84,662
Other current payables-		
Outstanding wages and salaries (Notes 22 and 28)	11,677	14,023
Suppliers of intangible assets and property, plant and equipment (Notes 9 and 10)	2,762	1,626
Liabilities for old benefits for employees (Notes 4.j, 6 and 22)	1,031	2,096
Accruals and deferred income	7,382	6,364
Other	6,877	243
	29,729	24,352
	105,650	109,014

The carrying amount of these liabilities approximates their fair value.

The account "Wages and salaries payable" includes €2,019 thousand 31 December 2015 (2014: €3,872 thousand) relating to indemnities pending payment, including an amount of €1,473 thousand (2014: €1,741 thousand) with a financial cost relating to indemnities concerning the 2009 layoffs at Diario ABC, S.L.

Information regarding the average payment period for suppliers

The ratio of payments made to suppliers in 2015, the average payment period for suppliers and the ratio of transactions pending payment to suppliers at 31 December 2015 is as follows (thousand euro), in compliance with the information required by Additional Provision Three "Disclosures" of Law 15/2010 (5 July) and the resolution dated 2 February 2016 issued by the Audit and Accounting Institute in response to Final Provision Two of Law 31/2014:

	2015
	days
Average payment period for suppliers	63.41
Ratio of payments made	66.91
Ratio of pending payments	41.11
	Amount (Thousand euro)
Total payments made	294,355
Total pending payments	46,194

This balance relates to the suppliers that because of their nature are trade creditors for the supply of goods and services included in the balance sheet heading "Trade and Other Payables".

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(Thousand euro)

20. Bank borrowings

The loan balances with credit institutions at 31 December 2015 and 2012, as well as the repayment schedule, are as follows:

	Thousand euro					
		Due dates				
		Current	Non-current			
	Balance at 31.12.15	2016	2017	2018	2019 and Subsequent years	Total non-current
Bank borrowings (Note 8)	108,334	20,191	14,600	19,365	54,178	88,143
Payables for finance leases (Note 10)	8,903	2,107	2,155	2,204	2,437	6,796
Liabilities for financial derivative instruments (Note 21)	2,984	919	1,041	813	211	2,065
Accrued interest pending payment	45	45	-	-	-	-
TOTAL	120,266	23,262	17,796	22,382	56,826	97,004

The amounts set out in the preceding table reflect the amortized cost of bank borrowings at 31 December 2015 and the total nominal amount of those borrowings is €123,545 thousand at that date (Note 17).

Bank borrowings at 31 December 2014, as well as the repayment schedule, are as follows:

	Thousand euro					
		Due dates				
		Current	Non-current			
	Balance at 31.12.14	2015	2016	2017	2018 and subsequent years	Total non-current
Bank borrowings (Note 8)	123,193	10,091	19,891	14,561	78,610	113,102
Payables for finance leases (Note 10)	11,630	2,727	2,106	2,155	4,642	8,903
Liabilities for financial derivative instruments (Note 21)	3,029	558	786	842	843	2,471
Accrued interest pending payment	61	61	-	-	-	-
TOTAL	137,913	13,437	22,883	17,558	84,115	124,476

The amounts set out in the preceding table reflect the amortized cost of bank borrowings at 31 December 2014 and the total nominal amount of those borrowings is €141,207 thousand at that date (Note 17).

The line of credit limit for Group companies at 31 December 2015 and 2014, as well as the amounts drawn down and available, are as follows:

	Thousand euro	
	2015	2014
Drawn down	5,514	10,436
Available	41,161	36,989
Total line of credit limit	46,675	47,425

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(Thousand euro)

The average annual interest rate in 2015 and 2014 for bank borrowings, as well as that relating to finance these liabilities was the EURIBOR plus the following spread:

	2015	2014
Bank borrowings	3.45% -0.25%	5.41% - 1.5%
Finance leases	2.00% -0.40%	2.00% - 0.05%

The financial expense for bank borrowings in 2015 totalled €5,021 thousand (2014: €8,459 thousand), which is recognised under the heading "Financial expense" in the accompanying consolidated income statement for 2015 and the rest of the expense is recognised in that heading as origination fees, differences on exchange and other items (Note 31).

The Directors consider that the market value of those loans does not significantly differ from their carrying amount. The sensitivity of those market values to fluctuations in interest rates that the Group considers to be reasonably possible is as follows:

	Thousand euro			
	Change in interest rates			
	2015		2014	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Change in the value of the debt	(296)	301	(434)	434

The Group hedges €71,881 thousand (€79,103 thousand in 2014) of the risk associated with increases in interest rates using derivative financial instruments (Notes 6 and 21).

Syndicated loan

On 21 February 2014 the Group's Parent Company obtained non-current syndicated financing in the amount of €175,275 thousand, in order to repay existing bilateral loans, extend their due dates and unify their management, as well as to attend to the Group's general cash needs. This agreement consists of two tranches with the following amounts and due dates:

a) Tranche A, which is divided into:

(i) Sub-tranche A1: commercial loan of €75,000 thousand falling due in October 2018.

(ii) Sub-tranche A2: a five-year "bullet" commercial loan of €55 thousand.

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

At 31 December 2014 the Company had fully drawn down the financing relating to "Tranche A", and the amount pending payment at 31 December 2014 was €107,272 and €10,000 thousand was pending payment with respect to "Tranche B". At 31 December 2015, the amounts pending payment totalled €98,060 thousand with respect to "Tranche A", and €5,000 thousand with respect to "Tranche B".

The Group, of which the Company is the parent, sold several assets in 2014 that gave rise to the early repayment of €7,728 thousand, in accordance with the terms of the financing agreement. In 2015 the Company repaid €9,212 thousand relating to Tranche A1, on the due date established in the agreement.

The syndicated financing accrues an interest rate that is indexed to the EURIBOR plus a spread negotiated with the financial institutions that is settled on a quarterly basis. The applicable spread is determined every six months based on compliance with certain financial ratios in accordance with the terms established in the aforementioned agreement.

The Company formally modified the syndicated financing described above on 27 June 2015. The modification agreed with the nine financial institutions participating in the agreement gave rise to a reduction in the applicable interest rate and makes it possible to apply further reductions in that rate in the future, based on financial and economic parameters affecting Vocento.

The financing agreement includes certain causes of mandatory early repayment and the maturity of the amounts drawn down, including the disposal of assets, the existence of excess cash (Note 18), or a change in control at the Group. The agreement also includes restrictions on the distribution of dividends based on compliance with certain financial ratios (EBITDA, excess cash, etc.).

The agreement also establishes the obligation to comply with certain financial ratios at the consolidated level. The Parent Company's Directors consider that the financial ratios established in this agreement have been met at 31 December 2015.

The syndicated financing agreement also gave rise to the granting and maintenance of the following guarantees (personal and real) and real guarantee commitments to the financial institutions to secure the obligations deriving from the agreement.

- On-demand guarantee granted by Group companies which meet the conditions to be considered Guarantors at any given moment. The accompanying Appendix contains those in force at 31 December 2015.

- Pledge of the shares in the group companies that are directly or indirectly owned by the Parent Company, which are those indicated in the accompanying Appendix at 31 December 2015.

- Senior mortgage of the properties identified in the aforementioned syndicated financing agreement whose carrying amount totals €31,350 thousand at 31 December 2015 (€32,434 thousand in 2014).

- Senior mortgage commitment regarding certain properties free of encumbrances whose carrying amount totals €9,145 thousand at 31 December 2015 (€22,336 thousand in 2014).

  The Directors of the Parent Company consider that the circumstances calling for the execution of the mortgage commitments have not arisen at 31 December 2015.

Finally, and by virtue of the terms of that agreement, the Parent Company has contracted certain interest rate hedges totalling at least 50% of the principal amount of the outstanding amount at any given moment (Note 21).

21. Derivative financial instruments

The Group uses derivative financial instruments to hedge against the risks to which its activities, transactions and future cash flows are exposed, mainly changes in interest rates. The details of the balances that reflect the measurement of derivatives in the consolidated balance sheets at 31 December 2015 and 2014 are as follows:

	Thousand euro			
	31.12.15		31.12.14	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
INTEREST RATE HEDGES				
Cash flow hedges:				
Interest rate swap:	867	2,022	491	2,390
Scaled collar	52	43	67	81
	919	2,065	558	2,471

The interest rate hedge derivatives contracted by the Group are intended to mitigate the effect of interest rate fluctuations on future cash flows from variable rate loans. A breakdown of these hedge transactions, and their maturity dates, is as follows:

Company	Equity	Contracted average interest rate		Nominal amount (thousand euro)		Maturity	
		31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
BBVA	Interest rate swap	1.59%	1.34%	24,145	26,444	2019	2019
Banco Santander	Interest rate swap	1.59%	1.34%	19,899	21,794	2019	2019
Kutxabank	Interest rate swap	1.59%	1.34%	9,143	10,812	2019	2019
Bankia	Interest rate swap	1.59%	1.34%	11,770	13,891	2019	2019
Caixa	Interest rate swap	1.59%	1.34%	1,977	2,166	2019	2019
Banco Popular	Interest rate swap	1.59%	1.34%	3,351	4,218	2019	2019
Bankinter	Scaled collar			1,307	1,578	2019	2019
	Total			71,891	79,103		

The effect of changes in the hedge derivatives during 2015 were recognised by crediting the headings "Reserves-Restatement reserve for unrealized assets and liabilities" and "Equity-Non-controlling shareholdings" for the net amounts of €34 thousand and €0 (2014: €2,063 thousand and €14 thousand), respectively.

Among these derivatives the Group uses the scaled collar financial instrument to establish the variable interest payments for a finance lease within an increasing range, from a minimum of 3.95% to a maximum of 5%. The initial cost of that financial instrument was zero and the notional amount of the options sold was completely offset by the notional amount of the options acquired, and therefore it is a net option purchase. The effectiveness of the scaled collar hedge has been measured by offsetting the changes in the collar flows against the changes in the hedged risk flows using the hypothetical derivative method, and complying with the conditions that are necessary for it to be considered a hedge instrument.

The interest rate swap derivatives in force at 31 December 2015 relate to the hedges contracted by the Group by virtue of the terms of the syndicated financing agreement (Note 20).

The Group has complied with the requirements described in Note 4.h on Accounting Policies, so as to classify the financial instruments listed below as hedges. Specifically, they have been formally designated as such and their effective hedging has been verified. No ineffectiveness has been detected with respect to the hedges designated by the Group.

These derivative financial instruments have been measured in accordance with the provisions of IFRS 13 - "Fair value".

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The sensitivity of the interest rate hedge transactions' market value to changes in interest rates the Group considers reasonably possible, as well as their impact on profit for the period and eq at 31 December 2015 and 2014 is set out in the following table:

Change	Thousand euro			
	Change in interest rates			
	2015		2014	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Fair value	394	(399)	518	(882)
Profit/(loss)	–	–	–	–
Equity	394	(399)	518	(882)

The analysis of the liquidity of the derivative instruments, which relates to cash outflows taking account undiscounted net flows, is as follows (thousand euro):

2015

Company	Instrument	2016	2017	2018	2 su
BBVA	Interest rate swap	312	340	290	
Banco Santander	Interest rate swap	257	278	248	
Kutxabank	Interest rate swap	118	129	113	
Bankia	Interest rate swap	152	168	148	
Caixa	Interest rate swap	26	28	24	
Banco Popular	Interest rate swap	50	54	48	
Bankinter	Sealed collar	37	38	12	
	Total	952	1,031	883	

2014

Company	Instrument	2015	2016	2017	2018 and subsequent years
BBVA	Interest rate swap	182	254	280	296
Banco Santander	Interest rate swap	150	209	231	244
Kutxabank	Interest rate swap	69	98	108	112
Bankia	Interest rate swap	80	124	137	144
Caixa	Interest rate swap	15	21	23	24
Banco Popular	Interest rate swap	29	41	45	47
Bankinter	Scaled collar	61	48	29	14
	Total	585	791	851	881

22. Other non-current payables

The composition of this heading at 31 December 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Liabilities for old benefits for employees (Notes 4.j, 8 and 19)	-	1,022
Indemnities pending payment (Notes 6, 19 and 28)	2,391	3,760
Other payables with a financial cost (Note 8)	65	13
Other payables without a financial cost	17,209	24,477
	19,665	29,272

Liabilities for old benefits for employees-

In 2000 several subsidiaries reached agreements with employees to settle pension plans existing at that date in exchange for certain defined contributions. The payment of those contributions was negotiated so that they could be made in accordance with a schedule, with the corresponding financial cost.

The payment schedule, including the accrued financial cost, is as follows:

Years	Amount (Thousand euro)
2016	1,031
Total current amount (Note 19)	1,031

The financial expense recognised in 2015 in this respect totalled €54 thousand (2014: €24 thousand). (Note 31).

Indemnities pending payment

At 31 December 2015 the Group recognised a non-current payable totalling €2,391 thousand (2014: €3,760 thousand) relating to the indemnities agreed by Diario ABC, S.L., of which €2,287 thousand (€3,616 thousand in 2014) relate to the layoffs that took place at that company in 2009 (Note 19). The payment of these indemnities was negotiated so that they could be made in accordance with a schedule, with the corresponding financial cost.

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The schedule of indemnities pending payment is as follows:

Maturity	(Thousand euro)
2017	950
2018	773
2019	462
2020 and subsequent years	206
Total non-current portion	2,391

Other payables without a financial cost

In 2009 all of the non-controlling shareholders of Federico Domenech, S.A. concluded an agreement with the Group by virtue of which the sale option right that was granted in prior years was postponed under the same conditions of the original grant and, therefore, the same conditions were applicable to its execution but with a two-year delay in the schedule established in the agreement.

In 2015 that agreement was renegotiated so that the liability with the minority shareholders of Federico Domenech S.A. at 31 December 2015 totals €15,103 thousand (€22,428 thousand at 31 December 2014). As a result of the aforementioned renegotiation, the Company recognised income totalling €1,177 thousand under the heading "Net result on the disposal of non-current financial instruments" in 2015.

21. Deferred taxes and corporate income tax expense

Since 1997 Vocento, S.A. and certain of its subsidiaries subject to regional income tax legislation have filed their income tax returns under the special consolidated tax regime. Vocento, S.A. is the Parent of this tax group. The notification of the composition of the tax group for 2015 was filed with the Tax Department in Bizkaia on 21 January 2016 (see the Appendix).

Regional Law 11/2013 (5 December) on corporate income tax (Regional) entered into force on 1 January 2014 and it includes, among other measures, a temporary limitation on the offset of tax-loss carry forwards and the application of deductions. It establishes a maximum term of 15 years to offset or apply these items.

Law 27/2014 (27 November) on corporate income tax (not applicable to the corporate income tax payable by companies subject to regional law), which entered into force on 1 January 2015, stipulates, among other things, a two-year reduction in the general corporate income tax rate of 30% in force up until 31 December 2014, such that this rate is now as follows:

Tax periods commencing on or after	Tax rate
1 January 2015	28%
1 January 2016	25%

That Law also includes a limitation on the offset of tax-loss carry forward which will be between 25% and 100% in 2015 (depending on revenues), 60% in 2016 and 70% in 2017 and subsequent years, but in any event up to €1 million may be offset in 2016 and subsequent years. Furthermore, the previous temporary limitation of 18 years to offset tax-loss carry forwards was eliminated and there is no longer a deadline.

a)Reconciliation of book and tax results.

The following table reflects the accrued corporate income tax expense in 2015 and 2014:

(Thousand euro)

	Thousand euro	
	2015	2014
Consolidated profit before income tax	15,161	(5,739)
Increases (decreases) due to permanent differences		
- Profit from companies consolidated		
using the equity method (Note 11)	(257)	2,451
- Fines and penalties	51	63
- Non-deductible impairment of goodwill (Note 8)	3,350	15,000
- Other results from financial instruments (Notes 2.d and 13.a)	(1,857)	(8,485)
- Other permanent differences	(550)	1,620
Adjusted book results	16,058	4,910
Gross tax calculated using the average tax rate	(4,700)	(1,317)
Sundry deductions	-	335
Adjustment of prior year corporate income tax settlement	(783)	80
Reversal of unrecoverable tax credits	(1,208)	(2,620)
Offset of uncapitalised tax-loss carryforwards	18	681
Capitalized tax-loss carryforwards from prior years	-	6,624
Uncapitalised tax-loss carryforwards	(38)	54
Other	630	580
Accrued corporate income tax (Expense)/income	(6,057)	4,407
Update of tax rates (Note 23.b)	-	(18,019)
Tax provision	-	-
Corporate income tax on continuing operations	(6,057)	(13,612)

(Thousand euro)

The breakdown of corporate income tax expense/(income) for 2015 and 2014 is as follows (on continuing operations):

	Thousand euro	
	2015	2014
Current income tax		
Originating during the year	(4,052)	259
Originating during the year (tax provision)	-	-
Originating in prior years	(763)	90
Deferred tax		
Capitalized tax-loss carryforwards from prior years	-	6,024
Reversal of unrecoverable tax credits	(1,206)	(2,020)
Uncapitalised tax-loss carryforwards	(36)	54
Update of tax rates (Note 23.b)	-	(18,019)
Corporate income tax on continuing operations	(6,057)	(13,612)

The corporate income tax expense totalling €6,057 thousand consists of €1,817 thousand in current tax and €4,240 thousand in deferred tax (mainly due to the application of tax-loss carry forwards).

In 2011 the tax group led by Comeresa Prensa, S.L.U. sold certain property, plant and equipment (primarily the sale of a plot of land owned by its subsidiary Diario ABC, S.L.) that may apply the deduction for the reinvestment of extraordinary profits established by Article 42 of the Corporate Income Tax Act, approved by Legislative Royal Decree 4/2004 (5 March).

The reinvestment commitment assumed by the Group in this respect totalled €20,185 thousand (and the deduction base is €16,103 thousand) and, in accordance with current legislation, the reinvestment of the price obtained on this transfer should have taken place in the period between the year preceding the date on which the property was transferred and the three subsequent years, i.e. before 20 January 2014.

Comeresa Prensa, S.L.U., fully complied with that reinvestment commitment within the indicated deadline by acquiring shares in the companies Federico Domenech, S.L. and Kioskoymas, Sociedad Gestora de la Plataforma Tecnológica, S.L., as well as the acquisition of other non-current assets. The items in which the reinvestment was materialized continue to form part of the equity of Comeresa Prensa, S.L.U.

b) Deferred tax assets and liabilities

The composition of the headings "Non-current assets - Deferred tax assets" and "Non-current Liabilities-Deferred tax liabilities" in the accompanying consolidated balance sheets at 31 December 2015 and 2014, as well as the movements in those headings, are as follows:

2015

	Thousand euro					
	31.12.14	Additions	Disposals	Transfers	Changes in consolidation scope (Note 2.d)	31.12.15
Deferred tax assets-						
Tax-loss carryforwards yet to be offset	111,276	3,383	(6,744)	(1,069)	-	106,846
Other pending deductions	54,180	119	(635)	(282)	-	53,382
Deferred tax assets	22,896	1,800	(5,281)	1,351	-	20,766
Total deferred tax assets	**188,352**	**5,302**	**(12,660)**	**-**	**-**	**180,994**
Deferred tax liabilities-	**(32,017)**	**(221)**	**980**	**-**	**-**	**(31,258)**

2014

	Thousand euro						
	31.12.13	Additions	Disposals	Transfers	Changes in consolidation scope (Note 2.d)	Update of tax rates	31.12.14
Deferred tax assets-							
Tax-loss carryforwards yet to be offset	128,039	7,628	(7,957)	2,111	-	(18,545)	111,276
Other pending deductions	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-	**(37,315)**	**(294)**	**1,422**	**337**	**516**	**3,317**	**(32,017)**

The deferred tax assets and liabilities in the accompanying consolidated balance sheets are recognised at their estimated recovery value.

Corporate income tax assets mainly relate to the temporary differences arising due to the differing recognition criteria for accounting and tax purposes with respect to pension commitments and similar obligations (Notes 4.j, 18 and 22) and the tax deduction of certain goodwill (Notes 8 and 11).

In 2014 the Group recognised the effect of updating the tax rates as established by Law 27/2014 and recognised an expense totalling €18,019 thousand in the heading "Corporate income tax" in the consolidated income statement (Note 23.a).

The aforementioned deferred tax assets have been recognised in the accompanying consolidated balance sheet with the consideration that it is likely that these assets will be recovered, in accordance with the best estimates regarding the future results from the various businesses constituting the Group. The period over which these deferred tax assets are expected to be offset is as follows:

	(Thousand euro)		
	1-6 years	7-18 years	Total
Tax-loss carryforwards yet to be offset	31,400	75,446	106,846
Other pending deductions	900	52,482	53,382
Other deferred tax assets	11,179	9,587	20,766
Total deferred tax assets	43,479	137,515	180,994

Next year the Group expects to apply tax credits totalling €4,250 thousand.

The validity of the tax-loss carry forwards recognised in the consolidated balance sheet at 31 December 2015 and 2014 is as follows:

(Thousand euro)

	Thousand euro	
	2015	2014
Common Territory		
No limitation on tax validity (*)	97,071	96,439
Regional Territory		
From 1 to 15 years	9,775	14,837
Total	106,846	111,276

(*) No tax validity limitation in accordance with Law 27/2014 on corporate income tax, which entered into force on 01.01.15.

The validity of the deductions recognised in the consolidated balance sheet at 31 December 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Common Territory		
From 1 to 6 years	3,493	2,699
From 3 to 10 years	3,857	4,234
11 years and afterwards	8,273	9,506
Regional Territory		
From 1 to 15 years	37,759	37,741
Total	53,382	54,180

The rest of the deferred tax assets recognised in the consolidated balance sheet at 31 December 2015 and 2014 relate to the temporary differences between book expenses and their deduction for tax purposes, mainly concerning the provision for insolvencies, provision for indemnities and pension plans.

Details of the losses for which the Group has not recognised deferred tax assets in the consolidated balance sheet, together with their deadlines at 31 December 2015, are as follows:

Maturity	Thousand euro	
	2015	2014
Common Territory		
No limitation on tax validity (*)	63,070	62,175
Regional Territory		
2028	938	1,120
Total	64,008	63,295

(*) No tax validity limitation in accordance with Law 27/2014 on corporate income tax, which entered into force on 01.01.15.

c) Years open to inspection and other information

At 31 December 2015 the Parent Company and the rest of the Group companies are open to the inspection of the past four years with respect to all applicable taxes, unless the statutory period has been interrupted due to the start of inspection action.

In 2013 assessments were raised as a result of the inspection action that commenced in prior years concerning several companies in the Tax cap group led by Comeresa Prensa, S.L.U. As a result of those assessments, the Group was presented with a settlement for a total of €5,062 thousand, as follows: €3,794 thousand in tax payable, €1,130 thousand in late-interest payments and €138 thousand in penalties. The total impact on the consolidated income statement for 2013 was €1,645 thousand. A total of €1,418 thousand was paid in 2013 and €2,197 thousand remains pending payment with respect to the settlements that have been contested before the Central Tax and Administrative Court (Note 18).

In 2014 inspection action was taken against several companies in the tax group led by Comeresa Prensa, S.L.U. with respect to 2008 corporate income tax, which ended with the settlement of a total tax liability of €1,701 thousand, of which only €312 thousand is considered to be a cost for the Group.

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(Thousand euro)

In 2014 and 2015 inspection action was taken against the tax group led by Comeresa Prensa, S.L.U., with respect to 2009 corporate income tax and concerned the verification of transfer prices between related companies. That inspection action was completed at the end of 2015 and the relevant assessment was raised on 13 April 2015 and no tax settlement whatsoever arose.

Finally, some Group companies maintain an administrative appeal in which they obtained a favourable judgment regarding the 45% tax credit for certain investments made in prior years as the Regional Government was required to roll back the actions taken. An appeal for reversal has been filed with the Supreme Court by the Bizkaia tax authorities. For this same reason some Group companies maintain an administrative appeal with the Superior Court of Justice of the Basque Country.

Due to the different interpretations to which applicable Spanish tax legislation lends itself, there could be contingent tax liabilities which cannot be objectively quantified by the Group. However, the Group's Directors believe that the probability that such tax contingencies will actually arise is remote and, in any event, any tax liability arising therefrom would not significantly affect the accompanying consolidated annual accounts.

24. Public Administrations

The composition of the heading "Other Receivables from Public Administrations" and "Other Payables to Public Administrations" on the asset and liability side of the accompanying consolidated balance sheets at 31 December 2015 and 2014, respectively, is as follows:

	Thousand euro	
	2015	2014
Current assets-Public Administrations-		
VAT refundable	1,253	1,268
Sundry taxes refundable	1,809	59
Social security refundable	23	58
	3,085	1,385
Current liabilities-Public Administrations-		
VAT payable	3,078	3,333
Withholdings payable	6,608	7,881
Other taxes payable	912	979
Social security contributions payable	2,939	2,962
	13,537	15,155

25. Business segment reporting

The maximum decision-taking authority has been identified, and is responsible for assigning resources and evaluating performance of operating segments, as the Board of Directors which is responsible for taking strategic decisions.

The main criteria applied when defining the Group's segment information included in the accompanying consolidated annual accounts are as follows: The segmentation has taken place based on the organizational units for which information is presented to the governing and executive bodies at the company so that they may evaluate the past performance of the unit and take decisions regarding the future assignment of resources. Information regarding the main segments is presented, and the segments that are not disclosed due to being considered insignificant, as well as consolidation adjustments and eliminations, are included in the column "Adjustments and other".

As a result, complete information regarding the business segments is provided:

- ABC: basically consisting of sales of copies of the ABC newspaper ABC and ABC Seville, sales of press advertising and advertising in digital editions, as well as income from printing services.

- Regional: basically consisting of sales of copies of regional newspapers, sales of press advertising and advertising in digital editions, as well as income from press printing and distribution services.

- Supplements and magazines: sales of supplements and magazines, sales of printed and digital advertising.

- Audio-visual: This area consists of television (national, regional and local TDT), radio and content producers.

- Classifieds: Sales of advertising and content, primarily in the various classified portals.

- Structure: This relates to the central services rendered by the lead group companies to other group companies.

The criteria used by the Group to obtain those financial statements segregated by activity were as follows:

- Each of the listed activities is generally assigned the assets, liabilities, expenses and income of any kind that relate to them exclusively or directly.

- General use assets are included in the column "Structure" and are not distributed among segments. However, any costs or income associated with those assets is distributed among the segments.

At 31 December 2015 there have been no discontinued operations and management has no intention of discontinuing any operations in the future. Discontinued operations are understood to be the Group's separation from a line of business or geographical area of operation (either due to sale, spinoff, liquidation or similar event). The Group does not provide information regarding geographic segmentation given that practically all of the sales of the consolidated companies take place in Spain and, furthermore, the Directors do not use geographic criteria for management purposes within Spain.

Similarly, no customer information is provided as there are no individual customers that represent more than 10% of revenue.

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The business reporting segments at the Group in 2015 and 2014 are as follows, based on the aforementioned criteria:

[illegible]

	REGIONALES	ABC	SUPLEMENTOS Y REVISTAS	AUDIOVISUAL	CLASIFICADOS	ESTRUCTURA	AJUSTES Y OTROS	TOTAL
[illegible]	[illegible]	[illegible]	[illegible]	0	0	0	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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SEGMENTOS POR ÁREA DE NEGOCIO 2014
(Miles de euros)

	PERIÓDICOS	ABC	SUPLEMENTOS Y REVISTAS	AUDIOVISUAL	CLASIFICADOS	OTROS	ESTRUCTURA	AJUSTES Y OTROS	TOTAL
INGRESOS									
Ventas de ejemplares	[illegible]	[illegible]	[illegible]	0	0	0	0	[illegible]	[illegible]
Ventas de publicidad	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Otros ingresos	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total ventas	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GASTOS									
Aprovisionamientos	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gastos de personal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amortizaciones y depreciaciones	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	[illegible]
Variación de provisiones de tráfico y otros	[illegible]	[illegible]	1	[illegible]	[illegible]	7	[illegible]	[illegible]	[illegible]
Resto de gastos	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RESULTADO									
Rdo. Explot. Antes deterioro Y Rdo. Enaj. Inmov	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	[illegible]
Deterioro y resultado por enajenación de inmovilizado material e intangible	[illegible]	1	[illegible]	[illegible]	0	0	[illegible]	0	[illegible]
Resultado por segmento	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Resultado de las participadas	[illegible]	0	0	[illegible]	[illegible]	0	[illegible]	0	[illegible]
Ingresos financieros	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gastos financieros	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saneamiento de fondo de comercio	[illegible]	0	0	[illegible]	0	0	0	0	[illegible]
Otros resultados de instrumentos financieros	[illegible]	0	0	[illegible]	0	0	[illegible]	[illegible]	[illegible]
Resultados por enajenaciones de inst. fin.	0	0	0	[illegible]	0	0	[illegible]	0	[illegible]
Resultado antes de impuestos	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Impuestos sobre beneficios	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	[illegible]
Resultado después de impuestos, de activ. interrump. y a socios externos	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OTRA INFORMACIÓN									
Gastos por depreciación y amortización y otros sin salida de efectivo distintos de amortización y depreciación	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Costes incurridos durante el ejercicio en la adquisición de propiedad, planta y equipo y otros intangibles	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	[illegible]
ACTIVO									
Inversiones contabilizadas aplicando el método de la participación	[illegible]	0	0	0	[illegible]	0	[illegible]	0	[illegible]
Inversiones financieras corrientes	[illegible]	0	0	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]
Impuestos diferidos activos	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	[illegible]	0	[illegible]
Otros activos	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total activo consolidado	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PASIVO									
Deuda financiera	[illegible]	[illegible]	0	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]
Impuestos diferidos pasivos	[illegible]	[illegible]	[illegible]	[illegible]	0	0	[illegible]	0	[illegible]
Otros pasivos y patrimonio neto	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total pasivo consolidado	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(The information relating to 2014 is included for the purpose of comparing the information).

(Thousand euro)

26. Revenues

The breakdown of this heading in the accompanying consolidated income statements for 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Sale of copies	194,043	205,202
Sale of advertising	168,045	157,825
Direct income from promotions	10,884	15,162
Distribution income	4,485	4,667
Other income from the audio-visual segment	43,825	53,518
Other income	47,189	57,880
	467,161	494,334

The Group's revenues primarily originate from the Spanish market and foreign sales are not significant.

27. Supplies

The breakdown of this heading in the accompanying consolidated income statements for 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Paper	29,103	33,186
Raw materials	5,191	5,437
Purchase of newspapers	29,270	31,035
Other consumables	10,472	16,342
	74,036	86,000

28. Personnel costs

In 2015 and 2014 personnel expenses break down as follows:

	Thousand euro	
	2015	2014
Wages and salaries	119,587	124,738
Company Social Security contributions	29,555	30,405
Employee indemnities (Notes 19 and 22)	4,808	6,520
Other employee benefit expenses	1,622	1,937
Contribution to executive incentive plans (Notes 4.q and 18)	(150)	150
Contribution to pension plans and similar obligations (Notes 4.j and 18)	619	710
	156,115	164,460

The average number of employees at the Group in 2015 and 2014, by professional category, was as follows:

(Thousand euro)

	Average number of persons			
	2015		2014	
	Group companies	Jointly-controlled	Group companies	Jointly-controlled
CEO	1	-	1	-
Senior management	8	-	9	-
Managers	170	1	187	1
Middle managers	408	4	442	4
Other employees.	2,166	13	2,181	13
Total	2,753	18	2,820	18

The breakdown of employees by gender at 31 December 2015 and 2014 is as follows:

	Number of employees			
	31.12.15		31.12.14	
	Male	Female	Male	Female
CEO	1	-	1	-
Senior management	6	2	8	1
Managers	122	44	134	49
Middle managers	279	129	286	149
Other employees.	1,206	978	1,172	935
Total	1,614	1,153	1,601	1,134

Nine Directors are not employees at 31 December 2015, of which 1 is female and 8 are male.

At the date of these annual accounts the Board of Directors consists of 9 Directors.

The average number of employees at the Group in 2015 and 2014 with a disability equal to or greater than 33%, by category, is as follows:

	Average number of persons			
	2015		2014	
	Group companies	Jointly-controlled companies	Group companies	Jointly-controlled companies
Board Members	-	-	-	-
Senior management	-	-	-	-
Managers	1	-	1	-
Middle managers	-	-	1	-
Other employees.	19	-	15	-
Total	20	-	17	-

(Thousand euro)

29. External services

The breakdown of this heading in the accompanying consolidated income statements for 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
News and artistic resources	38,182	40,032
Sales staff	45,579	46,847
Administrative staff	17,471	19,118
Shop and technical resources	27,838	29,348
Distribution	48,286	55,178
Sundry	13,511	13,072
	190,867	203,595

The items in the "Sundry" account in the preceding table mainly relate to building operating lease and maintenance expenses. Operating lease expenses in 2015 and 2014 totalled €2,105 thousand and 2,150 thousand, respectively. Those expenses mainly relate to the leased premises occupied by the Group companies for which the relevant agreements have been concluded with lessors. Those lease agreements renew automatically for one year periods, up to a maximum of four since they start. The Directors of the Parent Company consider that the conditions of the lease agreements, with respect to their terms or the possibility of renewal, will allow the recovery of the net investments in the facilities recognised at 31 December 2015 over the course of their remaining useful life.

At the end of 2015 and 2014 the minimum lease instalments that the Group must pay to the lessors in accordance with the current agreements are not significant.

30. Financial income

Set out below is an analysis of these income statement headings in 2015 and 2014:

	Thousand euro	
	2015	2014
Income from shareholdings	574	6,285
Other interest and similar income	916	316
Gains on exchange	47	78
Total	1,537	6,679

The account "Income from shareholdings" includes €478 thousand at 31 December 2015 (€6,081 thousand at 31 December 2014) originating from the dividends received from Val Telecommunicaciones, S.L. (Note 13.a)

The account "Other interest and similar income" basically includes the financial income accruing on the term and other deposits maintained by Group companies over the course of each year (Note 16).

31. Financial expense

The breakdown of this heading in the accompanying consolidated income statements for 2015 and 2014 is as follows:

	Thousand euro	
	2015	2014
Financial expense on liabilities relating to old employee benefits (Note 22)	54	24
Interest on financial debt (Note 20)	5,021	8,459
Profit/(loss) on financial derivatives (Note 21)	837	300
Other financial expenses	1,803	1,680
Total	7,715	10,463

32. Acquisition of subsidiaries

No companies were acquired in 2015. In 2014 the Group acquired control of the company "Desde León al Mundo, S.L." whose primary business consists of the operation of the news portal www.leonoticias.com. The carrying amount of the assets and liabilities acquired in this business combination, the amounts of which are not significant, coincides with their market value.

33. Earnings per share

The reconciliation at 31 December 2015 and 2014 of the number of ordinary shares used in the calculation of earnings per share, is as follows:

	Year 2015	Year 2014
Number of shares (Note 17)	124,970,306	124,970,306
Average number of treasury shares held (Note 17)	(3,868,783)	(3,866,006)
Total	121,101,523	121,104,300

The basic earnings per share from continuing operations in 2015 and 2014 are as follows:

	Year 2015	Year 2014
Net profit for the year attributed to the parent company (thousand euro)	4,081	(22,345)
Number of shares (thousand shares)	121,102	121,104
Basic earnings per share (euro)	0.034	(0.185)

The basic earnings per share from discontinued operations in 2015 and 2014 are as follows:

	Year 2015	Year 2014
Net profit (thousand euro)	-	-
Number of shares (thousand shares)	121,102	121,104
Basic earnings per share (euro)	-	-

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(Thousand euro)

At 31 December 2015 and 2014 the basic earnings per share coincide with the diluted earnings per share since at the closing date the conditions established in the executive incentive plan were not met (Note 18). At 31 December 2015 and 2014, the Group's Parent Company, Vocento, S.A., had not issued other financial or other instruments in addition to those mentioned in Note 18 that entitle the holder to receive ordinary shares in the Company.

34. Balances and transactions with other related parties

Set out below is the breakdown of equity-consolidated companies in the accounts "Receivables from related companies" and "Payables to related companies" in the headings "Trade and other receivables" and "Trade and other payables" in the accompanying consolidated balance sheet at 31 December 2015, together with the transactions (in addition to the dividends received – Note 11) those companies carried out in 2015 by Vocento, S.A. and fully consolidated subsidiaries.

	Thousand euro						
	Balances			Transactions			
				Income		Expenses	
	Non-current receivables	Receivable (Note 13)	Payable (Note 19)	Operating	Financial	Operating	Financial
Cirpress, S.L.	-	236	158	6,020	-	776	-
Distribuidoras Papiro, S.L.	-	702	130	7,032	-	1,332	-
Distrimedios, S.L.	-	911	460	12,467	-	5,042	-
Val Disme, S.L.	-	1,397	273	12,934	-	2,789	-
11870 Información en General, S.L.	-	31	31	-	-	-	-
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.	370	166	-	504	-	7	-
Rui Media, S.L.	-	-	-	-	2	-	-
TOTALS	370	3,265	1,052	38,957	2	9,946	-

Set out below is the breakdown of equity-consolidated companies in the accounts "Receivables from related companies" and "Payables to related companies" in the headings "Trade and other receivables" and "Trade and other payables" in the accompanying consolidated balance sheet at 31 December 2014, together with the transactions (in addition to the dividends received – Note 11) those companies carried out in 2014 by Vocento, S.A. and fully consolidated subsidiaries.

	Thousand euro						
	Balances			Transactions			
				Income		Expenses	
	Non-current receivables	Receivable (Note 13)	Payable (Note 19)	Operating	Financial	Operating	Financial
Cirpress, S.L.	-	290	92	6,136	-	792	-
Distribuidoras Papiro, S.L.	-	773	112	7,486	-	1,383	-
Distrimedios, S.L.	-	1,141	467	14,640	-	4,748	-
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.	370	283	20	539	-	-	-
Rui Media, S.L.	118	3	-	12	6	188	-
TOTALS	488	3,865	1,012	42,465	6	10,061	-

The most relevant balances and transactions with equity-consolidated companies derive from the sale and distribution of copies of newspapers and supplements that are carried out on an arm's length basis. Since those balances are of a commercial nature they do not accrue any interest and will generally be settled in the short-term. Group companies had not granted any lines of credit or loans to related companies at 31 December 2015 and 2014.

The Group maintains business relationships during the ordinary course of its business with companies at which the independent directors hold directorship and/or senior management positions, Elecnor, S.A. (at which Mr. Fernando Azaola Arteche is a Director and/or senior executive) and Viesgo Energía, S.L. (at which Mr. Miguel Antoñanzas Alvear is a Director and/or senior executive). These business relationships are carried out on an arm's length basis and their volume is not significant compared to total consolidated income and expense.

(Thousand euro)

35. Remuneration of the Board of Directors

In 2015 and 2014 the consolidated companies paid the following amounts of accrued remuneration to the members of the Group's Board of Directors:

	Thousand euro	
	Year 2015	Year 2014
Fixed and variable remuneration	1,135	1,078
Per diems to Directors and commissions	742	720
Profit sharing	-	-
Contributions to pension plans, life insurance policies and other.	6	5
Total	1,883	1,803

No advances, loans or guarantees were granted to the members of the Board of Directors during 2015 or 2014. The life insurance premiums paid during the year for the coverage of the members of the Board totalled €6 thousand in 2015 and €5 thousand in 2014. No contributions were made in 2015 and 2014 to pension plans whose beneficiaries are members of the Board.

The CEO has a contract clause that entitles him to an indemnity totalling three times the amounts received over the preceding 12 months in the event that the relationship is terminated by Vocento without justification.

The individual remuneration information for the Board of Directors in 2015 and 2014 is as follows:

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(Thousand euro)

Remuneration of the Board of Directors

(Thousand euro)

[illegible]

Remuneration of the Board of Directors

(Thousand euro)

[illegible]

36. Remuneration of senior executives

There were eight and nine General Managers making up the Senior Management team at the Group at the end of 2015 and 2014, respectively, excluding those that simultaneously hold positions on the Board of Directors.

The total remuneration for the Group's Senior Management team in 2015 and 2014 totalled €2,351 thousand and €2,331 thousand, respectively. Indemnities totalling €743 thousand were paid to Senior Management in 2015 (€187 thousand at 31 December 2014).

Some members of the Senior Management team have contract clauses that call for an indemnity in the event of unfair dismissal consisting of amounts that vary from the amount established by employment legislation to two years of gross annual salary. On an exceptional basis, in some cases the contracts for lower-level executives contain clauses of this type, establishing one year of gross salary as an indemnity.

37. Other information relating to the Board of Directors

In order to avoid conflicts of interest with the Company, during the year Directors holding positions on the Board of Directors, as well as persons related to them, have abstained from the following when authorization had not been obtained:

- Carry out transactions with the Company, except ordinary standard customer transactions of little relevance.
- Use the name of the Company or invoke their position as Director to unduly influence private transactions.
- Make use of business assets, including the Company's confidential information, for private purposes.
- Take advantage of the Company's business opportunities.
- Obtain advantages or compensation from third parties other than the Company and its group with respect to the performance of their duties, except when involving merely courtesy gifts.
- Carry out activities on their own behalf or the behalf of a third party that represent effective competition, whether actual or potential, with the Company or which, in any other way, places them in permanent conflict with the Company's interests:

Details of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors and parties related to them

The relevant shareholdings held by the members of the Board of Directors and Senior Management at the Parent Company in companies that have the same, similar or complementary corporate purpose as the Parent Company or its Group and which have been reported to the Parent Company are listed below, indicating the duties or positions that are held at these companies:

Director:

Insured	Company Investee companies	Activity	Percentage interest	Position
Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.21%	-
Gonzalo Soto Aguirre	Media Smart Mobile, S.L.	Advertising	0.24%	Director
Mr Santiago Bergareche Busquet	Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.2042%	-

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(Thousand euros)

Related parties	Association with the Director	Investee	Percentage interest	Duties
Jorge Bergareche Busquet	Brother of Santiago Bergareche Busquet	Sociedad Vascongada de Publicaciones, S.A.	0.2042%	-
José María Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2738%	Vice-Chair
Jorge Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2042%	Director
Juan Luis Bergareche Busquet		Sociedad Vascongada de Publicaciones, S.A.	0.2738%	-
Santiago de Ybarra y Churruca	Natural person representative of Mezouna, S.L.	Sociedad Vascongada de Publicaciones, S.A.	0.5084%	Chairman
		Diario ABC, S.L.	0.0002%	Director
Emilio de Ybarra y Churruca	Brother of Santiago de Ybarra y Churruca	Sociedad Vascongada de Publicaciones, S.A.	0.64%	-
Álvaro Ybarra Zubiría	Natural person representative of Onchena, S.L.	Mediaset	0.00465%	-
		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	-
Mariano Angel Ybarra Zubiría	Brother of Álvaro Ybarra Zubiría (natural person representative of Onchena, S.L.)	Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Luis María Ybarra Zubiría		Sociedad Vascongada de Publicaciones, S.A.	0.0135%	Director
María Dolores Ybarra Zubiría		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Rosa Ybarra Zubiría		Sociedad Vascongada de Publicaciones, S.A.	0.0136%	-
Soledad Luca de Tena García-Conde	Natural personal representative and Joint and Several Administrator of Valjarafe, S.L.	Diario ABC, S.L.	0.0002%	Vice-Chair
		Sociedad Vascongada de Publicaciones, S.A.	0.0841%	-
		Estudios de Política Exterior, S.A.	5.55%	Director
Catalina Luca de Tena García-Conde	Sister of Soledad Luca de Tena García-Conde	Diario ABC, S.L.	0.0002%	Chair
		Sociedad Vascongada de Publicaciones, S.A.	0.1076%	-
		Ediciones Luca de Tena, S.L.	55%	Sole Administrator

Details of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors and parties related to them

Furthermore, the performance of activities in addition to those indicated in the above table by the various members of the Board of Directors on their own behalf, or on the behalf with third parties, that are the same, similar or supplementary to the activities making up the Parent Company's corporate purpose are set out below:

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Director:

Name	Activity	Activity type	Company through which the service is rendered	Positions held or duties performed at the company concerned
Luis Enríquez Nistal				
Diario ABC, S.L.	Newspaper publishing	Own behalf	-	Director
Sociedad Gestora de Televisión NET TV, S.A.	Television	Own behalf	-	Chairman
Diario El Correo, S.A.U.	Newspaper publishing	Own behalf	-	Director
Federico Domenech, S.A.	Newspaper publishing	Own behalf	-	Director
Comeresa Prensa, S.L.U.	Holding	Own behalf	-	Joint Administrator
Corporación de Nuevos Medios Digitales, S.L.U.	Holding	Own behalf	-	Joint Administrator
Comeresa País Vasco, S.L.U.	Holding	Own behalf	-	Joint Administrator
Radio Publi, S.L.	Radio	Own behalf	-	Chairman and Managing Director

Related parties:

Related parties	Association with the Director	Company in which the position is held or duties are performed	Positions held or duties performed at the company concerned
Enrique de Ybarra	Natural person representative of Energay de Inversiones, S.L.	Diario El Correo, S.A.	Director
		Sociedad Vascongada de Publicaciones, S.A.	Director
		Editorial Ecoprensa, S.A.	Director
		Diario ABC, S.L.	Director
Jorge Bergareche Busquet	Brother of Santiago Bergareche Busquet	Diario El Correo, S.A.U.	Director
		Corporación de Medios de Andalucía, S.A.	Director
Jaime María Bergareche Busquet		Diario El Correo, S.A.U.	Director
Santiago de Ybarra y Churruca	Natural person representative of Mezouna, S.L.	Diario El Correo, S.A.U.	Chairman
		El Norte de Castilla, S.A.	Director
Emilio de Ybarra y Churruca	Brother of Santiago de Ybarra y Churruca	Diario El Correo, S.A.U.	Director
		Estudios de Política Exterior, S.A.	Director
Soledad Luca de Tena García-Conde	Natural person representative and Joint and Several Administrator of Valjarafe, S.L.	Radio Publi, S.L.	Director
		Diario El Correo, S.A.U.	Director
		Federico Domenech, S.A.	Director
Catalina Luca de Tena García-Conde	Sister of Soledad Luca de Tena García-Conde	ABC Sevilla, S.L.U.	Joint Administrator

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(Thousand euro)

38. Guarantees to third parties

The main guarantees granted by the Group at 31 December 2015 and 2014 are as follows, classified by type:

Item	Thousand euro	
	2015	2014
Operation of the digital land public radio broadcasting service (Notes 3 and 18).	100	184
Operation of the digital television service and acquired commitments	-	1,202
Other	11,381	9,794
Total	11,481	11,180

39. Audit fees

The fees relating to the services rendered by the main auditor to the various companies that make up the Group, as well as by other related companies and by other auditors. The main auditor in 2015 is PricewaterhouseCoopers Auditores, S.L. and in 2014 it was Deloitte, S.L.

	Thousand euro	
	2015	2014
Audit services (*)	466	622
Other verification services rendered by the auditor	72	232
Total audit and related services	538	854
Other services rendered by the auditor	2	271
Other services rendered by companies related to the auditor	56	-
Total	596	1,125

(*) This amount includes 442 thousand at 31 December 2015 relating to expenses incurred with respect to the 2015 audit performed by PricewaterhouseCoopers Auditores, S.L.

40. Events after the reporting period

In January 2016 the Group announced and started to apply a restructuring plan to transform its business.

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Vocento, S.A. and Subsidiaries

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SUBSIDIARIES COMPANIES

Company	(1)	(2)	(3)	(4)	(5)	(6)	Adress	Activity	% interest Direct	% interest Non-direct	Control	Share Capital	Reserves and others	Operating results	Profit & Loss before Tax	Profit & Loss	Other	Dividend
GROUP:																		
Periodic																		
Diario El Correo, S.A.U.	✓	✓			✓		Bilbao	Daily press, local portal and electronic publishing press.	-	100,00%	100,00%	8.000	40.736	13.702	14.952	10.730	-	(8.608)
Sociedad Vascongada de Publicaciones, S.A.	✓	✓				✓	San Sebastián	Daily press, local portal and electronic publishing press.	-	75,81%	75,81%	4.799	38.083	10.799	11.833	8.264	-	(6.880)
Editorial Cantabria, S.A.			✓			✓	Santander	Daily press, local portal and electronic publishing press.	-	90,70%	90,70%	2.300	5.366	2.095	2.362	1.785	-	-
Nueva Rioja, S.A.						✓	Logroño	Daily press, local portal and electronic publishing press.	-	58,60%	58,60%	1.000	4.018	-	148	108	-	-
La Verdad Multimedia, S.A.			✓			✓	Murcia	Daily press, local portal and electronic publishing press.	-	97,00%	97,00%	3.272	9.802	(322)	(94)	(40)	-	-
Corporación de Medios de Andalucía, S.A.			✓			✓	Granada	Daily press, local portal and electronic publishing press.	-	99,11%	100,00%	3.272	11.364	888	1.048	770	-	-
Corporación de Medios de Extremadura, S.A.			✓		✓		Badajoz	Daily press	-	97,50%	97,50%	400	(6.341)	295	168	45	-	-
Prensa Malagueña, S.A.			✓			✓	Málaga	Daily press, local portal and electronic publishing press.	-	88,11%	88,11%	4.950	15.885	764	1.045	786	-	-
El Norte de Castilla, S.A.			✓			✓	Valladolid	Daily press, local portal and electronic publishing press.	-	77,00%	77,00%	3.160	14.588	487	932	695	-	-
El Comercio, S.A.						✓	Gijón	Daily press, local portal and electronic publishing press.	-	51,46%	51,46%	1.015	6.684	(123)	(10)	(17)	-	-
Corporación de Medios de Cádiz, S.L.U.			✓		✓		Cádiz	Daily press, local portal and electronic publishing press.	-	100,00%	100,00%	650	377	(412)	(484)	(390)	-	-
Federico Domenech, S.A.			✓			✓	Valencia	Daily press, local portal and electronic publishing press.	-	83,09%	83,09%	450	19.757	(188)	(69)	(32)	-	-
Diario ABC, S.L.			✓		✓		Madrid	Daily press, local portal and electronic publishing press.	-	99,99%	99,99%	42.768	(96.573)	(1.087)	(8.050)	746	-	-
ABC Sevilla, S.L.U.			✓		✓		Sevilla	Daily press, local portal and electronic publishing press.	-	99,99%	100,00%	600	3.057	1.086	(3.040)	(1.740)	-	-
Ediciones Digitales Hoy, S.L.U.			✓		✓		Badajoz	Local portal and electronic publishing press.	-	97,50%	100,00%	100	43	14	14	4	-	-
Bilbao Editorial Producciones, S.L.U.	✓	✓			✓		Vizcaya	Graphic arts	-	100,00%	100,00%	12.000	10.043	(305)	(317)	(97)	-	-
Sociedad Vascongada de Producciones, S.L.U.	✓	✓			✓		San Sebastián	Graphic arts	-	100,00%	100,00%	3.000	5.115	394	481	328	-	-
Printolid, S.L.U.					✓		Valladolid	Graphic arts	-	100,00%	100,00%	3.000	4.066	(432)	(489)	(376)	(94)	-
Guadalprint Impresión, S.L.							Málaga	Graphic arts	-	63,00%	63,00%	1.300	(643)	(0)	(44)	(44)	-	-
Localprint, S.L.						✓	Alicante	Graphic arts	-	50,00%	50,00%	10.000	1.828	(41)	(74)	(52)	-	-
Rotomadrid, S.L.						✓	Madrid	Graphic arts	-	95,00%	95,00%	1.000	10.322	2.225	2.094	1.508	-	-
Andaluprint, S.L.U.			✓		✓		Sevilla	Graphic arts	-	99,99%	100,00%	411	3.816	(1.322)	(1.480)	(1.000)	-	-
Beralán, S.L.	✓					✓	Guipúzcoa	Distribution	-	50,40%	50,40%	211	2.485	318	432	300	-	-
Banatu, S.L.	✓						Guipúzcoa	Distribution	-	50,40%	99,99%	3	1.182	95	108	72	-	-
CM Norte, S.L.U.	✓	✓			✓		Bilbao	Publishing	-	100,00%	100,00%	90	(23)	30	59	42	-	-
CM Gipuzkoa, S.L.U.	✓	✓					San Sebastián	Publishing	-	75,81%	100,00%	100	102	6	9	6	-	-
Comercializadora Multimedia de Cantabria, S.L.			✓				Santander	Publishing	-	90,70%	100,00%	60	(4)	4	6	5	-	-
Rioja Medios, Compra de Medios de Publicidad, S.A.U.							Logroño	Publishing	-	58,60%	100,00%	60	63	44	48	33	-	-
Comercializadora de Medios Andalucía, S.L.U.			✓				Granada	Publishing	-	99,11%	100,00%	300	108	37	46	35	-	-
CM Extremadura Publicidad Multimedia, S.L.U.			✓		✓		Badajoz	Publishing	-	97,50%	100,00%	150	(64)	0	1	(64)	-	-
Corporación de Medios del Sur, S.L.			✓				Málaga	Publishing	-	88,11%	100,00%	3	32	1	1	1	-	-
Comercializadora de Medios de Castilla y León, S.L.U.			✓				Valladolid	Publishing	-	77,00%	100,00%	60	12	2	2	1	-	-
Comercializadora de Medios de Asturias, S.L.							Gijón	Publishing	-	51,46%	99,99%	30	(13)	3	5	3	-	-
La Voz de Avilés, S.L.							Avilés	Daily press	-	43,70%	84,92%	32	48	(72)	(72)	(50)	-	-
Zabalik 2000, S.L.U.	✓	✓					San Sebastián	Exploitation and marketing of content	-	75,81%	100,00%	3	144	(4)	(2)	(2)	-	-
Fiesta Alegre, S.L.U.			✓			✓	Valencia	Promotion and Leasing Properties	-	83,09%	100,00%	8.400	1.094	(8)	178	134	-	-
Servicios Redaccionales Bilbainos, S.L.U.	✓	✓			✓		Bilbao	Free press	-	100,00%	100,00%	150	51	30	42	30	-	-
Corporación de Medios de Alicante, S.L.			✓				Alicante	Editorial and commercial support services	-	86,07%	100,00%	4	(6)	3	-	(6)	-	-
Taller de Editores, S.A.			✓			✓	Madrid	Edition Supplements	-	80,36%	80,36%	1.740	10.002	981	1.330	955	-	-
Inversor Ediciones, S.L.							Madrid	Publication of economic journals	-	66,72%	83,00%	173	403	74	94	66	-	-
Desde León al mundo, S.L.			✓				León	Local portal and electronic publishing press.	-	63,00%	90,00%	25	51	27	27	19	-	-
Audiovisual																		
Teledonosti, S.L.	✓						San Sebastián	Local television	-	67,45%	88,97%	1.250	32	18	30	30	-	-
Rioja Televisión, S.A.							Logroño	Regional Radio and TV	-	54,41%	92,86%	1.204	(698)	4	12	20	-	-
La Verdad Radio y Televisión, S.A.			✓				Murcia	Regional Radio and local TV	-	79,50%	81,22%	1.040	(652)	(1)	(1)	(1)	-	-
El Comercio Televisión, Servicios Audiovisuales, S.L.							Gijón	Local television	-	51,46%	100,00%	357	(59)	(35)	(36)	(27)	-	-
Las Provincias Televisión, S.A.U.			✓			✓	Valencia	Local television	-	83,09%	100,00%	1.500	(492)	(33)	(1)	(1)	-	-
Sociedad Gestora de Televisión Onda 6, S.A.U.			✓		✓		Madrid	Digital Television	-	100,00%	100,00%	7.710	(2.285)	136	257	255	-	-

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SUBSIDIARIES COMPANIES

Company	(2)	(3)	(4)	(5)	(6)	(7)	Address	Activity	Percentage: % interest Direct	Percentage: % interest Non-direct	Percentage: Control	Thousand euro: Share Capital	Thousand euro: Reserves and others	Current Profit & Loss: Operating results	Current Profit & Loss: Profit & Loss before Tax	Current Profit & Loss: Profit & Loss	Other	Dividend
Sociedad Gestora de Televisión NET TV, S.A.						✓	Madrid	Digital Television	-	55,00%	55,00%	4.630	6.550	5.490	5.768	4.123	-	(1.893)
Avista Televisión de Andalucía, S.A.U.			✓		✓		Sevilla	Digital Television	-	100,00%	100,00%	1.000	(1.041)	(219)	(220)	(165)	-	-
Radio Publi, S.L.			✓			✓	Madrid	National radio broadcasting	-	84,20%	84,20%	22.773	(3.688)	2.228	1.904	3.079	-	(400)
Onda Ramblas, S.A.U.			✓				Barcelona	National radio broadcasting	-	84,20%	100,00%	60	1.770	30	44	31	-	-
Radio El Correo, S.L.U.	✓	✓			✓		Bilbao	Local radio broadcasting	-	100,00%	100,00%	6	14	6	(6)	(6)	-	-
Radio Gaditana 2005, S.L.U.			✓		✓		Cádiz	Local radio broadcasting	-	100,00%	100,00%	13	70	2	2	2	-	-
Veralia Corporación de Productoras de Cine y Televisión, S.L.					✓		Madrid	Holding	-	49,99%	49,99%	50.282	(28.590)	(13)	(370)	(100)	-	-
Provinlab, S.L.U.			✓				Valencia	Local radio broadcasting	-	70,50%	100,00%	270	200	(1)	(6)	(6)	-	-
Radio LP, S.L.U.			✓			✓	Valencia	Local radio broadcasting	-	82,00%	100,00%	240	39	30	33	36	-	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	✓	✓			✓		Vizcaya	Digital Radio	100,00%	-	100,00%	5.500	(2.409)	(7)	90	65	-	-
Veralia Contenidos Audiovisuales, S.L.U.					✓		Madrid	Filmed TV Productions	-	49,99%	100,00%	1.000	4.030	(934)	(1.220)	(253)	-	-
Veralia Distribución de Cine, S.A.U.					✓		Madrid	Distribution of film productions	-	49,99%	100,00%	1.002	51	3.304	3.490	2.516	-	-
Editorial Cantabria de Radiotelevisión, S.A.U.			✓				Santander	Radio broadcasting	-	90,70%	100,00%	450	(214)	15	17	16	-	-
Classified																		
Desarrollo de Clasificados, S.L.U.			✓		✓		Madrid	Classified holding	-	100,00%	100,00%	1.500	14.384	(694)	(740)	(343)	-	-
Infoempleo, S.L.							Madrid	Job search service	-	51,00%	51,00%	1.269	(278)	(64)	(64)	(83)	-	-
Autocasión Hoy, S.A.							Madrid	Website and classified engine	-	48,00%	48,00%	77	2.102	802	814	590	-	-
Habitatsoft, S.L.U.			✓		✓		Barcelona	Real Estate services classifieds	-	100,00%	100,00%	3	(83)	(122)	(182)	(147)	-	-
Contact Center Venta Interactiva, S.L.U.			✓		✓		Madrid	Classified	-	100,00%	100,00%	4	300	(13)	(13)	(10)	-	-
Structure																		
Comercial Multimedia Vocento, S.A.U.			✓		✓		Madrid	Publishing	-	100,00%	100,00%	480	(6.494)	133	148	104	-	-
Distribuciones COMECOSA, S.L.U.	✓	✓			✓		Vizcaya	Holding	-	100,00%	100,00%	451	17.434	(43)	348	382	-	-
Comeresa Prensa, S.L.U.			✓		✓		Madrid	Holding	100,00%	-	100,00%	403.089	33.702	(5.412)	(13.858)	(11.474)	-	-
Comeresa País Vasco, S.L.U.	✓	✓			✓		Vizcaya	Holding	100,00%	-	100,00%	9.080	120.747	109	17.460	16.878	-	-
Comeco Impresión, S.L.U.	✓	✓			✓		Vizcaya	Holding	-	100,00%	100,00%	9.249	77.743	(13)	(4.038)	(3.902)	-	-
CSC Madrid, S.L.U.			✓		✓		Madrid	Structure	-	100,00%	100,00%	60	703	30	37	34	-	-
Corporación de Nuevos Medios Digitales, S.L.U.			✓		✓		Madrid	Holding	-	100,00%	100,00%	1.500	44.163	(307)	3.482	4.833	-	-
Agencia Colpisa, S.L.U.			✓		✓		Madrid	News agency	-	100,00%	100,00%	93	163	11	72	49	-	-

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ASSOCIATES COMPANIES

Company	(2)	(3)	(4)	(5)	(6)	(7)	Adress	Activity	% interest Direct	% interest Non-direct	Miles de euros Share capital	Miles de euros Reserves and others	Miles de euros Current Profit & Loss	Miles de euros Others	Miles de euros Dividends
ASSOCIATES															
Classified															
11870 Información en general, S.L.				✓			Madrid	Classified	-	33,57%	25	(101)	(86)	-	-
Periodic															
Distribuciones Papiro, S.L.							Salamanca	Distribución	-	26,25%	37	1.496	369	-	-
Cirpress, S.L.							Asturias	Distribución	-	27,00%	12	2.055	234	-	-
Distrimedios, S.L.							Cádiz	Distribución	-	22,50%	100	4.232	(109)	-	-
Val Disme, S.L.							Valencia	Distribución	-	22,75%	144	309	142	-	-
Structure															
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.				✓			Madrid	Digital "Kiosko"	-	50,00%	53	(536)	(3)	-	-

(1) Estimates and /or pending approval by the respective Shareholders' Meetings and before distribution of dividends. No results from discontinued operations in any society.

(2) Subsidiaries subject to regional laws of the Corporation Tax.

(3) Companies comprising the consolidated tax group in the Basque Country.

(4) Companies comprising the consolidated tax group in the common territory whose parent company is Vocento, S.A. ; under the new definition of the LIS becomes the parent company of the tax group, Comeresa designating Newspapers, S.L.U, the parent company in 2014, as a representative entity of the tax group.

(5) This company is affected by the cause of dissolution in accordance with the corporations law, on which necessary measures has been or will be adopted.

(6) Guarantor in relation to the operation of the syndicated loan (Note 20).

(7) Company pledged in relation to the operation of the syndicated loan (Note 20).

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ANEXO I
(Página 3)

SOCIEDADES DEPENDIENTES DEL GRUPO DE SOCIEDADES DEL QUE VOCENTO, S.A. ES SOCIEDAD DOMINANTE

Sociedad	(4)	(3)	(1)	(5)	(6)	(7)	Domicilio	Actividad	Porcentaje – Participación – Directa	Porcentaje – Participación – Indirecta	Porcentaje – Control	Miles de euros – Capital desembolsado	Miles de euros – Reservas y otras partidas de Fondos Propios	Miles de euros – Resultado de explotación	Miles de euros – Resultado del ejercicio (8) – Resultado de actividades continuadas	Miles de euros – Resultado del ejercicio (8) – Resultado del ejercicio	Miles de euros – Otras partidas del patrimonio neto	Miles de euros – Dividendo a cuenta
Sociedad Gestora de Televisión NET TV, S.A.						✓	Madrid	Televisión Digital		55,00%	55,00%	6.936	4.578	1.397	1.187	2.591		
Avista Televisión de Andalucía, S.A.U.				✓	✓		Sevilla	Televisión Digital	-	100,00%	100,00%	1.500	(1.176)	(271)	(751)	(711)	-	-
La 10 Canal de Televisión, S.L.U.				✓	✓		Madrid	Televisión Digital	-	100,00%	100,00%	3.106	8.832	(41)	(327)	(683)	-	-
Radio Publi, S.L.				✓		✓	Madrid	Radio Difusión nacional		80,20%	80,20%	73.671	(6.387)	1.061	(3.497)	(1.640)		
Onda Ramblas, S.A.U.				✓			Barcelona	Radio Difusión nacional	-	80,20%	100,00%	96	1.598	(165)	(97)	(118)	-	-
Radio El Correo, S.L.U.	✓	✓	✓		✓		Bilbao	Radio Difusión local		100,00%	100,00%	4	6	17	11	3		
Cadena de Ondas Medios, S.A.U.				✓	✓		Badajoz	Radio Difusión local	-	57,34%	100,00%	596	(117)	45	45	84	-	-
Radio Gaditana 2005, S.L.U.				✓	✓		Cádiz	Radio Difusión local		100,00%	100,00%	11	78	22	22			
Vocento Comprantes de Acciones de Guerry Televisión, S.L.					✓		Madrid	Holding		69,99%	69,99%	16.323	(17.481)	(70)	(9.887)	(10.977)		
Dirovimedia, S.L.U.				✓			Valencia	Radio Difusión local	-	78,24%	100,00%	276	255	-	-	(1)	-	-
Radio LP, S.L.U.				✓	✓		Valencia	Radio Difusión local	-	76,24%	100,00%	383	25	29	49	86	-	-
El Correo Digital Radio, S.L.U.				✓	✓		Madrid	Radio Digital	-	100,00%	100,00%	60	33	72	72	86	-	-
Corporación de Medios Radiofónicos Digitales, S.A.U.	✓		✓		✓		Vizcaya	Radio Digital	100,00%		100,00%	5.340	(7.544)	(10)	146	105		
Europroducciones, S.A.U.					✓		Lleida	Producciones cinematográficas y de programas de TV	-	65,59%	100,00%	816	(250)	455	441	348	-	-
Vocento Contenidos Audiovisuales, S.L.U.					✓		Madrid	Producciones cinematográficas y de programas de TV		69,99%	100,00%	1.000	1.147	(1.240)	(1.755)	(1.866)		
Veralia Distribución de Cine, S.A.U.					✓		Madrid	Distribución de producciones cinematográficas	-	65,59%	100,00%	1.063	1.251	1.281	3.009	2.384	-	-
Sociedad Cántabra de Radiotelevisión, S.A.U.				✓			Santander	Radio Difusión		80,20%	100,00%	656	(185)	75	75	(62)		
Clasificados																		
Desarrollo de Clasificados, S.L.U.				✓	✓		Madrid	Holding de Clasificados		100,00%	100,00%	1.500	18.495	(578)	(2.729)	(3.089)		
Infoempleo, S.L.							Madrid	Servicio de búsqueda de empleo y formación		51,00%	51,00%	1.256		(159)	(700)	(708)		
Autocasión Hoy, S.A.							Madrid	Revista electrónica y clasificados motor	-	49,00%	49,00%	71	3.102	243	249	147	-	-
Habitatsoft, S.L.U.				✓	✓		Barcelona	Clasificados inmobiliarios y servicios		100,00%	100,00%	3	1.174	(1.240)	(1.257)	(1.228)		
Contact Center Venta Interactiva, S.L.U.				✓	✓		Madrid	Venta de clasificados		100,00%	100,00%	4	296	(88)	88	88	-	-
Otros																		
Sociedad de [illegible], S.A.U.					✓		Madrid	Prensa escrita	100,00%	-	100,00%	501	250	59	45	45	-	-
Estructura																		
Comercial Multimedia Vocento, S.A.U.				✓	✓		Madrid	Publicidad		100,00%	100,00%	600	(997)	(966)	(452)	(675)		
Distribuciones COMECOSA, S.L.U.	✓		✓		✓		Vizcaya	Holding	-	100,00%	100,00%	451	16.250	(470)	1.363	1.124	-	-
Comeresa Prensa, S.L.U.				✓	✓		Madrid	Holding	100,00%		100,00%	875.869	777.406	(5.870)	(62.066)	(84.863)		
Comeresa País Vasco, S.L.U.	✓		✓		✓		Vizcaya	Holding	100,00%	-	100,00%	9.066	16.362	(4)	35.460	35.506	-	-
Corporación de Medios Internacionales de Prensa, S.A.U.	✓		✓		✓		Vizcaya	Holding	100,00%	-	100,00%	60	841	(1)	2.411	2.431	-	-
Corporación de Medios de Comunicación, S.L.U.	✓		✓		✓		Vizcaya	Holding	100,00%		100,00%	12.884	37.167	(11)	16.507	16.144		
Comeresa Expansión, S.L.U.	✓		✓		✓		Vizcaya	Holding		100,00%	100,00%	9.236	10.692	(196)	(6.481)	(6.711)		
ESK Madrid, S.L.U.				✓	✓		Madrid	Servicios administrativos y contables	-	100,00%	100,00%	60	557	(78)	(78)	(66)	-	-
Corporación de Nuevos Medios Digitales, S.L.U.				✓	✓		Madrid	Holding	-	100,00%	100,00%	1.500	40.236	(30)	135	(4.011)	-	-
Agencia Colpisa, S.L.U.				✓	✓		Madrid	Agencia de Noticias		100,00%	100,00%	91	175	(79)		(7)		

vocento

Vocento, S.A. and Subsidiaries

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR 2016
(Thousand euro)

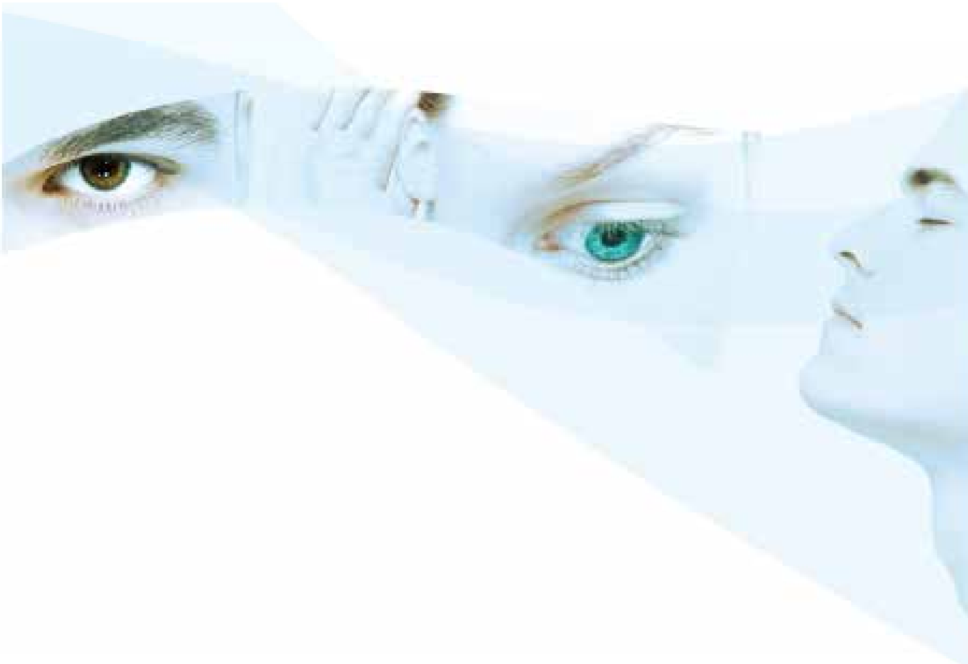
ANEXO
Tipo 1

EMPRESAS ASOCIADAS DEL GRUPO DEL QUE VOCENTO, S.A. ES SOCIEDAD DOMINANTE

Sociedad	(1)	(2)	(3)	(4)	(5)	(6)	(7)	Domicilio	Actividad	% Participación: Directa	% Participación: Indirecta	Miles de euros: Capital	Miles de euros: Reservas y otras partidas de Fondos	Miles de euros: Resultado del periodo (1)	Otras partidas del patrimonio neto	Dividendo a cuenta
ASOCIADAS:																
Clasificados																
11870 Información en general, S.L.								Madrid	Clasificados		36.84%	79	(9)	([illegible])		
Periódicos																
Distribuidora [illegible], S.L.								Salamanca	Distribución		30.94%	30	1,406	38		
Cirpress, S.L.								Asturias	Distribución	-	22.00%	12	1,859	20	-	-
Distrimedios, S.L.								Cádiz	Distribución	-	29.98%	[illegible]	4,729	77	77	-
Val Disme, S.L.								Valencia	Distribución	-	22.50%	[illegible]	8,022	59		
Servicios de Impresión del Oeste, S.L. (Grupo de Medios de Extremadura, S.A. UTE Ley 18/1982 de 26 de Mayo)								[illegible]	Contratación [illegible]	-	40.00%	-	-	-	-	-
Otros																
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.								Madrid	[illegible]	-	50.00%	[illegible]	([illegible])	([illegible])	-	-
[illegible], S.L.								Madrid	Publicidad		50.00%	[illegible]	[illegible]	([illegible])		

(1) [illegible]
(2) Sociedades dependientes [illegible]
(3) [illegible]
(4) Sociedades que conforman el Grupo Fiscal [illegible]
(5) Sociedades que conforman el Grupo Fiscal [illegible]
(6) Sociedad [illegible] (Nota [illegible])
(7) Sociedad [illegible] (Nota [illegible])

Vocento, S.A.
[illegible]



Vocento, S.A. and Subsidiaries

Directors' Report 2015

I. INTRODUCTION: VOCENTO IN THE ECONOMIC ENVIRONMENT

In 2015 the Spanish economy confirmed its recovery and showed 3.2% GDP growth. This recovery lost intensity during the second half of the year with 0.8% growth over the last two quarters of the year compared with 1.0% in the second quarter.

Internal and external factors are behind this positive development. There has been an improvement in economic fundamentals as is shown by increases in employment or the positive development of exports, which has allowed part of the potential lost during the crisis to be recovered. The impact of external shocks, such as the decline in oil prices which reduces energy bills or the monetary expansion measures adopted by the European Central Bank, which facilitate and reduce the cost of credit for companies and households, particularly benefit the Spanish economy.

That improvement in GDP, particularly household consumption, is reflected by the 5.8% growth in the advertising market in 2015. Press grew by 0.5% and Internet by 12.3%.

The outlook for 2016 consists of a slowdown in the rate of economic growth and in advertising investments (i2p estimates +5.0% growth for the entire market in 2016e). The consensus of the "Panel de Funcas" estimates GDP growth of 2.7%. Given this macro-economic scenario, there are downward risks, especially due to the effects deriving from a lengthening of the current political uncertainty on the confidence of businesses, households and investors.

II. EVOLUTION OF VOCENTO'S BUSINESS

VOCENTO is a multimedia group led by VOCENTO, S.A., and it engages in the various areas that make up the communications media business.

The information management organization was changed in 2013 and the following lines of business were defined: Newspapers, Audio-visual, Classifieds and Other. This grouping of information will be used for market reports and includes all newspapers, radio, digital television, etc. in which VOCENTO has a presence and which are assigned to each business segment. The comments and comparisons are based on the new segments mentioned above.

The segment "Other" mainly includes the B2B business, Sarenet, who's sale was completed at the end of 2014 and is no longer in the scope of consolidation in 2015.

IMPORTANT NOTE: In order to facilitate the analysis of the information and to appreciate the organic development of the Company, throughout the report explanations are provided when operating expenses, EBITDA, EBIT and net profits are affected by different non-recurring or extraordinary impacts. The most relevant impacts are summarized in three groups: 1) payroll adjustment and "one-off" measures 2) changes in the scope of consolidation (i.e. divestment of Sarenet in 2014 - B2B activity within the Other division) or impacts generated due to strategic business decisions (i.e. sale of Europroduzione in 2015).

Newspapers (offline and online)

VOCENTO consolidates its clear leadership in the general information press with a 24.8% share, which is more than 10 points in front of the next communications group. It is also the leader in terms of audience (in accordance with the third accumulated wave 2015 EGM, more than 2.5 million readers, with nearly 1 million readers more than the following group) and it has a notable position in the Internet business (audience exceeding 18 million unique monthly users in accordance with comScore, December 2015).

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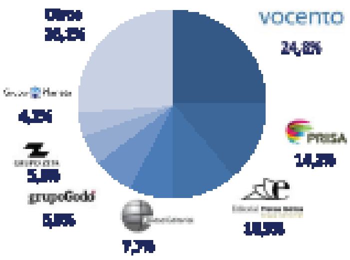
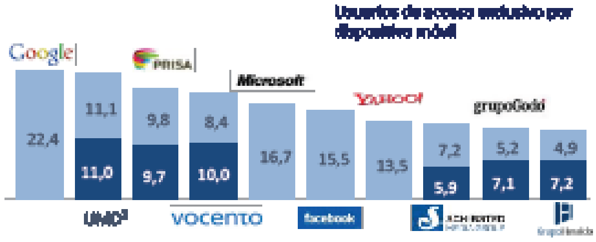
Ordinary readership share[1] (% unique monthly users)



Internet audience ranking[2] (thousands of



Note 1: Source OJD 2015. Uncertified data Note 2: Source comScore. Note 3: UMD= Digital Media Unit including Unidad Editorial, Zeta and Prensa Ibérica.

VOCENTO has an active presence in the new technological reality and leads in the positioning of new technologies from both the development and new business exploration point of view, as well as the creation of the internal infrastructure that is necessary for an optimal position.

VOCENTO works in the following areas to accelerate the aforementioned digital growth:

(i) User knowledge and behaviour: creation and development of databases, user experience management, unification and qualification of audiences, loyalty programs, through which what is known as Big Data and data management and processing tools;
(ii) Development of platforms and digital media aligned with consumption patterns, fundamentally in the mobile environment. We note the development of the new ABC mobile web site over the last quarter of 2015, which was nominated for the Global Mobile Awards (GLOMO) 2016, in the category of "Best Mobile App Media";
(iii) Development of products and services that are adapted to the new reality: To generate transactional/e- commerce lines of business (strengthening those already existing, i.e. oferplan, ticketing or exploring new initiatives), optimize the presence in social networks (launch of Facebook Instant Articles through ABC, the leading national newspaper that has implemented the new instant news article publication tool provided by Facebook) or to achieve a position with new audiences (development of a new "line" viral portal intended to capture the "millennial" public, with pioneering narrative and commercial formulas);
(iv) Research and development supported by VOCENTO Media Lab. The objective is to investigate, experiment and implement innovative and interesting trends for the press business. VOCENTO Media Lab is involved with the driving of data journalism and the new digital narratives, as well as the internal training of journalists, and the dynamics involved with sharing knowledge among technical, publishing and business areas at the Company.

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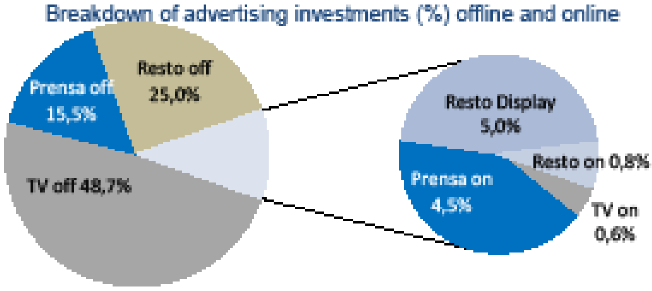
Graphic summary of the position and digital celebration of VOCENTO

This entire environment has a clear beneficiary, advertisers, who also respond to the digital environment. According to i2p, Internet advertising investments in 2015 represented 10.9% of the total, or nearly €435 million. The following should be noted:

(i) The press absorbs part of online investments: of the €435 million, 41.8% ends up in the online press media (39.9% in 2014).
(ii) The total press advertising investment in 2015 was 20%, broken down as follows: 15.5% of the investment share was off-line and 4.5% was in online press.
(iii) The online press advertising investment grew by 17% in 2015.

The press sector stabilizes the online investment share[1]

Breakdown of advertising investments (%) offline and online



Cuota on+off	2014	2015	Var p.p.
TV	48,6%	49,3%	0,6 pp
Prensa	**20,4%**	**20,0%**	**(0,4 pp)**
Radio, cine	**26,1%**	**25,8%**	**(0,3 pp)**
Resto display	**4,9%**	**5,0%**	**0,0 pp**

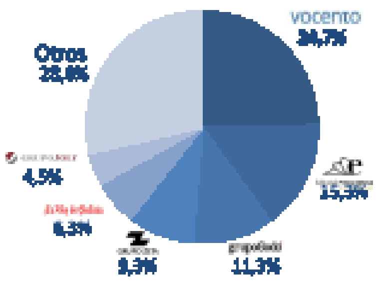
Note 1: Source i2p.

Regional Newspapers

VOCENTO is the clear leader in regional markets in Spain due to the roots and excellent position 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 notoriety of each of the newspapers, some of which are more than 100 years old, their high level of local recognition and their deep relationship with the region in which they are published, make them clear references in their respective markets. Exercising rigorous and independent journalism in a freedom of expression environment are some of the credentials of our press.

VOCENTO's regional newspapers maintain their leadership in terms of readership in 2015, and they held a market share of 21.7% of the regional press, and the following regional press group obtained a share of 15.3%.

Regional press market share (%)[1]



Note 1: Source OJD. Uncertified data

In terms of press audience, the regional newspapers remain leaders both offline (more than 2[3] million readers, 0.7 million more readers than the next regional newspaper group), and online, where they attained an audience of more than 18[4] million unique monthly users. Each of the 11 portals is an audience leader in their market of reference.

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[3] *Source EGM 3rd accumulated wave 2015.*

[4] *Source: comScore MMX Multiplatform December 2015. Total audience= aggregate audiences of the 11 local portals.*

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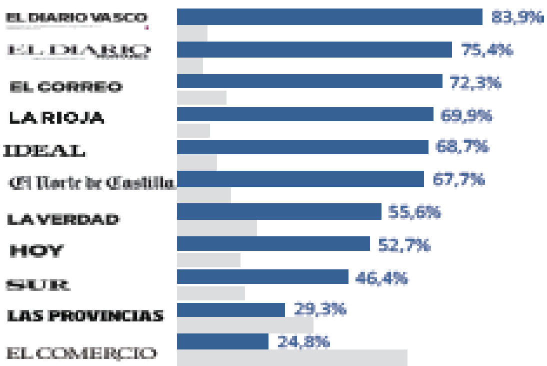
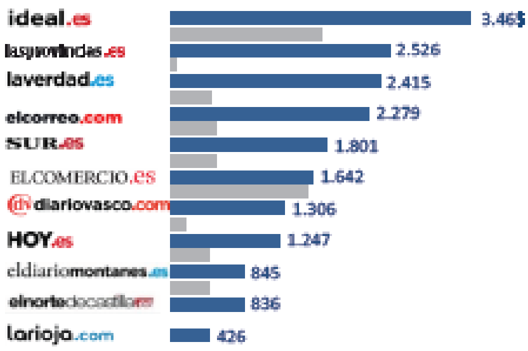
Market share in the area of influence by newspaper[1] (%) **Local portal audience (thousands of unique monthly users)[2]**





Note 1: Source OJD. 2015. Uncertified data Note 2: Source comScore December 2015.

In 2015 efforts were focused on maintaining the leadership of the newspapers, independent of the device used, and on protecting the profitability of the business.

The strengthening of digital areas will take place in 2016 as a transversal objective of all the newspapers (and the rest of VOCENTO).

The main lines of effort may be summarized as follows:

(i) Digital strengthening: invest in the development of the existing e- commerce businesses (Oferplan, Ticketing), consolidation of the digital payment model "on+" launched with El Correo and the evaluation of new added value advertising services focusing on local customers;
(ii) Protection of profitability: increase in the price of some newspapers, continuation of the optimization of processes and resources without ceasing to invest in the quality of editorial products and the development of selective commercial agreements with other publishers that allow income synergies.

National Newspaper- ABC

ABC is VOCENTO's national newspaper and it is more than 110 years old. It is one of the leading national newspapers, in addition to being a newspaper of reference.

ABC has developed a multi-media presence: ABC press + ABC in Kiosks and More + ABC.es + ABC mobile (applications for different multiscreen environments), in addition to the radio with the support of the COPE channel broadcasting agreement (See section on Radio). This combination of media allows publishing synergies to be developed and new audiences, including digital audiences, to be obtained.

The printed edition of ABC focus is part of its efforts on ordinary distribution (or base sales that include individual subscriptions and newspaper stand sales), which provides the highest profitability, and decreasing non-ordinary publishing in a voluntary and controlled manner (block and collective publishing). Based on 2015 information, the proportion of ordinary publication compared with total publication at ABC is 88.6%, and the average of the rest of the comparables at these levels are converging (average of 81.7%, El País 89.6%, El Mundo 84.7% and La Razón 70.7%).

ABC has gained market share[8] in the key market of Madrid, where it is now number two after exceeding El Mundo.

ABC.es continues to gain audiences thanks to the potential of mobile devices. According to comScore, in December 2015 it obtained 12 million unique monthly users. Of that number, 7 million or 58% of the total, originate exclusively from mobile devices.

The target milestones were attained in 2015, notably: i) the redesign of ABC.es and the launch of the mobile web version that was nominated by the Global Mobile Awards 2016 in the category of Best Mobile Apps; ii) improvement of market share, notably ABC's number two position in Madrid, ahead of El Mundo, and iii) increase in profitability due to, among other things, to the logistical reconversion of ABC in the Balearic and Canary Islands, and the optimization of printing centres.

ABC will continue to target profitability and market positioning in 2016 through:

1) Digital business:
    a. Strengthen mobility, personalization and obtaining new registrations
    b. Reinforcing the services and customer utilities offered: Oferplan, Ticketing, ABC Photo
2) Improve profitability in the following manner:
    a. Increased newspaper prices on Sundays from €2.80 to €3.
    b. Continue to reduce printing costs by eliminating regional facilities
    c. Implement loyalty programs for kiosk readers and the digital kiosk and Más platform.

Supplements and Magazines

VOCENTO publishes the two leading supplements in Spain by readership: XL Semanal and Mujer Hoy. The quality of their authors and their rigorous commitment to information explain their success and differentiating position with respect to the main comparables. These supplements are distributed with all of VOCENTO's newspapers on weekends, as well as with other regional newspapers of recognised prestige.

XL Semanal is the most read **Sunday supplement** in **Spain**, and it has an important list of authors such as Carlos Herrera, Arturo Pérez-Reverte, Juan Manuel de Prada or Carmen Posadas, among others. The current and future objective is to continue investing in a differentiating product with a journalistic view that allows it to attract both readers and advertisers.

In addition, **Mujer Hoy** is the second most read supplement and continues to be the leading women's publication in its category. There has been notable activity with respect to corporate projects that allow the brand image to be optimized together with top advertisers, as well as the development of products such as Guapabox, within the *beauty boxes* segment.

In 2015 the magazine segments of the launch of **Corazón CZN TVE**, in an alliance with the TVE Corazón program presented by Anne Igartiburu, which consolidates its success and is among the main celebrity press magazines.

The men's luxury segment was also reinforced in 2015 through the large-format monthly magazine **Código Único**, directed at urban upper-class men that like luxury and brands.

In the area of financial information, **Inversión y Finanzas** is the leading weekly in terms of kiosk sales, with an audience of 37,000 readers in accordance with the third accumulated wave EGM 2015, which rigorously analyses stock and financial news. In 2015 the magazine celebrated the publication of its 1000th edition.

The notable agreement with Air Europa for corporate magazines covering the publication of its magazine, which has consolidated to become the leader in the segment of *in-flight* magazines.

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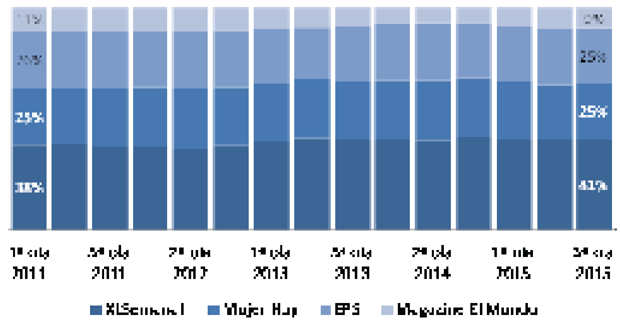
[8] *Source: OJD. National press share (sum of El País, El Mundo, La Razón and ABC).*

VOCENTO's magazines and supplements reach a combined audience of nearly 3.8 million readers in 2015, with a clear leadership of XL Semanal (more than 2 million readers, nearly 1 million more its immediate competitor. Source: 3rd accumulated wave 2015 EGM) and Mujer Hoy (with more than 1 million readers).

Market share of the main supplements in Spain[4]



Note 1: EGM

At the end of 2015 a notable business agreement was concluded with Zeta Group, to jointly strengthen and encourage commercial synergies involving Mujer Hoy through its joint distribution with El Periódico, thereby making the most read women's magazine available to its buyers in Catalonia.

As a result of the important activity in the area, there has been a continuous improvement of the positioning of VOCENTO's supplements in terms of both audience and advertising market share. In advertising terms, and in accordance with internal information, XL Semanal and Mujer Hoy have consolidated their advertising market share: in the case of the Sunday additions, and in a stabilized advertising environment, XL Semanal obtains a share of 54.9% and a 1.5 point improvement over 2015. In the case of women's magazines, in an advertising market that is growing at double-digit rates, Mujer Hoy maintains its clear leadership (47.5% market share) after the 1.8 point improvement in the share in 2015.

On the digital side of the business, Mujerhoy.com has 1.2[4] million unique users and is at the level of the primary vertical sites in the category at number five. The redesign of the portal in 2015 will also allow for a renewed presentation with respect to its comparables.

During 2015 the area stood out due to its investment in differentiating products (Corazón CZN TVE, Código Único, agreement with Zeta Group) that has allowed it to access new readers or advertisers due to its attractive participation in more than 25 organized events and the digital efforts that materialized in January 2016 through the new Mujerhoy website.

[4] *Source: MMX Multiplatform December 2015.*

Looking forward to 2016, investments will be made in the attractive portfolio of existing products and particular efforts will be made in both the area of events and special actions, as well as new digital initiatives, through the new Mujer Hoy portal or the encouragement of e-commerce through Guapabox, among others. The leadership position and rational cost criteria will be maintained, without reducing the quality of the editorial content in the area, and they will continue to be clear references for action.

Audio-visual

VOCENTO has a presence in the audio-visual market, essentially through the national TDT television license that allows broadcasting on two channels, the regional TDT licenses, a network of radio licenses, interests and content producers and the application of a catalogue of film rights.

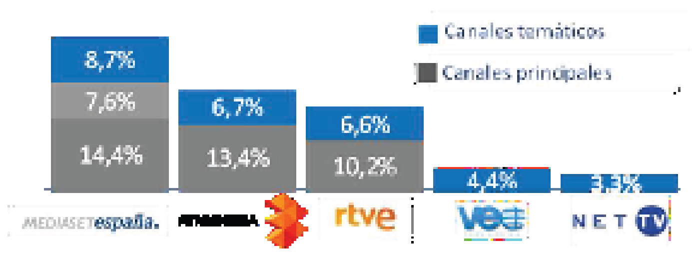
Television

VOCENTO holds a 55% interest in the share capital of Sociedad Gestora de Televisión Net TV S.A. ("NET TV"), which gives it a presence in one of the private operators that have an open national TDT television license.

The two operating NET TV channels broadcast under the names of Disney Channel and Paramount Channel. VOCENTO is thus present in niche television with international world entertainment leaders that guarantee the business of NET TV in the medium and long-term.

All operating channels ended December 2015 with a 3.3% share of the audience[9]. It's thematic presence on television contributes to the Group's overall profitability target.

Audience share by channel family in December 2015 (%)[11]



Note 1: Source Kantar Media.

The two channels of the multiplex NET TV consolidated in 2015 in a scenario of new channel assignments. This will continue in 2016.

Radio

The development of this line of business is based on an alliance with Cadena COPE, which was authorized by the National Competition Commission (CNC) on 15 March 2013. The alliance consists of a strategic agreement that is intended to reinforce, particularly with respect to ABC, a shared editorial line and the defence of the same values.

[9] *Source: Kantar Media December 2015.*

At the radio level, the agreement represents broadcasting of COPE, Cadena 100, Rock FM and Mega Star by the stations owned by the various VOCENTO companies, especially involving the COPE and ABC brands in news bulletins. In addition to other types of cooperative arrangements, the programs, radio personalities and editorial content of COPE are emphasized in the pages of ABC.

Similarly, the two communications groups have integrated the various radio portals (COPE, Cadena 100 and Rock FM) into the ABC portal to thus reinforce both of them in the competitive network information market.

This past year of 2015 was one of consolidation for radio together with the monetization of the agreement reached with COPE after the good audience data obtained from the third EGM 2015 survey, in which COPE increased the number of listeners by nearly 1 million to 2,671,000. A similar trend of good audiences and results is expected in 2016.

Audio-visual production and distribution-Veralia

VOCENTO's presence in the audio-visual production sector (production of entertainment and fictional programs and film distribution) is configured through Veralia Corporación, around: i) Veralia Contenidos, audio-visual production holding company that groups together the BocaBoca Producciones, Europroducciones and Hill Valley brands, and ii) Veralia Distribución de Cine which holds a rights catalogue consisting of 230 titles.

In 2015 the Veralia production companies engaged in the pre-production, production and broadcasting of diverse formats, including "Hit, la canción" (TVE), the sixth season of "Conexión Samanta", "21 Días" (both on Cuatro), "Los Vengadores" (Disney), "Bailamos?" (Canal Sur), "A Tu Vera" (Castilla la Mancha TV) and "Guinness World Records" (Canale5, Italy). Other successful programs were the specials broadcast by TVE "Enciende la Navidad" and "Telepasión" on new years' eve.

Among other initiatives, Veralia makes efforts to sell its productions internationally. The format "21 días" has been successively adapted to Holland, Italy, France, Canada and Chile. The program Magic Manía, an in-house production of Veralia, has been sold in France (Canal +) and Israel. Collaboration continues with several international groups through agreements to market formats in and from the Spanish market.

After the agreement reached in 2013 with certain non-controlling shareholders Veralia Distribución de Cine reduced the risk of the impact of the volatility of the area, thereby favouring its profitability possibilities. The objective in the film area is to continue to maximise income from the existing catalogue.

A notable milestone in 2015 is the divestment of the Italian subsidiary Europroduzione, in response to the commitment to profitability and to focus content production efforts in Spain. Europroduzione was the only VOCENTO company outside of Spain.

In 2016 efforts will be concentrated on the consolidation of production levels and recurring programs to maintain profitability, taking advantage of the appearance of new actors and new potential customers while maximizing income from the titled catalogue.

Classifieds

VOCENTO's national network of classifieds is unique in the Spanish communications sector as it has a specialized team that focuses on customer service. These qualities are reinforced by the support of ABC.es and 11 of VOCENTO's regional digital publications, which allows a national classified network to be consolidated with offers marked by the content and knowledge of the sector.

The different portals are present with national brands in the three markets of reference for internet classifieds: real estate with pisos.com (top#3 in the category), employment with infoempleo.com (top#4) and used vehicles with autocasion.com (top#6).

In 2015 selective investments were made in each of the businesses based on their commercial and technological maturity in order to guarantee sustained growth. Special attention has been paid to the professional profile (B2B - Business to Business), which has strengthened the customer base.

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The objectives for 2016 continue to be focused on the development of the primary business in each segment, and as a continuing strategy and the common denominator for the rest of the areas at VOCENTO the commitment to value added products and services that allow knowledge of customers, users and the use of new technologies to be deepened. The area strengthens the generation of advertising income through careful commercial movements, loyalty measures and the improvement of average income from each customer, while the cost structure is maintained. This balance has allowed EBIT to be positive in 2015.

iii. Notable aspects of the financial development of the businesses

Advertising income in 2015 grew in line with the market, despite Vocento's higher exposure to the press.
Comparable EBITDA grew by 13.9% and the margin improved by almost 2 points to 10.7%.
Net profit for the first time since 2009.
Generation of ordinary positive cash flow in 2015 totalling €27,383 thousand.

- **Rising advertising income, growth in line with the market.**
  - (i) VOCENTO's advertising income grew by 5.5% in 2015. Gross advertising grew by 5.7% compared with 5.8% in the total market in accordance with i2p (despite the exposure to the press).
  - (ii) Both off-line and online advertising investments grew at VOCENTO: of the total net increase reported by VOCENTO, 5.5% or €8,720 thousand, offline represented 19.7% and online was 80.3%.
  - (iii) Evolution of the income profile towards digital: Advertising income from the Internet and the new digital businesses contributed 28.0% of all advertising and e-commerce income at VOCENTO in 2015 (+2.7 points compared to 2014).
- **Total income with a constant scope of consolidation (ex Sarenet) -3.0%.**
  - (i) There was a reduction in the sale of copies due to, among other things, the logistical conversion of ABC into a 100% digital newspaper on the islands, which would explain more than 50% of the decline in income from the sale of copies of ABC, and also gives rise to lower distribution and printing costs in EBITDA.
  - (ii) There was an 18.8% decline in Other Income, mainly due to the change in the scope of consolidation after the sale of Sarenet (under a constant scope of consolidation, -10.2%). The rest of the decline in other income (€12 million) has a negative impact of approximately €0.4 million on EBITDA given the profitability criteria applied to the taking of decisions (i.e. sale of Europroduzione and selective promotion policy).
- **Increase in the comparable EBITDA margin[8] by 1.8 points to 10.7%, despite the exit of Sarenet from the scope of consolidation.**
  - (i) Newspapers: 11.8% growth in comparable EBITDA in 2015 and profitability rose by 1.5% to a comparable EBITDA margin of 11.5%. The profitability of regional newspapers improved by 1% to a comparable EBITDA margin of 13.8% and at ABC the comparable EBITDA of €5.9 million is an increase of €3.8 million compared with 2014.
  - (ii) Audio-visual: improvement in the profitability of the area (comparable EBITDA margin of 28.7%), due to the absence of TDT provisions in 2015 and despite the lower international activity by production companies.
- **Positive EBIT in all areas**
- **Net profit of €4,081 thousand, the first positive figure since 2009.**
- **Protection of the generation of ordinary operating cash flows, which improved by €27,383 thousand at the end of 2015.**
  - (i) Generation of ordinary operating cash flows totaling €27,383 thousand in 2015, excluding indemnity payments totaling €8,329 thousand and other outflows of non-ordinary cash in the amount of €3,972 thousand.
  - (ii) Decrease in the LTM financial leveraging (last twelve months) to 2.2x[1], with a net financial debt of €108,787 thousand in December 2015 (vs €125,889 thousand in 2014 and 2.9x[1] leveraging).

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[8] *This excludes personnel adjustments and "one-off" measures. 2015 €-2,556 thousand and 2014 €-6,520 thousand.*

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iv. Risks and uncertainties

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

Strategic and operating risks

As is the case with any operator in a market, there is generally the possibility of losses affecting values or profits due to changes in the business environment, the situation of the competition or the market, changes in competition or strategic uncertainty, or the existence of collection delays. Specifically, sales and advertising are affected based on the macro-economic situation when consumption declines and it is more difficult to retain the talent that is necessary to carry out the required internal transformations. Credit risk arises from trade receivables, including outstanding receivables and transaction commitments. The Group evaluates the credit quality of customers, bearing in mind their financial position, past experience and other factors. Individual credit limits are established based on internal ratings in accordance with the limits established by Management. The use of credit limits is regularly monitored.

Management monitors liquidity reserve projections for the Group (which includes credit availability and cash and cash equivalents) based on expected cash flows.

Market Risk

The specific items are exposed to interest rate risk whose upward or downward effects may have an impact on financial income/expense and cash flows. This risk is not considered to significantly affect the Group. The syndicated financing is covered by an interest-rate hedge that significantly mitigates possible increases in interest rates.

Other

Compliance risks, particularly tax items, are related to possible differing interpretations of the regulations on the part of the competent tax authorities as well as the generation of taxable income that allow capitalized tax-loss carry forwards to be recovered, and the impact of any new regulations. Publishing gives rise to a risk of litigation which, based on materiality and allocations, is described in the notes to the annual accounts if appropriate.

In addition to the risk of system attacks, there is a risk concerning technological changes that require the media in general to make investments in this area.

Also see the disclosures regarding risks included in Note 6 of the notes to the annual accounts.

V. AVERAGE PAYMENT PERIOD

The ratio of payments made to suppliers in 2015, the average payment period for suppliers and the ratio of transactions pending payment to suppliers at 31 December 2015 is as follows (thousand euro), in compliance with the information required by Additional Provision Three "Disclosures" of Law 15/2010 (5 July) and the resolution dated 2 February 2016 issued by the Audit and Accounting Institute in response to Final Provision Two of Law 31/2014:

	2015
	Days
Average payment period for suppliers	63.41
Ratio of payments made	66.91
Ratio of pending payments	41.11
	Amount (Thousand euro)
Total payments made	294,355
Total pending payments	46,194

This balance relates to the suppliers that because of their nature are trade creditors for the supply of goods and services included in the balance sheet heading "Trade and Other Payables".

VI. SHAREHOLDER REMUNERATION

The Parent Company did not distribute any dividend whatsoever in 2015 and 2014 and at the end of both years there was no amount pending payment in this respect.

VII. TREASURY SHARES

The Parent Company maintains 3,878,665 shares equivalent to 3.1% of its share capital and there is no restriction on their transfer.

Movements in treasury shares in 2015 and 2014 are as follows:

	No. of shares	Cost (Thousand euro)
Shares at 31/12/13	**3,871,501**	**31,474**
Purchase	280,940	531
Sale (*)	(285,143)	(2,131)
Shares at 31/12/14	**3,867,298**	**29,874**
Purchase	883,678	1,832
Sale (*)	(874,311)	(6,215)
Shares at 31/12/15	**3,876,665**	**25,491**

(*) Sales recognised at the average weighted cost.

The capital loss resulting from the sale of treasury shares in 2015 was charged against reserves in the amount of €4,802 thousand (2014: €1,585 thousand).

In accordance with the provisions of the Spanish Companies Act 2010, the Parent Company maintains a restricted reserve in the amount of the cost of the treasury shares held in its portfolio. These reserves will become unrestricted when the circumstances dictating their establishment cease to exist.

The average number of treasury shares in the portfolio in 2015 was 3,868,783 shares (2014: 3,868,008 shares). (Note 33).

VIII. SHARE PERFORMANCE

VOCENTO's shares ended 2015 at a price of €1.48 per share, which gives rise to a market capitalization of €184.9 million at 31 December 2015. The average daily trading volume during the year was 62,334 shares. VOCENTO's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

IX. EXECUTIVE PLANS

Provisions for share-based payments-

Shareholders at a General Meeting held on 26 June 2012 adopted a resolution to approve an incentive plan for the CEO and other executives at Vocento consisting of the establishment of variable remuneration that would be settled only through the delivery of shares in Vocento, S.A. and would be associated with the creation of value for shareholders measured in accordance with certain financial parameters during the term of the plan (up until 2014), as well as an evaluation of the performance of the beneficiaries. At the time the plan was established the maximum number of shares to be used to settle the variable remuneration liabilities totalled 2,154,000 shares, of which a maximum of 241,228 shares may be used to settle the potential liability with the CEO.

The consideration was that the objectives of the plan were not met and the Group does not recognize any provision in this respect at 31 December 2015 and, therefore, there was no impact whatsoever on the consolidated income statement or consolidated equity in 2014.

Provisions for long-term incentive plans-

In 2013 the Parent Company's Board of Directors approved a long-term incentive plan for the CEO and certain executives at the Parent Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2015, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any payment obligation in this respect in the consolidated balance sheet at 31 December 2015.

In 2014 the Parent Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain executives at the Parent Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted operating profit for 2016, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the operating profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any provision in this respect in the consolidated balance sheet at 31 December 2015.

Finally, in 2015 the Parent Company's Board of Directors adopted a resolution to implement a new long-term incentive plan for the CEO and certain executives at the Parent Company and in the Group.

The plan consisted of establishing a single variable remuneration cash payment equivalent to between 20% and 50% of the annual fixed salary of each executive covered by the plan. This compensation is associated with compliance with the budgeted net profit for 2017, although this amount would be adjusted upward or downward by a factor that depends on the degree to which the net profit target is met, up to a limit of €1.3 million.

In accordance with the evaluation of that plan and the estimation that its targets will not be met, the Group does not recognize any provision in this respect in the consolidated balance sheet at 31 December 2015.

X. RESEARCH AND DEVELOPMENT ACTIVITIES

In 2015 the Group did not make any significant investments in research and development activities.

XI. USE OF DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge against the risks to which its activities, transactions and future cash flows are exposed, mainly changes in interest rates. The details of the balances that reflect the measurement of derivatives in the consolidated balance sheets at 31 December 2015 and 2014 are as follows:

	Thousand euro			
	31.12.15		31.12.14	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
INTEREST RATE HEDGES				
Cash flow hedges:				
Interest rate swap	667	2,022	491	2,390
Scaled collar	52	43	67	81
	719	2,065	558	2,471

The interest rate hedge derivatives contracted by the Group are intended to mitigate the effect of interest rate fluctuations on future cash flows from variable rate loans. A breakdown of these hedge transactions, and their maturity dates, is as follows:

Company	Instrument	Contracted average interest rate		Nominal amount (thousand euro)		Maturity	
		31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
BBVA	Interest rate swap	1.59%	1.34%	24,145	20,444	2019	2019
Banco Santander	Interest rate swap	1.59%	1.34%	18,880	21,794	2019	2019
Kutxabank	Interest rate swap	1.59%	1.34%	8,142	10,012	2019	2019
Bankia	Interest rate swap	1.59%	1.34%	11,770	12,891	2019	2019
Caixa	Interest rate swap	1.59%	1.34%	1,977	2,108	2019	2019
Banco Popular	Interest rate swap	1.59%	1.34%	3,851	4,218	2019	2019
Bankinter	Scaled collar			1,207	1,578	2019	2019
	Total			71,991	79,143		

The effect of changes in the hedge derivatives during 2015 were recognised by crediting the headings "Reserves-Restatement reserve for unrealized assets and liabilities" and "Equity-Non-controlling shareholdings" for the net amounts of €34 thousand and €0 (2014: €2,083 thousand and €14 thousand), respectively.

Among these derivatives the Group uses the scaled collar financial instrument to establish the variable interest payments for a finance lease within an increasing range, from a minimum of 3.95% to a maximum of 5%. The initial cost of that financial instrument was zero and the notional amount of the options sold was completely offset by the notional amount of the options acquired, and therefore it is a net option purchase. The effectiveness of the scaled collar hedge has been measured by offsetting the changes in the collar flows against the changes in the hedged risk flows using the hypothetical derivative method, and complying with the conditions that are necessary for it to be considered a hedge instrument.

The interest rate swap derivatives in force at 31 December 2015 relate to the hedges contracted by the Group by virtue of the terms of the syndicated financing agreement (Note 20).

The Group has complied with the requirements described in Note 4.h on Accounting Policies, so as to classify the financial instruments listed below as hedges. Specifically, they have been formally designated as such and their effective hedging has been verified. No ineffectiveness has been detected with respect to the hedges designated by the Group.

These derivative financial instruments have been measured in accordance with the provisions of IFRS 13 - "Fair value".

The sensitivity of the interest rate hedge transactions' market value to changes in interest rates that the Group considers reasonably possible, as well as their impact on profit for the period and equity at 31 December 2015 and 2014 is set out in the following table:

Change	Thousand euro			
	Change in interest rates			
	2015		2014	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Fair value	394	(399)	516	(662)
Profit/(loss)	-	-	-	-
Equity	394	(399)	516	(662)

The analysis of the liquidity of the derivative instruments, which relates to cash outflows taking into account undiscounted net flows, is as follows (thousand euro):

2015

Company	Instrument	2016	2017	2018	2019 years and afterwards
BBVA	Interest rate swap	312	340	289	31
Banco Santander	Interest rate swap	257	278	246	28
Kutxabank	Interest rate swap	118	129	113	12
Bankia	Interest rate swap	152	166	146	15
Caixa	Interest rate swap	26	28	24	3
Banco Popular	Interest rate swap	50	54	48	5
Bankinter	Scaled collar	37	36	12	-
	Total	952	1,031	888	92

2014

Company	Instrument	2015	2016	2017	2018 years and afterwards
BBVA	Interest rate swap	182	254	280	286
Banco Santander	Interest rate swap	150	209	231	244
Kutxabank	Interest rate swap	69	98	108	112
Bankia	Interest rate swap	89	124	137	144
Caixa	Interest rate swap	15	21	23	24
Banco Popular	Interest rate swap	29	41	45	47
Bankinter	Sealed collar	61	48	29	14
	Total	595	791	851	871

XII. TRANSACTIONS WITH RELATED PARTIES

Set out below is the breakdown of equity-consolidated companies in the accounts "Receivables from related companies" and "Payables to related companies" in the headings "Trade and other receivables" and "Trade and other payables" in the accompanying consolidated balance sheet at 31 December 2015, together with the transactions (in addition to the dividends received - Note 11) those companies carried out in 2015 by Vocento, S.A. and fully consolidated subsidiaries.

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	Thousand euro						
	Balances			Transactions			
				Income		Expense	
	Non-current receivables	Receivable (Note 15)	Payable (Note 19)	Operating	Financial expense	Operating	Financial expense
Cipress,S.L	-	258	158	6,020	-	778	-
Distribuidores Papiro, S.L.	-	702	130	7,052	-	1,352	-
Distrimedios, S.L.	-	911	460	12,487	-	5,042	-
Val Disme, S.L.	-	1,197	273	12,854	-	2,769	-
11870 Información en General, S.L.	-	31	21	-	-	-	-
Kioskoymas, sociedad gestora de la plataforma tecnológica, S.L.	270	166	-	504	-	7	-
Roi Media, S.L.	-	-	-	-	2	-	-
TOTALS	270	3,265	1,042	39,017	2	9,948	-

Set out below is the breakdown of equity-consolidated companies in the accounts "Receivables from related companies" and "Payables to related companies" in the headings "Trade and other receivables" and "Trade and other payables" in the accompanying consolidated balance sheet at 31 December 2014, together with the transactions (in addition to the dividends received - Note 11) those companies carried out in 2014 by Vocento, S.A. and fully consolidated subsidiaries.

	Thousand euro						
	Balances			Transactions			
				Income		Expense	
	Non-current receivables	Receivable (Note 15)	Payable (Note 19)	Operating	Financial expense	Operating	Financial expense
Cipress,S.L	-	280	92	6,158	-	792	-
Distribuidores Papiro, S.L.	-	775	112	7,408	-	1,383	-
Distrimedios, S.L.	-	1,141	487	14,040	-	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	-	-	-
Rei Media, S.L.	110	5	-	12	6	160	-
TOTALS	380	3,855	1,032	42,465	6	10,061	-

The most relevant balances and transactions with equity-consolidated companies derive from the sale and distribution of copies of newspapers and supplements that are carried out on an arm's length basis. Since those balances are of a commercial nature they do not accrue any interest and will generally be settled in the short-term. Group companies had not granted any lines of credit or loans to related companies at 31 December 2015 and 2014.

The Group maintains business relationships during the ordinary course of its business with companies at which the independent directors hold directorship and/or senior management positions, Elecnor, S.A. (at which Mr. Fernando Azaola Arteche is a Director and/or senior executive) and Viesgo Energía, S.L. (at which Mr. Miguel Antoñanzas Alvear is a Director and/or senior executive).

XIII. SUBSEQUENT EVENTS

In January 2016 the Group announced and started to apply a restructuring plan to transform its business.

XIV. FORESEEABLE DEVELOPMENT

In 2016 VOCENTO will focus on continuing with transforming the company and accelerating digital growth for which there are several key lines of work:

(i) **Acceleration of the digital business:** Work on advertising income using commercial tools and alliances (i.e. agreements with Zeta Group or El Economista) that allow advertising growth in low-medium digit ranges in 2016.

(ii) **Reduction of net costs:** improve profitability and grow comparable EBITDA. The best way to maintain and/or improve the press model is through the management of the existing balance between off-line and online (written and digital press). Accordingly, VOCENTO emphasizes the margin on the sale of copies and its digital position by assigning a higher portion of operating costs to the development of new initiatives. The net reduction of structures is necessary for this transformation, consisting mainly of the renewal of profiles and a decrease in the scope of non-core businesses.

(iii) **Compliance with the internal financial leveraging threshold towards 2x, beyond the milestones set out in the syndicated financing obtained in 2014:** generate ordinary cash through an active working capital management policy and strict control over CAPEX.

XV. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report consists of 50 pages. It is attached to the Consolidated Directors' Report in accordance with the provisions of Article 538 of the Spanish Companies Act 2010. The Annual Corporate Governance Report is also available at the CNMV website, www.cnmv.es.

XVI. ANNUAL ACTIVITY REPORT

The Annual Activity Report prepared by the Audit and Compliance Committee consists of 17 pages and is attached to the Consolidated Directors' Report in accordance with the provisions of Article 18.8 of the Board of Directors Regulations.

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APPENDIX

The Directors of VOCENTO, S.A. formulated on 23 February 2016 the consolidated annual accounts of VOCENTO, S.A. and its subsidiaries and the corresponding management report, resulting in the following documents: consolidated balance sheet, consolidated profit and loss account, and a consolidated cashflow statement, each on pages numbered from 1 to 5, the annual report of 80 pages numbered from 6 to 85 and an appendix of 8 pages, and a management report of 21 pages, including as point xv the annual report on corporate governance and as point xvi the annual report on 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 has formulated them, with all pages signed by the Secretary of the Board of Directors for identification purposes.

Bilbao, 23 February 2016

D. Santiago Bergareche Busquet
(Chairman)

D. Gonzalo Soto Aguirre
(Deputy Chairman)

D. Luis Enríquez Nistal
(Chief Executive Officer)

D. Fernando Azaola Arteche
(Director)

D. Miguel Antoñanzas Alvear
(Director)

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

MEZOUNA, S.L.
(represented by D. Ignacio Ybarra Aznar)

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 of the Board)

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ANNUAL CORPORATE GOVERNANCE REPORT

VOCENTO, S.A.

2015

ANNUAL CORPORATE GOVERNANCE REPORT

VOCENTO, S.A.

END OF REFERENCE YEAR: 31/12/2015

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:

Name or Company name of shareholder	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	
DON ENRIQUE YBARRA YBARRA	500	ENERGAY DE INVERSIONES, S.L.	8,167,106	6.54
DOÑA CARMEN YBARRA CAREAGA	0	ONCHENA, S.L.	6,836,456	5.47

Indicate the most significant movements in the shareholder structure in the year:

Name of shareholder	Date of transaction	Description of transaction
DOÑA CARMEN YBARRA CAREAGA	06/05/2015	EXCEEDED 5%
DOÑA CARMEN CAREAGA SALAZAR	06/05/2015	WENT BELOW 3%
LIMA, S.L.	18/12/2015	WENT BELOW 3%
SANTANDER ASSET MANAGEMENT, S.A. SGIIC	18/12/2015	EXCEEDED 3%

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	Indirect voting rights		% of total voting rights
		Direct owner of stake	Number of voting rights	
ENERGAY DE INVERSIONES, S.L.	8,167,108		0	6.54
DON GONZALO SOTO AGUIRRE	100	Concerted Action	7,988,912	6.39
DON LUIS ENRIQUEZ NISTAL	71,955		0	0.06
DON SANTIAGO BERGARECHE BUSQUET	700	Shareholder pact	5,986,133	4.79
CASGO, S.A.	4,993,201		0	4.00
DON FERNANDO AZAOLA ARTECHE	6,710		0	0.01
MEZOUNA, S.L.	13,843,275		0	11.08
DON MIGUEL ANTOÑANZAS ALVEAR	10,178		0	0.01
ONCHENA, S.L.	6,836,456		0	5.47
VALJARAFE, S.L.	12,609,314		0	10.09

% total voting rights held by the Board of Directors	48.423

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 voting 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:

Not applicable

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:

Not applicable

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	% of share capital involved	Brief description of the agreement:
(i) DOÑA DOLORES AGUIRRE YBARRA Y OTROS; (ii) DOÑA PILAR AGUIRRE ALONSO-ALLENDE; (iii) DON EDUARDO AGUIRRE ALONSO-ALLENDE; (iv) DON GONZALO AGUIRRE ALONSO-ALLENDE; (v) DOÑA MARÍA ISABEL LIPPERHEIDE; (vi) DON GONZALO SOTO AGUIRRE (vii) BELIPPER, S.L.; (viii) ALBORGA UNO, S.L.; (ix) ALBORGA DOS, S.L.; (x) MIRVA, S.L.; (xi) GOAGA 1, S.L.; (xii) AMANDRERENA 1, S.L.; y (xiii) LIBASOLO, S.L.	6.39%	Published as a relevant fact on 23 April 2014, registration number 203804. Shareholders connected to the Aguirre family owning 7,968,012 shares (6.393%) reached a one-year agreement 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 28 May 2014 Libasolo, S.L. assumed the place of Magdalena Aguirre Azaola and Carmen Aguirre Azaola. On 3 December 2014, Pilar Aguirre Alonso-Allende sold 8,670 shares in Vocento and the share capital covered decreased to 7,980,342 shares (6.386%).

(i) MECAMUR, S.L., (ii) BORATEPA, S.L., y (iii) EDULA, S.L.	4.79%	Published as a relevant fact on 17 February 2014, with registration number 200550. On 17 February 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.

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

No

State any modification or breaking of these pacts, agreements, or joint actions in the year:

Not applicable

A.7. State if there is any individual or legal entity who exercises or could exercise control of the company, in accordance with article 5 of the Securities Market Law, and indicate them.

No

A.8. Complete 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
3,876,665	0	3.10%

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

There were no major variations

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 28 April 2015 adopted the following agreement:

In accordance with the terms of Articles 146 and following and 509 of the Law on Corporations, and Article 7 of the Rules for the Internal Conduct of the Company, leaving without effect the authorisation awarded in the same area by the shareholder meeting of 14 April 2010, 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.

The shares to be acquired must be fully paid in, unless the shares are to be freely acquired, free of charges and of the obligation to make accessory payments.

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 148 point c of the Law on Corporations, without leading to shareholder equity, as defined in article 146 section 1 point b of the Law on Corporations, being less than the sum of share capital plus the reserves that are not available in law or in the bylaws.

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 146, section 1 point a, of the Law on Corporations."

A.9 bis estimated free float:

	%
Estimated free float	31,30%

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.

Not applicable

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.

Not applicable

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.

Not applicable

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

	Attendance data (*)				
Date of shareholder meeting	% physically present	% proxy	% distance vote: Electronic vote	% distance vote: Others	Total %
28 April 2015 (Ordinary AGM 2015)	18.89	56.84	-	-	75.73
29 April 2014 (JG Ordinary AGM 2014)	21.02	58.02	-	-	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	FIFTY (50)

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	Type of Director	Position on board	Date of 1st appointment	Date of last appointment	Electoral procedure
Santiago Bergareche Busquet	–	Nominee	Chairman	12/11/2013	12/11/2013	Co-opted
Gonzalo Soto Aguirre	–	Nominee	Deputy Chairman	28/04/2012	28/04/2012	Shareholder Meeting
Luis Enríquez Nistal	–	Executive	Chief Executive Officer	18/07/2011	28/04/2012	Shareholder Meeting

Casgo, S.A.	Jaime Castellanos Borrego	Nominee	Director	26/04/2012	26/04/2012	Shareholder Meeting
Fernando Azaola Arteche	–	Independent	Director	26/04/2012	26/04/2012	Shareholder Meeting
Mezouna, S.L.	Ignacio Ybarra Aznar	Nominee	Director	26/04/2012	26/04/2012	Shareholder Meeting
Miguel Antoñanzas Alvear	–	Independent	Director	26/04/2012	26/04/2012	Shareholder Meeting
Onchena, S.L.	Álvaro Ybarra Zubiría	Nominee	Director	26/04/2012	26/04/2012	Shareholder Meeting
Energay de Inversiones, S.L.	Enrique de Ybarra Ybarra	Nominee	Director	26/04/2012	26/04/2012	Shareholder Meeting
Valjarafe, S.L.	Soledad Luca de Tena García-Conde	Nominee	Director	26/04/2012	26/04/2012	Shareholder Meeting

Total number of directors	10

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

Name or Company name	Type of director	Date of termination
Rodrigo Echenique Gordillo	Independent	17 February 2015
Lima, S.L.U.	Nominee	21 December 2015

C.1.3 Complete the following tables about the categories of members of the Board:

EXECUTIVE DIRECTORS

Name or Company name	Role at company
Luis Enríquez Nistal	CEO

Total number of executive directors	1
% of total Board	10%

EXTERNAL NOMINEE DIRECTORS

Name or Company name of director	Name or Company name of significant shareholder represented or who proposed appointment
Santiago Bergareche Busquet	Santiago Bergareche Busquet
Energay de Inversiones, S.L.	Enrique de Ybarra Ybarra
Gonzalo Soto Aguirre	Dolores Aguirre Ybarra and others
Casgo, S.A.	Casgo, S.A.
Mezouna, S.L.	Mezouna, S.L.
Onchena, S.L.	Doña María del Carmen Careaga Salazar
Valjarafe, S.L.	Valjarafe, S.L.

Total number of nominee directors	7
% of total Board	70

EXTERNAL INDEPENDENT DIRECTORS

Name or Company name of director	Profile
Fernando Azaola Arteche	Business
Miguel Antoñanzas Alvear	Business

Total number of independent directors	2
% of total Board	20

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.

The group has ordinary business relationships with entities in which independent directors hold director and/or management positions, Elecnor, S.A. (where Don Fernando Azaola Arteche is a director and/or manager) and Viesgo Energía, S.L. (where Don Miguel Antoñanzas Alvear is a director and/or manager)

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.

Name or Company name	Description of relationship	Declaration
Fernando Azaola Arteche	Supply of products and services from Elecnor, S.A or subsidiaries	These business relations (i) use contracts with standardized conditions, (ii) with generally established prices and tariffs, and (iii) are not of a significant amount.
Miguel Antoñanzas Alvear	Supply of electricity from Viesgo Energía, S.L or subsidiaries	

OTHER EXTERNAL DIRECTORS

None

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

Not applicable

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:

This includes only Doña Soledad Luca de Tena García-Conde, the representative of Valjarafe, S.L., a nominee director since 2012.

	Number of female directors				% of total directors of each type			
	2015	2014	2013	2012	2015	2014	2013	2012
Executive	0	0	0	0	0	0	0	0
Nominee	1	1	1	1	14.29%	12.25%	12.25%	12.25%
Independent	0	0	0	0	0	0	0	0
Other external	0	0	0	0	0	0	0	0
Total:	1	1	1	1	10%	8.33%	8.33%	8.33%

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.

Explain the measures
On 16 February 2015 the Appointments and Remuneration Committee unanimously approved a plan with targets for the representation of women on the Board, with the aim of achieving a balance between men and women on the Board.

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:

Explanation
The measures approved in the plan for targets of female representation in the Board implemented by the Appointments and Remuneration Committee include: ▪ When an Independent Director or an Executive Director is needed to fill a vacancy or to increase their number: o the selection procedure will not suffer from the implicit bias that is an obstacle to selecting women; o there will be a deliberate search for women with the right professional profile as potential candidates; and o when it comes to recommending to the Board the appointment of a Director, the need for a balance between men and women will be taken into consideration. ▪ When a Nominee Director is to be appointed, to replace a current director or because a new shareholder requests, the shareholder will be requested to bear in consideration the need for a balanced number of men and women.

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

Explanation
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.1.6 bis Explain the conclusions of the appointments committee about the verification of compliance with the selection policy for directors. In particular, about how this policy is promoting the target that in 2020 the number of female directors will represent at least 30% of the total members of the Board.

There have been no nominations enabling the Committee to verify compliance with its policy for selecting directors.

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 3% of share capital.

Not applicable

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:

Name of Director	Reason for departure
Rodrigo Echenique Gordillo	Don Rodrigo Echenique Gordillo resigned as Director on 17 February 2015, as a result of his assuming executive functions at Banco Santander and the incompatibilities with the Law of Regulating, Monitoring and Solvency of Credit Institutions.
Lima, S.L.	Lima, S.L. resigned as Director on 21 December 2015, as a result of the sale of their stake in the Company.

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

Name or Company name of director	Brief description
Luis Enríquez Nistal	As chief executive officer, he 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	Executive functions?
Luis Enríquez Nistal	Comeresa País Vasco, S.L.	Joint administrator	Yes
Luis Enríquez Nistal	Comeresa Prensa, S.L.	Joint administrator	Yes

Luis Enríquez Nistal	Corporación de Nuevos Medios Digitales, S.L.	Joint administrator	Yes
Luis Enríquez Nistal	Diario ABC, S.L.	Director	No
Luis Enríquez Nistal	Diario El Correo, S.A.	Director	No
Luis Enríquez Nistal	Federico Domenech, S.A.	Director	No
Luis Enríquez Nistal	Radio Publi, S.L.	Chairman and CEO	Yes
Luis Enríquez Nistal	Sociedad Gestora de Televisión Net TV, S.A.	Chairman	No

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 FERNANDO AZAOLA ARTECHE	ELECNOR, S.A.	CHAIRMAN
D. SANTIAGO BERGARECHE BUSQUET	FERROVIAL, S.A.	DEPUTY CHAIRMAN
D. SANTIAGO BERGARECHE BUSQUET	NMAS1 DINAMIA, S.A.	DEPUTY CHAIRMAN

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 20.3 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.1.15 State the total remuneration of the Board of Directors:

Remuneration of board of directors (thousand euros)	1,867
Accumulated pension rights of current directors (thousand euros)	0
Accumulated pension rights of former directors (thousand euros)	0

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

2,351 thousand euros

Name	Position(s)
Iñaki Arechabaleta Torróntegui	Director General of Business
Ana Delgado Galán	Director General ABC
Rafael Martinez De Vega	Director General of CM Vocento
Joaquin Valencia Von Korff	CFO
Enrique Mazzal López	Director of Internal Audit
Íñigo Argaya Amigo	Director General of HR and Organisation
Fernando Gil Lopez	Director General of Operations and Quality
Cristina Marín Conejero (From (1/3/2015)	Director General of Digital Strategy and Classifieds
Juan Luis Moreno Ballesteros (until 28/2/2015)	Director General of Digital Strategy
Manuel Campillo (from 1/3/2015 until 30/7/2015)	Director General of Communications and IR
Emilio Ybarra Aznar (until 11/2/2015)	Director General of Communications and IR

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.

Not applicable

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

Not applicable

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

Yes

Description of modifications
On 13 May 2015 the Board of Directors unanimously agreed to modify the Rules for the Board, to reflect changes in the law and good governance recommendations.

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 18 of the company bylaws, the designation of the directors corresponds to the AGM, the mandate will last for four 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, by the bylaws or the Rules for the Board.

The regulation of these procedures is found, in addition to the legislation, also in Article 18 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 annual assessment of the Board of directors has led to major changes in its internal organisation and the procedures applicable in its activity:

The assessment of the Board gave rise to no major changes in its internal organisation or the procedures applicable to its activities.

C.1.20.bis Describe the process of assessment and the areas assessed that the Board has carried out with the support if applicable of an external consultant, covering the diversity of its membership and competencies, the functioning and membership of its committees, the performance of the Chairman and the chief executive and the performance of each director.

In early 2015 the Board assessed its performance in 2014. Each Director filled in a form which covered the following areas: (i) Board of Directors, (ii) Risk Management, (iii) Planning and Strategy, (iv) Meetings of the Board, (v) Corporate Governance, (vi) Executive Committee, (vii) Audit and Compliance Committee and (viii) Appointments and Remuneration Committee. The result of this assessment was presented to the Board and noted in the minutes.

In early 2016, the process began of assessing the functioning of the Board in 2015, including the diversity of its membership and competencies, the functioning and membership of its committees, the performance of the Chairman and the chief executive and the performance of each director. The Board, following a report from the Appointments and Remuneration Committee, has decided not to hire an external consultant for support.

C.1.20.ter. State any business relations that the consultancy or any of its group companies maintains with the Company or any group company.

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

No

If applicable, describe the differences.

Not applicable

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

Areas where there is a casting vote
All

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

Chairman age limit	CEO age limit	Director age limit
No	No	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.

There are no limitations as to the categories where delegation is possible, beyond the limitations laid down in the law.

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	10
Number of Board meetings without the Chairman	0

If the Chairman is also an executive director, indicate the number of meetings held without the presence or representation of any executive director and under the chair of the coordinating director.

Number of meetings	-

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

Number of meetings of the Executive Committee	4
Number of meetings of the Audit and Compliance Committee	7
Number of meetings of the Appointments and Remuneration Committee	5

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.

Number of meetings with all directors present	10
as a % 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:

No

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

Not applicable

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.

Yes

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

If the Secretary is not a director, complete the following table:

Name or company name of director	Representative
Carlos Pazos Campos	-

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.

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.

No specific mechanisms have been established to preserve the independence of financial analysts, investment banks and rating agencies.

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

Yes

Outgoing auditor	Incoming auditor
Deloitte, S.L.	PricewaterhouseCoopers Auditors, S.L.

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

No

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

	Company	Group	Total
Amount received for non-audit work (thousand euros)	5	53	58
Amount for non-audit work as a % of total billings from the audit firm	2.02	15.04	9.77

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	1	1
Number of years audited by the current firm/ number of years that the firm has been audited (%)	3.85%	3.85%

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

Yes

Detail of the procedure
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

Detail of the procedure
In accordance with Articles 20 and 26 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 credit or reputation of the company could be damaged:

Yes

Explain the rules
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, either for being prosecuted for those crimes established by Article 213 of the Law on Corporations or: 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.

The long-term syndicated financing agreement signed on 21 February 2014 awarded to the Company a maximum amount of €175,274,507, from nine financial institutions with Banco Bilbao Vizcaya

Argentaria, S.A. acting as the lead bank, contains a clause as a result of which in the event of a change of control at Vocento S.A. cancels the financing completely, in which case Vocento S.A. would have to pay back the full amounts due under the financing agreement. A change of control is understood as taking place when any individual or legal entity (including any current shareholder of Vocento S.A.) acting on an individual or concerted basis, acquires directly or indirectly more than 50% of the share capital or voting rights of Vocento, S.A., the right to appoint or replace more than half the members of the Board of Vocento, S.A. or the control of Vocento, S.A. according to the terms of Article 42 of the Commercial Code.

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 (EIGHT)
Type of beneficiary	**Description of the agreement**
Chief Executive Officer	The Chief Executive Officer has in his contract the right to compensation of three times the amount received in the previous 12 months if the labour relationship is terminated by Vocento with no justified reason.
Senior Management	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 plus the variable compensation of the last 12 months.
Other Managers	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

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

	Board of directors	Shareholder Meeting
Body authorising the clauses	Yes	No

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 executive, nominee, external and independent directors on them:

EXECUTIVE COMMITTEE

Name	Position	Type
Santiago Bergareche Busquet	Chairman	Nominee
Luis Enriquez Nistal	Member	Executive
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	17%
Nominee directors	4	67%
Independent directors	1	17%
Other external	0	0%

Indicate the functions attributed to this Committee, describe its procedures and rules of organisation and functioning, and summarise its most significant actions in the year.

Functions: To act as the delegated body of the Board of Directors

Procedures and rules for organisation and functioning: contained in Article 17 of the Rules for the Board, in particular:

- 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 and if the Board has a deputy secretary this person will also have that role at 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 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

Most important actions in the year: The Executive Committee met 4 times in 2015 to support the CEO, exercise the supervisory function delegated by the Board and review financial information in the months when the Board did not meet.

Indicate if the membership of the executive committee reflects the participation in the Board of the different types of director:

Yes

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Type
Miguel Antoñanzas Alvear	Chairman	Independent
Fernando Azaola Arteche	Member	Independent
Gonzalo Soto Aguirre	Member	Nominee
Valjarafe, S.L.	Member	Nominee

	Number	Percent
Executive directors	0	0%
Nominee directors	2	50%
Independent directors	2	50%
Other external	0	0%

Indicate the functions attributed to this Committee, describe its procedures and rules of organisation and functioning, and summarise its most significant actions in the year:

Functions: In general those allocated by Article 529 point 14 of the LSC and the Code of Good Governance for Listed Companies, as reflected in Article 18 of the Rules for the Board.

Procedures and rules for organisation and functioning: contained in Article 18 of the Rules for the Board, in particular:

- The Committee will consist of a minimum of three and a maximum of five external directors appointed by the Board. At least two of them will be independent and all of them and in particular the Chair will be appointed based on their experience and understanding in accounting, auditing, risk management or several of these areas. The Chair will be appointed by the Board from the independent directors 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, and if the Board has a deputy secretary that person will also be deputy secretary of the Committee.
- 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.
- All members of the Board will receive a copy of the minutes of the meetings of the Audit and Compliance Committee.

Most important actions in the year: The Audit and Compliance Committee met 7 times in 2015, and its main actions included: (i) monitoring the functioning of the SCIIF, (ii) reviewing the work of the external auditors, (iii) monitoring the internal audit plan, (iv) analysing the main tax issues at the Group, (v) reviewing financial information and other reports to the market, (vi) reviewing the independence of the external auditors, (vii) monitoring the Crime Prevention Plan, (viii) monitoring the management of business risks, (ix) approving the Code of Good Tax Practices, and (x) reviewing the Policy for Shareholder Relations and Communications.

Identify the director of the Audit Committee who has been appointed Chair as a result of their understanding and experience in accounting, auditing or both, and state the number of years that person has been Chair:

Name of experienced Director	D. Miguel Antoñanzas Alvear, D. Fernando Azaola Arteche, D. Gonzalo Soto Aguirre and Valjarafe,
Number of years as Chairman	1

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Fernando Azaola Arteche	Chairman	Independent
Miguel Antoñanzas Alvear	Member	Independent
Gonzalo Soto Aguirre	Member	Nominee
Mezouna, S.L.	Member	Nominee

	Number	Percent
Executive directors	0	0%
Nominee directors	2	50%
Independent directors	2	50%
Other external	0	0%

Indicate the functions attributed to this Committee, describe its procedures and rules of organisation and functioning, and summarise its most significant actions in the year:

Functions: In general terms those allocated by Article 529 point 15 of the LSC and Code of Good Governance for Listed Companies, and as reflected in Article 19 of the Rules for the Board of Directors.

Procedures and rules for organisation and functioning: contained in Article 19 of the Rules for the Board, in particular:

- The Committee will comprise of a minimum of three and a maximum of five external directors, appointed by the Board of Directors based on their understanding, skills and experience for these functions. At least two will be independent directors. The Chair must be an independent director and will be appointed by the independent directors of the Board. The Secretary of the Board will serve as secretary of the Committee, and if the Board has a deputy secretary that person will also be deputy secretary of the Committee.
- The members of this Committee will resign as soon as they resign as directors of the Board.
- The Appointments and Remuneration Committee must consult the Chairman and CEO, especially in matters concerning the executive directors and Senior Management.
- Any Company director may request the Appointment and Remuneration Committee to take into consideration potential candidates that they believe suitable for covering director vacancies.
- 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 conclusions of each meeting will be contained in minutes that will be sent to the Board in full and to each member of the Board.

Most important actions in the year: The Appointments and Remuneration Committee met 5 times in 2015, and its main actions included: (i) the review of the compensation system for the Directors and Chairman, (ii) the review of the fixed and variable compensation of the CEO and senior management, (iii) the preparation and monitoring of long-term incentive plans, (iv) reports about appointments to Committees of the Board and changes in the representatives of Directors, (v) monitoring organisational changes in business areas and in the Management Committee, (vi) the approval of annual reports in its area of competence, (vii), the approval of the plan for representation of women in the Board, (viii), monitoring succession planning, (ix), preparing a statute for advisory committees for local business, and (x) preparing an induction and training plan for Directors.

C.2.2. Complete the following table with information about the number of female directors who have been members of the Board of Directors at the end of the last four years:

	Number of female directors			
	2015 Number - %	2014 Number - %	2013 Number - %	2012 Number - %
Executive Committee	1 (16.67%)	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.2.5. 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.

The regulations for the committees can be found in the Rules for the Board, which is available on the group website, in the Shareholders and Investors section, at:

http://www.vocento.com/gobierno_reglamento_organizacion.php

In 2015 there was a modification to the Rules for the Board of Directors, in particular to reflect legislative changes and recent good governance recommendations concerning Committees of the Board.

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

D.1. Explain the procedure for approving transactions with related parties and intra-group transactions.

Procedure for approving transactions with related parties
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.

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:

No significant transaction

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.

No significant transaction

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.

No significant transaction

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

None

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

48,867 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. Whenever 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), in writing to the Chair, making available as much information as they request to evaluate the circumstances of the case. Any person aware of a person with a conflict of interest must also inform the UCC about the situation. If the UCC sees a conflict of interest it 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, which will be consider the case and report to the Board of Directors about any decision, informing the UCC. 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.

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

No

Identify any subsidiaries listed in Spain:

Not applicable

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:

Not applicable

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

Not applicable

E.- RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Describe the scope of the company's risk management system, including tax risks.

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. This was implemented in 2015.

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

The Risks Committee is a 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. It is responsible for preparing regular risk reports, which are reviewed by the Risks Committee and the Audit and Compliance Committee.

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, including tax risks.

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 subject to special monitoring. In 2015 these were not altered. Listed below are the main risks in each of the six risk areas identified.

Strategic: Including mainly falls in advertising sales and circulation revenues, as well as actions from competitors.

Organisational: given the economic situation, includes the lack of ability to pursue growth and digital transformation, and talent retention.

Operational: these risks include not being able to reach tangible levels of quality in products or their distribution.

Compliance: principally covers compliance with internal and external norms and the risks of non-compliance, especially in terms of tax at the Group and a possible different interpretation of the rules by competent tax authorities, or those compliance risks derived from publishing and regulated sectors, with the risk of lawsuits and a loss of assets as detailed in the consolidated annual report of the Group.

Financial: including impacts in raising funds, such as access to financing, and delays and defaults in payments. Specifically, the sale of content and advertising is affected when consumption falls in a recession, while the existence of debt, although less than at competitors and with syndicated financing in place, requires some cash flows from operations to be used to meet payment obligations rather than be allocated to new investments or projects.

Technological: in particular IT security, as in addition to the risk of attacks on systems there is the risk of technological change requiring the media in general to invest in these areas.

E.4. State if the entity has a level of tolerance to risk, including tax 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, including tax risks, materialized in 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 consumption, and the migration of readers towards online formats. 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, including tax risks.

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 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 SYSTEMS FOR CONTROL AND MANAGEMENT OF RISKS IN THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (SCIIF)

Describe the mechanisms of the systems for risk control and management, in relation to the entity's procedure for issuing financial information (SCIIF).

F.1. The control environment of the entity

Indicate and describe the main characteristics of at least:

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 for the Board of Directors

On 13 May 2015 the Board of Directors approved a new version of the Rules for the Board, to bring it in line with the terms of the Law on Corporations.

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 6 of the Rules for the Board of Directors of Vocento refers to the general oversight function, and establishes the following functions of the Board which cannot be delegated:

- The formulation of the annual accounts and their presentation to the shareholder meeting.
- 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 of the Rules for the Board of Directors establishes that the Audit and Compliance Committee has the following responsibilities, among others:

- Supervising the effectiveness of the internal controls of the company, of the internal audit services and systems for controlling risks, including tax risks, and discussing with the auditor any significant weaknesses in the internal control system detected during the audit.
- Supervising the process of preparing and presenting the financial information required.
- Informing the Board in advance of all issues covered in the Law, Bylaws and Rules of the Board, in particular about:

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

b) It is also the responsibility of the Audit and Compliance Committee

- Monitoring the process of preparation of the financial information relating to the Company and the Group and ensuring its integrity, reviewing compliance with legal requirements, the accurate establishment of the consolidation perimeter and the correct application of accounting criteria.
- To ensure the Independence of the internal audit function
- Establishing and monitoring a mechanism which enables employees to communicate confidentially any irregularities of major import, especially financial and accounting irregularities, that they find in the Company.
- Ensure the independence of the external auditor and in the event of their resignation examining the conditions that led to it.

Article 41 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, in compliance with the Internal Rules of Conduct in Securities Markets at Vocento.

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 SCIIF), approved 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, approved 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 date. 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.

In 2015 management were treated to a communications and information plan, and it is expected that in 2016 all employees will be trained, segmented by category 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 any financial or accounting irregularities.

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.

In the year, training and regular updates were provided to personnel involved in preparing and reviewing financial information and in assessing the SCIIF, in the following subjects:

- Norms for recording fixed assets.
- Norms for recording payables.
- Valuation of companies.
- Recording Corporation Tax.
- Tax update: tax developments in Spain and the Basque Country for the 2015 tax year.
- Introduction to auditing.
- Basics of Internal Control: new COSO.

Some forty people attended the courses from Vocento departments including Financial Planning, Financial Administration, Shared Services, and all the Financial Directors of group companies.

F.2 Assessment of risks of financial information

State at the 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

Vocento has formally implemented a risk management system for financial information based on the principles and good practices of the reference document and the supporting information of the CNMV in the document "Internal control over financial information at listed companies" and in the company's own Norm for the internal control system for financial information (SCIIF), which is formalised and supported by its own IT system.

- 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.

<u>Objectives</u>

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:

- Accuracy
- Valuation
- Presentation, breakdown and comparability
- Rights and obligations

<u>Frequency</u>

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

This risk assessment is monitored by the Audit and Compliance Committee.

- **The existence of a process for identifying the consolidation perimeter, including, among others, the possible existence of complex company structures, instrumental entities or 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, tax, reputational, environmental, etc.) that may affect financial statements**

<u>Scope</u>

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.

The process also considers the effects of tax risks, inasmuch as they may affect financial information, and as a result of this assessment a series of additional controls has been processed for the tax process.

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

Universe of risks

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, such as technological and tax risks.

The body 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. 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, internal audit carries out tests on a sample of controls and draws conclusions about the effective coverage of risks. 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 and with varying frequencies in order 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 will report any instance in which the control has not been carried out or in which significant incidents have been detected during the execution.

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 correct functioning 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 spreadsheets 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, hypotheses 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.

<u>Internal certifications of financial information</u>

Vocento's SCIIF contains a system of certifications 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 full 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 2015, there was an upgrade of the Management System for Information Security (SGSI), redefining the existing 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 project also includes the review of 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

State, including the main characteristics, at least the following:

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.

<u>Supervisory model for the SCIIF</u>

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, in accordance with the Rules for the Board of Directors of Vocento and the legislation in force:

a) Supervision of the regulated 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 communication 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.

Internal audit carries out a review of the SCIIF controls in each reporting period 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 reported 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 resolve 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 The report of the external auditor

State:

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.

The 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. In addition, the external auditor enjoys full access to the IT support system of the SCIIF to assist them in carrying out their auditing work.

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.

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.

Not applicable

3. That during the ordinary shareholder meeting, as a complement to the distribution of the annual corporate governance report, the Chairman of the Board will orally inform shareholders in sufficient detail about the most relevant aspects concerning corporate governance at the company, in particular:

a) Of the changes that have taken place since the previous AGM.

b) Of the specific reasons why the Company does not follow a recommendation of the Code of Corporate Governance and of any alternative rules applied in this area.

Compliant

4. That the company defines and supports a policy for contacting and communicating with shareholders, institutional investors and proxy advisors, which is fully compliant with all laws on market abuse and on an equal treatment for shareholders in the same position.

And that the company publishes this policy on its website, including information about how it has been put into practice, identifying the representatives responsible for implementing it.

Compliant

5.That the Board does not submit to the approval of the shareholder meeting a proposal for delegating powers for the issue of shares or convertible securities without preferential subscription rights, for an amount more than 20% of capital at the time of the delegation.

And that when the Board approves any issue of shares or convertible securities without preferential subscription rights, the company immediately publishes on its website the reports about this exclusion as referred to in commercial law.

Compliant

6. That listed companies prepare the reports cited below, either obligatorily or voluntarily, and publish them on their website with sufficient time before the date of the AGM, although this distribution may not be obligatory:

a) A report about the independence of the auditor.

b) Reports about the functioning of the audit committee and appointments and remuneration committee

c) A report from the audit committee about transactions with related parties

d) A corporate social responsibility report

Compliant

7. That the Company broadcasts live on its website the general shareholder meetings.

Compliant

8. That the Audit Committee aims to ensure that the Board of Directors presents the accounts to the General Meeting without reservations or qualifications in the auditor's report, and in the event of any qualifications in exceptional circumstances, both the Chairman of the Audit Committee and the auditors will clearly explain to shareholders the content and scope of these.

Compliant

9. That the company publishes on its website, and permanently, the requirements and procedures that will be accepted to confirm ownership of shares, the right of attendance at the AGM and the exercise or delegation of the vote.

And that these requirement and procedures will support the attendance and exercise of their rights by shareholders and will be applied in a non-discriminatory way.

Compliant

10. That when any legitimate shareholder has exercised before the general shareholder meeting the right to complete the order of the day or present new proposals for agreement, the company:

a) Immediately publishes these complementary points and new proposals for agreement.

b) Publishes the attendance and proxy voting forms or distance voting forms with the modifications needed so that the new points or proposals can be voted, just as the proposals of the Board of Directors.

c) Submits alternative points or proposals for voting with the same voting rules as the points proposed by the Board, in particular any presumptions or deductions about each vote.

d) Following the general shareholder meeting, publishes the voting results for these complementary points and alternative proposals.

Not applicable

11. That in the event the company pays bonuses for attending the shareholder meeting, it establishes in advance a general policy about these payments and that this policy is stable/

Not applicable

12. That the Board of Directors carries out its functions with a single unified purpose and independent judgement, treating the same all shareholders in the same condition, guided by the social interest of achieving a business that is profitable and sustainable in the long term, and aims to ensure the company's continuity and maximize the value of the business.

And in the search for social interest, as well as respecting laws and regulations and behaving with good faith, ethics and respect for commonly accepted good practices and uses, it aims to reconcile this social interest with the corresponding legitimate interests of employees, suppliers, clients and other stakeholders who may be affected, as well as with the impact of the Company on society generally and on the environment.

Compliant

13. That the Board has the scale need for an effective and participatory functioning, which between five and fifteen members advisable.

Compliant

14. That the Board of Directors approves a policy for selecting directors which:

a) Is specific and verifiable.

b) Ensures that proposals for appointment or re-election are based on a prior analysis of the needs of the Board.

c) Favours diversity of knowledge, experience and gender.

That the result of the prior analysis of the needs of the Board is provided in a report from the appointments committee which is published when the general shareholder meeting is called and at which is submitted for ratification the appointment or re-election of each director.

And that the director selection policy supports the goal that in 2020 the number of female directors will represent at least 30 of the total number of members of the Board.

The appointments committee will verify annually compliance with the director selection policy and will include this in the annual corporate governance report.

Compliant

15. That external nominee directors and independent directors represent an ample majority of the board, and that the number of executive directors reaches the minimum necessary, based on the complexity of the group and the participation of executive directors in the company's capital.

Compliant

16. That the percentage of nominee directors in the total of non-executive directors is not greater than the proportion between the share capital represented by these directors and the rest.

This measure may be relaxed:

a) In large capitalisation companies with few stakes that may legally considered to be significant.

b) For companies where a plurality of shareholders are represented on the Board, with no links between them.

Compliant

17. That the number of independent directors represents at least half of the total of directors.

That, nevertheless, when the Company does not have a large capitalisation or is a large cap but with one shareholder, or several acting together, with more than 30% of share capital, the number of independent directors represents at least one third of the total.

Explain

Given the high level of participation of nominee directors, without there being a relationship between them, there are two independent directors, representing 22.2% of the total number of directors.

18. That companies publish on their website and maintain updated the following information about their directors:

a) A professional profile and biography.

b) Other Boards of Directors to which they belong, at either unlisted or listed companies, as well as other remunerated activities of any nature.

c) The category of director to which they belong, indicating for nominee directors the shareholder they represent or with whom they are connected.

d) The date of their first appointment as director and of subsequent re-elections.

e) Company shares and options on them they hold.

Compliant

19. That in the annual report on corporate governance, following verification from the appointments committee, reasons are given why nominee directors have been appointed at the bidding of shareholders with a stake of less than 3%, also with reasons given why formal requests for a presence on the board from shareholders with a stake that is equal to or higher than others who are nominee directors have not been heeded.

Not applicable

20. That nominee directors resign when the shareholder they represent fully transfers their shareholding, and that when a shareholder reduces their shareholding to a level which requires a reduction in the number of nominee directors they carry this out correspondingly.

Not applicable

21. That the Board of Directors does not proposes the dismissal of any independent director before the completion of the period laid down in the by-laws, except when there exists just cause as approved by the Board following a report from the appointments committee. In particular, just cause will be seen to exist when the director takes up new positions or assumes new obligations that prevent him from fulfilling the duties inherent in the position or when the director is in circumstances that mean he is no longer independent, in accordance with the legislation applicable.

Independent directors may also be dismissed as a consequence of takeover bids, mergers or other similar corporate transactions which lead to a change in the share capital structure, when these changes in the structure of the Board follow the principles of proportionality of recommendation 16.

Compliant

22. 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 corporate law, 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.

Compliant

23. 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.

Not applicable

24. 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.

Compliant

25. That the appointments committee ensures that non-executive directors have enough time to carry out their functions correctly.

And that the rules for the Board establish a maximum number of companies where they may be directors.

Compliant

26. That the Board meets frequently enough to perform its functions with effectiveness, and at least eight times per year, 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.

Compliant

27. That directors are absent only when essential, and these are listed in the Annual Report on Corporate Governance. And that if proxy representation is indispensable, it is granted with instructions.

Compliant

28. 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.

Not applicable

29. That the company established by which directors can obtain advice needed to carry out their function, including if required by circumstances external advice paid by the company.

Compliant

30. That, independently of the knowledge required of directors for the exercise of their functions, the companies also offer a programme updating their knowledge when circumstances so advise.

Compliant

31.That the order of the day of meetings clearly indicates those points where the Board must adopt a decision or come to agreement, so that directors can study before hand the information needed for this.

When exceptionally and for reasons of urgency, the Chairman wants to submit for approval to the Board decisions or agreements not in the order of the day, this will require the express consent of the majority of directors present, and this will be stated in the minutes.

Compliant

32. That directors are regularly informed of any movements in share ownership and of the opinion of the company and its group held by significant shareholders, investors and rating agencies.

Compliant

33. That the Chairman, who is responsible for the effective functioning of the Board, as well as exercising the functions allocated to him by law and by-law, prepares and submits to the Board a programme of dates and business to discuss; organises and coordinates the regular assessment of the Board and if applicable of the chief executive; is responsible for the management of the Board and its effective functioning; ensures that enough time is dedicated to discussing strategic issues, and approves and reviews the programmes for updating the knowledge of each director when circumstances recommend this.

Compliant

34. That when there exists a coordinating director, the by-laws or rules for the Board, as well as the powers legally allocated, attribute the following: chairing the Board when the chair is absent and the deputies absent, if there are any; note the concerns of non-executive directors; maintain contacts with investors and shareholders to understand their perspective and their concerns, in particular about corporate governance at the company, and coordinate the succession plan for the Chairman.

Not applicable

35. That the Secretary of the Board takes special care that the actions and decisions of the Board take into consideration the Recommendations of good governance contained in this Code which are applicable to the company.

Compliant

36. That the Board of Directors in full assesses once a year and adopts if needs be an action plan to correct any deficiencies detected in:

a) The quality and efficiency of the functioning of the Board

b) The functioning and membership of its committees

c) The diversity of the membership and competencies of the Board

d) The performance of the Chairman of the Board and the chief executive

e) The performance and contribution of each director, paying special attention to those responsible for the various Board committees.

To assess the various committees, the basis will be the reports they submit to the Board and the report of the appointments committee.

Every three years, the Board will be supported in the assessment by an external consultant, whose independence will be verified by the appointments committee.

The business relations that the consultant or any company of his group maintains with the company or any group company must be disclosed in the annual report on corporate governance.

The process and the areas assessed will be described in the annual report on corporate governance.

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.

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 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, and that the majority of members are independent directors.

Partly compliant

The Audit Committee consists of four members, two of whom, including the Chairman, are independent.

40. That there is an internal audit function which, under the supervision of the Audit Committee, monitors the good performance of the information systems and internal control systems and reports to the non-executive chair of the Board or of the Audit Committee.

Compliant

41. 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

42. That it corresponds to the Audit Committee, in addition to the functions established by the law, the following functions:

1. Concerning information and internal control systems:

a) Monitoring the process of preparation of the financial information relating to the Company and the Group and ensuring its integrity, reviewing compliance with legal requirements, the accurate establishment of the consolidation perimeter and the correct application of accounting criteria.

b) Ensuring the independence of the internal audit unit; proposing the selection, appointment, re-appointment and dismissal of the person responsible for internal audit; proposing the Budget for this service; approving its direction and work plans, and ensuring that its activity is focused mainly on the relevant risks of the Company; receiving regular information about its activities; and verifying that Senior Management consider the conclusions and recommendations of its reports.

c) Establishing and monitoring a mechanism which enables employees to communicate confidentially and if possible and appropriate, anonymously, any irregularities of major import, especially financial and accounting irregularities, that they find in the Company.

2. Concerning the external auditor:

a) In the event that the external auditor resigns, to examine the circumstances which led to this.

b) Make sure that the compensation of the external auditor for their work does not compromise their quality or independence.

c) Ensure that the company publishes as a relevant fact to the Comisión Nacional del Mercado de Valores any change in auditor, accompanying this with a statement clarifying any disagreements with the auditor.

d) Ensure that the external auditor holds an annual meeting with the full Board of Directors to discuss the work carried out, the accounting situation and the risks at the company.

e) 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.

Compliant

43. 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

44. That the Audit Committee is informed about any transactions of structural or corporate modifications that the Company is planning for analysis and for its prior report to the Board about the financial conditions, accounting impact and in particular, if applicable, the swap ratio proposed.

Not applicable

45. That the policy for controlling and managing risks identifies at least:

a) the various types of risks (operational, technological, financial, legal, social, environmental, political, 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.

Compliant

46. That under the direct supervision of the Audit Committee or any specialist committee of the Board, there is an internal function for controlling and management the risks, managed by a unit or internal department at the Company with the following functions expressly attributed to it:

a) Ensure the smooth functioning of control systems and risk management, and in particular identify, manage and quantify the major risks that affect the company.

b) Participating actively in preparing the risks strategy and in important management decisions.

c) Ensuring that control systems and risk management adequately mitigate risks as part of the policy defined by the Board.

Compliant

47.

That members of the appointments and remuneration committee – or of the two separate committees if applicable – are appointed on the grounds of their understanding, skills and experience for the functions they are called on to carry out, and that the majority of members are independent directors.

Partly compliant

The Appointments and Remuneration Committee consists of four members, two of whom, including the Chairman, are independent.

48. That large cap companies have separate appointments and remuneration committees.

Not applicable

49. 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

50. That the appointments committee carries out its functions with independence and that as well as those functions it has under law also carries out the following:

a) Proposing to the Board the basic conditions of contracts for senior managers.

b) Confirming the observance of the remuneration policy established by the company.

c) Regularly reviewing the remuneration policy applied to directors and senior managers, including compensation paid with shares and its application, and guaranteeing that individual compensation is proportionate to that paid to other directors and senior managers at the company.

d) Ensuring that any conflicts of interest do not jeopardise the independence of the external advice provided to the Committee.

e) Verifying the information about the compensation of directors and senior management contained in corporate documents, including the annual report about the remuneration of directors.

Compliant

51. 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

52. That the rules of membership and functioning of the committees of supervision and control are included in the rules for the Board and are consistent with those applicable to legally obligatory committees, those mentioned in other recommendations, including:

a) That they consist exclusively of non-executive directors, with a majority of independents.

b) That their chairs are independent directors.

c) That the Board appoints members of these committees on the grounds of their understanding, skills and experience for the functions of each committee, considers their proposals and reports and that the committees report to the full Board following their meetings about their activity, with a response to their work.

d) That the Committees can receive external advice when they consider it necessary to carry out their functions.

e) That minutes are taken of their meetings and made available to all directors.

Not applicable

53. That the supervision of compliance with corporate governance rules, internal codes of conduct and the corporate social responsibility strategy is allocated to one committee or distributed among several committees of the Board, which may be the audit committee, appointments committee, corporate social responsibility committee, if it exists, or a specialist committee that the Board of Directors, in the exercise of their powers of self-organisation, decides to create for this purpose, with the following specific functions as a minimum:

a) The supervision of compliance with internal codes of conduct and corporate governance rules at the company.

b) The supervision of the strategy for communicating and relations with shareholders and investors, including small and medium shareholders.

c) The regular assessment of the appropriateness of the company's corporate governance, in order to comply with the mission of defending social interest, taking into consideration the corresponding legitimate interests of other stakeholders.

d) The review of the company's corporate social responsibility policy, ensuring that it is focused on value creation.

e) Monitoring the strategy and practices of corporate social responsibility and assessing the level of compliance.

f) Supervising and monitoring the processes of stakeholder relations.

g) The assessment of everything related to non-financial risks at the company, including operational risks, technological, legal, social, environmental, political and reputational.

h) Coordinating the process of reporting non-financial information and diversity information, in accordance with applicable norms and international reference standards.

Compliant

54. That the corporate social responsibility policy includes the principles or commitments that the company assumes voluntarily with various stakeholders, identifying at least:

a) The aims of the corporate social responsibility policy and the development of supporting instruments.

b) The corporate strategy for sustainability, the environment, and social issues.

c) Specific practices in issues related to: shareholders, employees, clients, suppliers, social questions, the environment, diversity, tax responsibility, respect for human rights and the prevention of illegal behaviour.

d) Methods or systems for monitoring the results of the application of the specific practices noted above, their associated risks and the management of these.

e) Mechanisms for supervising non-financial risks, ethics, and business conduct.

f) Channels for communication, participation and dialogue with stakeholders.

g) Responsible communication practices which avoid manipulated information and defend integrity and honour.

Compliant

55. That the Company reports in a separate document or in the management report about issues related to corporate social responsibility, using for this purpose an internationally accepted methodology.

Compliant

56. That the remuneration of directors is enough to attract and retain directors of the desired profile and to compensate for the dedication, qualification and responsibility required of the position, but not so high as to affect the independence of judgement of the non-executive directors.

Compliant

57. That variable compensation linked to the performance of the Company and personal performance is limited to executive directors, as well as remuneration in shares, options, rights on shares or securities benchmarked to the share price, and long term savings mechanisms such as pension plans, retirement plans or other social welfare systems.

Shares may be delivered as compensation to non-executive directors when they are required to hold onto them until they are no longer directors. This will not apply to those shares the director may need to sell to meet the costs related to the acquisition.

Compliant

58. That in the area of variable remuneration, the compensation policies of the company incorporate the limits and technical cautions needed to ensure that they are related to the professional performance of their beneficiaries and not only from the general performance of the markets, the sector of the company, or other similar circumstances.

In particular, that the variable components of remuneration:

a) Are linked to predetermined performance criteria that are measurable, and that these criteria consider the risks involved in obtaining a result.

b) Support the sustainability of the Company and include non-financial criteria that are appropriate for long-term value creation, such as compliance with the rules and internal procedures of the company and its policies for risk control and management.

c) Are based on a balance between meeting short, medium, and long-term targets, hence enabling the remuneration of a continued performance over enough time to appreciate a contribution to sustainable value creation, so that the factors determining the variable remuneration are not based only on one-off, occasional or extraordinary events.

Compliant

59. That the payment of a relevant part of the variable components of remuneration is deferred for a minimum time enough such that it can be proved that the previously established conditions for payment have been met.

Compliant

60. That remuneration that is related to Company results takes into consideration any qualifications in the external auditor's report that reduces these results.

Compliant

61. That a relevant percentage of the remunerable variation of the executive directors is linked to the award of shares or financial instruments benchmarked to their value.

Not applicable

62. That once they have been awarded the shares or options or rights to shares corresponding to the remuneration systems, directors may not transfer the ownership of a number of shares equivalent to twice their fixed annual remuneration, nor exercise the options or rights until at least three years after the award.

This does not apply when the director needs to make a sale to satisfy the costs related to the acquisition.

Not applicable

63. That contractual agreements include a clause permitting the Company to claw back the variable components of remuneration when the payment has not been adjusted to the conditions of the performance of when they have been paid on the grounds of data that have subsequently been proved to be inaccurate.

Compliant

64. That payments for the termination of a contract do not exceed an amount equivalent to two years of total annual remuneration and are not made until the company has been able to prove that the director met the previously established performance criteria.

Partly compliant

The Chief Executive Officer has in his contract a clause giving him the right to compensation of three years of his total annual remuneration.

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 entity or the group, detail them briefly here.

On 28 April 2015 there was a change to the physical personal representative of the director Mezouna, S.L., with D. Santiago Ybarra Churruca leaving the position and D. Ignacio Ybarra Aznar assuming it.

On 18 January 2016 Casgo, S.A. resigned as director.

2. In this section, the company may also 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.

Not applicable.

3. The company may also indicate if it has voluntarily signed up to other codes of ethical principles or good practices, whether internationally, for its sector, or any other. If so, identify the code in question and the date of joining. In particular, state if the company signed up to the Code

of Good Tax Practices of 20 July 2010.

On 27 July 2015, on the proposal of the Audit and Compliance Committee, the Board of Directors approved the Code of Good Tax Practices of Grupo Vocento.

Indicate if any directors voted against or abstained from the approval of this report.

No

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This Annual Corporate Governance Report for Vocento for the year ending 31 December 2015 was unanimously approved by the Board of the company at its meeting on 23 February 2016, following a favourable report from the Audit and Compliance Committee at its meeting of 22 February 2016.

vocento

ANNUAL REPORT OF ACTIVITIES

OF THE AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

2015

Approved by the Audit and Compliance Committee on 22 February 2016
Ratified by the Board of Directors on 23 February 2016

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ANNUAL REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

VOCENTO, S.A.

END DATE OF REFERENCE YEAR: 31/12/2015

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 18.8 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 ANTECEDENTES

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, the functions and composition of the Committee has changed following a modification to the Rules for the Board in May 2015, in response to changes to the Law on Corporations by Law 31/2014 of 3 December, which aims to improve corporate governance, as well as the approval of the Code of Good Governance by the CNMV in February 2015.

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 two members must be independent directors.

The Chairman will be appointed by the independent directors of 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. Miguel Antoñanzas	19 January 2015	Independent
Directors	**Appointment**	**Type**
D. Gonzalo Soto	12 June 2012	External, nominee
D. Fernando Azaola	19 January 2015	Independent
VALJARAFE, S.L.	12 June 2012	External, nominee

On 21 December 2015, Lima S.L. resigned as a Director and hence as a member of the Audit and Compliance Committee, following the sale of its stake in the company. As a result, the Committee has since then consisted of the four members indicated.

All members of the Audit and Compliance Committee are External Directors. Furthermore, in compliance with the 39 recommendations of the Code of Good Governance for Listed Companies, all members of the Committee have training and experience in accounting, auditing or risk management.

The Secretary, D. Carlos Pazos, 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. Likewise, the Deputy Secretary, D. Pablo Díaz Gridilla, is Deputy Secretary of the Board, in accordance with this article.

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 of the Law on Corporations:

4.1 GENERAL FUNCTIONS

- Informing the Shareholder Meeting about the issues raised there that fall within the Committee's area of concern.
- Monitor the effectiveness of the internal controls of the Company, as well as internal audit, the system for managing risks including fiscal risks, and discussing with the auditor any significant weaknesses in the internal control system detected in the course of the audit.
- Monitoring the process of preparation and presentation of the financial information required by law.

- Bringing to the Board proposals for the selection, appointment, re-election and substitution of the external auditor and the conditions of the auditing contract, and regularly receiving information about the audit plan and its implementation, as well as preserving independence in these functions.
- Establish the appropriate relations with the external auditor for receiving information about those matters that may jeopardise the auditor's independence, to be examined by the Committee, and any other matters related to the audit, as well as any other communications established by auditing law and norms. The Committee will receive each year from the external auditor a declaration of independence from the entity and entities related to it directly or indirectly, as well as information about additional services of any other class provided by the auditor or related people or entities, in accordance with the legislation on auditing accounts.
- Publish each year prior to the publication of the audit of the accounts a report expressing an opinion about the independence of the auditor. This report must contain a valuation of the additional services mentioned in the previous point, broken down individually and also overall, apart from the legal audit service, as related to the status of independence and the norms governing audits.

- Informing the Board of Directors in advance about all the matters addressed by the Law, By Laws and Rules for the Board, in particular about:
  a) the financial information that the Company must regularly publish
  b) the creation or acquisition of stakes in special purpose vehicles or entities based in countries or territories considered to be tax havens which will only be posible when other fair and equivalent alternatives do not exist and which comply with the laws and good tax practices applicable to the Group; and
  c) transactions with related parties.

4.2 SYSTEMS FOR INFORMATION AND INTERNAL CONTROL

- Monitoring the process of preparation of the financial information relating to the Company and the Group and ensuring its integrity, reviewing compliance with legal requirements, the accurate establishment of the consolidation perimeter and the correct application of accounting criteria.
- Ensuring the Independence of the internal audit unit; proposing the selection, appointment, re-appointment and dismissal of the person responsible for internal audit; proposing the Budget for this service; approving its direction and work plans, and ensuring that its activity is focused mainly on the relevant risks of the Company; receiving regular information about its activities; and verifying that Senior Management consider the conclusions and recommendations of its reports.
- Establishing and monitoring a mechanism which enables employees to communicate confidentially any irregularities of major import, especially financial and accounting irregularities, that they find in the Company.

4.3 EXTERNAL AUDITOR

- In the event that the external auditor resigns, to examine the circumstances which led to this.
- Make sure that the compensation of the external auditor for their work does not compromise their quality or independence.
- Ensure that the Company publishes as a relevant fact to the Comisión Nacional del Mercado de Valores any change in auditor, accompanying this with a statement clarifying any disagreements with the auditor.
- Ensuring that the external auditor holds an annual meeting with the full Board of Directors to discuss the work carried out, the accounting situation and the risks at the Company.
- 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.

4.4 SUPERVISION OF COMPLIANCE WITH CORPORATE GOVERNANCE RULES, INTERNAL CODES OF CONDUCT AND THE CORPORATE RESPONSIBILITY STRATEGY

- Monitoring compliance with internal codes of conduct and corporate governance rules.
- Monitoring the communications strategy and the investor relations strategy, including small and medium shareholders.
- The regular assessment of the company's corporate governance system, and how it complies with its missions of supporting social interest and reflect the legitimate interests of stakeholders.
- The review of the company's corporate responsibility policy, ensuring it is focused on the creation of value.
- Monitoring the strategy and practices of corporate social responsibility and evaluating the level of compliance.
- Supervising and evaluating the processes of relations with the various stakeholders.
- Evaluating everything that concerns non-financial risks at the Company, including operational risk, technological, legal, social, environmental, political and reputational.
- Coordinating the process of reporting non-financial information and diversity information in accordance with applicable norms and international standards.
- Providing the Board with information about the tax policies and criteria applied by the Company, and about the level of compliance with good tax practices at the Group.
- Publishing the reports and implementing the actions that the Board or Chairman request from it in the exercise of its functions.

5. ACTIVITIES UNDERTAKEN IN 2015

5.1. MEETINGS

In 2015 the Audit and Compliance Committee met on seven (7) occasions, on the following dates:

1) 27 January 2015

2) 23 February 2015

3) 11 May 2015

4) 24 June 2015

5) 23 July 2015

6) 10 November 2015

7) 15 December 2015

The following section summarizes the issues discussed, agreements reached and recommendations made by the Audit and Compliance Committee:

MEETING OF 27 JANUARY 2015

- Assessment of the remuneration of the Internal Audit Director.

- Report from the external auditors with preliminary conclusions about 2014.
- Further information about the Internal Audit Plan for 2014 and 2015.
- Demonstration of the functioning of the SCIIF.
- Description of the process of circulation sales at the Group.

MEETING OF 23 FEBRUARY 2015

- Report from account auditors about the annual accounts of Vocento and the consolidated group for 31 December 2014.
- Report from account auditors confirming their Independence from the Group and dependent bodies, plus information about additional services provided.
- Analysis of the main tax aspects of the Group.
- Presentation of the regular public financial information to be sent to the CNMV and the market for 31 December 2014.
- Report about the functioning and effectiveness of the SCIIF controls in the fourth quarter of 2014.
- Proposed Annual Report from Internal Audit 2014.
- Proposed formulation of the Annual Accounts of Vocento and the consolidated group for 31 December 2014.
- Proposed Annual Report of Activities of the Audit and Compliance Committee for 2014.
- Proposed Annual Corporate Governance Report for 2014.
- Report from the Committee with an opinion about the independence of the auditors and the delivery of additional services.
- Analysis of self-assessment of the Committee for 2014.

MEETING OF 11 MAY 2015

- Information from the external auditors about internal control recommendations for 2014.
- Monitoring of the Internal Audit Plan 2015.
- Monitoring of the implementation of the Crime Prevention Plan.
- Functioning of the SCIIF in the first quarter of 2015.
- Risk Management report for the first quarter of 2015.
- Presentation of the regular public financial information to send to the CNMV and to the market, for the first quarter of 2015.
- Review and proposed approval of the new Rules for the Board of Directors.
- Delivery to the external auditors of the Limited Review of accounts to 30 June 2015.

MEETING OF 24 JUNE 2015

- Presentation of the Audit Plan of PriceWaterhouseCoopers.

- Explanation of the implementation of the project for outsourcing the Ethics Channel portal.

MEETING OF 23 JULY 2015

- Report from the external auditor about the limited review of consolidated financial information for 30 June 2015.
- Approval of the Code of Good Tax Practices.
- Presentation of the regular public financial information to send to the CNMV and to the market, for the second quarter of 2015.
- Functioning of the SCIIF in the second quarter of 2015.
- Accounting of *media for equity* operations.
- Monitoring of the Internal Audit Plan 2015 – Management and Control of tax risks.
- Outsourcing of the Ethics Channel.
- Update about the implementation of the Crime Prevention System.

MEETING OF 10 NOVEMBER 2015

- Functioning of the SCIIF in the third quarter of 2015.
- Presentation of the regular public financial information to send to the CNMV and to the market, for the third quarter of 2015.
- Risk Management Report; presentation of the new format.
- Status of the corporate simplification process.
- Proposal for corporate credit cards.
- Policy for shareholder relations and communications.
- Agreement to appoint Comeresa Prensa, S.L.U. as representative of the tax group in Spain, in accordance with the law on corporation tax.
- Monitoring of Internal Audit Plan for 2015.
- Plan for implementation of the Crime Prevention Plan 2015.

MEETING OF 15 DECEMBER 2015

- Report from the external auditors with preliminary conclusions about the review of the consolidated financial statements for 30 September 2015.
- State of implementation of the Crime Prevention Plan 2015.
- Proposed Corporate Social Responsibility policy at Vocento.
- Annual assessment of the risks of the SCIIF corresponding to 2015.
- Monitoring of recommendations of Internal Audit.
- Proposed Internal Audit Plan and Budget for 2016.
- Proposed organisational structure for tax issues.

The Chairman of the Audit and Compliance Committee informed the Board about the main business discussed in the meetings held, and the Secretary of the Committee and Board prepared minutes of each meeting which were sent to all Directors immediately for their approval.

Various managers appeared at the Committee in the year, including the Chief Financial Officer and the Internal Auditor.

The external auditor participated in the meetings of the Audit Committee, when requested to, providing information about the development and results of the audits.

5.2 ASSESSMENT

In 2015, 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.

5.3 FINANCIAL INFORMATION

The Audit and Compliance Committee reports to the Board prior to its approval of the financial information that Vocento must publish regularly.

Consequently it monitors the process of preparing and guaranteeing financial information and ensures compliance with legal requirements, and the correct application of the consolidation perimeter and accounting standards.

In these tasks it has been supported by the financial department and the internal and external auditors.

The Committee in the various meetings of the the year has reviewed:

- The Regular Public Financial Information to send to the CNMV and to the market, following a report from internal audit about the effectiveness of SCIIF controls, ensuring that the quarterly and half-yearly reports are prepared in accordance with the same principles, criteria and professional practices as the annual report and with the same level of accuracy.
- The report from the external auditors following the limited review of the consolidated financial information to June.
- The proposal for the formulation of the Annual Accounts of Vocento and the consolidated group.
- The report from the external auditors about the preliminary conclusions of the review of consolidated financial statements to September.
- The report from the external auditors about the annual accounts of Vocento and the consolidated group.
- The report from the external auditors about internal control recommendations for the year.

5.4 EXTERNAL AUDITOR

The Audit and Compliance Committee must regularly receive from the external auditor information about the audit plan and its implementation and preserve their independence in these processes. In the year it undertook the following activities in this area:

- Received a report from the account auditors confirming their independence from the Company and dependent entities, as well as information about additional services provided.
- Prepared a report expressing an opinion about the independence of the account auditors and the delivery of additional services.
- Requested from the external auditors a limited review of the consolidated half-yearly accounts to June.
- Received information about the Audit Plan from the external auditor.

5.5 INTERNAL AUDIT

5.5.1 Supervision of the function

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.

Its competencies are established by the Internal Audit Statute approved by the Audit and Compliance Committee, approved by the Chairman of the Audit and Compliance Committee.

Complying with its responsibilities for supervising internal audit services, the Audit and Compliance Committee carried out an assessment of the performance of the director of internal audit, including an assessment of the compensation corresponding to 2014.

5.5.2 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 2015 and the budget.

The Internal Audit Plan for 2015 was practically fully implemented. The Plan included specific reviews of the controls of the SCIIF, in each financial reporting period to the market and to the regulator. All components of the internal control system for financial information were reviewed, enabling overall conclusions to be drawn about the effectiveness of the SCIIF, in accordance with the international COSO standard.

In addition, another objective of the audit plan, included in the Strategic Plan for Internal Audit, was to ensure compliance with the increasing responsibilities of the Audit and Compliance Committee, in the area of corporate governance and the supervision of risk control and management, increasing as a result of new legislation. Internal audit reviewed the adaptation of the Rules for the Board of Directors of Vocento, with the requirements of the Law on Corporations and the Code of Good Governance for Listed Companies, as part of the responsibilities and functions of the Audit and Compliance Committee.

Internal Audit, as the third line of defence (1) has developed a global assurance map for Vocento, detailed the coverage of the relevant risks that have been identified by the risk management system, indicating the controls in place for their mitigation and the areas responsible for managing these controls – the second line of defence – which provides the universe of processes and controls for internal audit to review.

5.5.3 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.

5.5.4 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.

Internal Audit has carried out its work with the independence required and there has been a satisfactory level of cooperation from managers and employees, with no relevant incidents or any difficulties in accessing information or people; information channels functioned correctly.

5.6 SYSTEMS FOR RISK MANAGEMENT AND CONTROL

5.6.1 Risk Management System

The Audit and Compliance Committee is responsible for ensuring the effectiveness of internal controls and risk management systems, including tax risks.

Vocento has implemented a risk management system which aims to enable understanding and oversight of the risks to which the Company is exposed, aligning business objectives, the risks identified, response measures and the controls established, in order to minimize the impact of any of these risks materializing.

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1 *To facilitate the audit and compliance committee in its work of monitoring the risk management and control systems, the Federation of European Risk Management Associations (FERMA) and the European Confederation of Institutes of Internal Auditing (ECIIA) propose a methodological focus that is aligned with the three lines of defence model, which establishes the role of internal audit as to guarantee the functioning of the internal control system for the governance and senior management organisations, based on an assessment of the effectiveness of the risk management and compliance functions.*

In 2014, this risk management system was subject to an in-depth review and on 13 November 2014 the Board of Directors approved a new Risk Management Policy for Vocento and group companies.

In the year the Chief Financial Officer, in charge of the function of managing risks, presented to the Audit and Compliance Committee a new risk management report that was the outcome of the process of identifying and assessing risks that was carried out by the Risks Committee, which consists of members of the Management Committee of Vocento, including key indicators for the management and control of the main risk whose materialization could affect the objectives of Vocento.

Regarding the new responsibilities over tax risks, the Audit and Compliance Committee has requested an analysis of the main tax issues at Vocento from the external tax advisor, and a proposed organisational structure for tax matters from the chief financial officer.

5.6.2 Internal Control System for Financial Information (SCIIF)

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, as documented in an internal norm approved by Senior Management, and supported by an IT application that enables the execution of the controls and their review by internal audit.

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 control, 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.

5.6.3 System for Preventing Crime and Responding to it

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 commited 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 any employee can confidentially report behaviour which is inappropriate or contrary to the Code of Ethics or any other internal or external norms that are applicable, including financial and 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.

All Vocento employees have been notified of the Code of Ethics and are understood to have welcomed and accepted it.

During the year, the Company outsourced the receipt and management of any communications to an external supplier, with their own IT system, which provides more independence to the receipt of communication, ensuring their confidentiality and complying with the law governing the protection of personal data.

In 2015, to implement the Crime Prevention Policy, a specific and effective internal control system has been developed using the competent bodies, to prevent crimes, which consists of a series of measures designed to assess risks, prevent, detect and respond to any non-compliance with the Code of Ethics or possible crimes, and to document the practices that Vocento has historically carried out.

Included in this internal control system are 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 are 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 have signed 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.

The Secretary of the Ethics Committee has regularly informed the Audit and Compliance Committee about the progress of the implementation of the system for preventing and responding to crime, and has submitted for its consideration a report on crime prevention prepared by the Ethics Committee, which provides information about all the activities carried out in the year.

5.7 CORPORATE GOVERNANCE AND COMPLIANCE

5.7.1 Corporate governance

It corresponds to the Audit and Compliance Committee to monitor the internal codes of conduct and rules of corporate governance, to supervise the strategy of communications with shareholders and to review the corporate social responsibility policy.

Complying with these responsibilities, the Audit and Compliance Committee carried out the following activities:

- Review of the Annual Report on Corporate Governance and proposal to the Board
- Review of the new Rules for the Board of Directors and proposal to the Board
- Review of the Code of Good Tax Practices and proposal to the Board of Directors

- Review of the Shareholder Relations and Communications Policy and proposal to the Board of Directors
- Review of the Corporate Social Responsibility Policy

5.7.2 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 and in the interaction of the Group with the Comisión Nacional del Mercado de Valores.

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.

6. CONCLUSIONS FROM THE ACTIVITIES UNDERTAKEN

In the period under consideration, the Audit and Compliance Committee has functioned in normality, exercising fully and without interference its competencies and with total respect for the legislation in force and the internal norms of functioning and organisation contained in the Rules for the Board of Directors. Over the course of the year, the Audit and Compliance Committee has been supported by the services of Internal Audit, the Corporate Compliance Unit and the External Auditors, who have carried out the functions entrusted to them.

As a result of this work, the members of the Audit and Compliance Committee:

- consider that the Committee has in the course of the year satisfactorily complied with the functions assigned to it by the Board of Directors of Vocento and contained in its Rules, in particular those functions pertaining to the monitoring of the process of preparing and presenting regulated financial information, and the supervision of internal audit;
- state their approval of the effectiveness of the internal control systems associated with the process of preparing this regulated financial information, and with the level of compliance with the norms and recommendations of good corporate governance; and
- have informed the Board of Directors and the Management of the company about those aspects which may be approved in their corresponding areas of responsibility.

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