



First Half 2014 Results

Grupo Media Capital, SGPS, S.A.

NOTE:

Free translation for information purposes only. In the event of discrepancies, the Portuguese language version prevails

	<ul style="list-style-type: none"> • Leader for the 10th consecutive year • Audience leader in June (despite the World Cup event, not broadcasted by TVI) • #1 in digital • International presence – more territories, channels, and platforms • TVI24 – record audiences; news channel with strongest growth • Leadership as group of channels: <table border="1" data-bbox="686 539 1254 808"> <thead> <tr> <th>All Day (%)</th> <th>UNIVERSE</th> <th>ADULTS</th> </tr> </thead> <tbody> <tr> <td>TVI channels</td> <td>25.8</td> <td>26.4</td> </tr> <tr> <td>SIC channels</td> <td>23.0</td> <td>23.5</td> </tr> <tr> <td>RTP channels</td> <td>19.4</td> <td>20.3</td> </tr> </tbody> </table> <table border="1" data-bbox="686 689 1254 808"> <thead> <tr> <th>Prime Time (%)</th> <th>UNIVERSE</th> <th>ADULTS</th> </tr> </thead> <tbody> <tr> <td>TVI channels</td> <td>28.0</td> <td>28.5</td> </tr> <tr> <td>SIC channels</td> <td>26.8</td> <td>27.3</td> </tr> <tr> <td>RTP channels</td> <td>18.2</td> <td>19.0</td> </tr> </tbody> </table>	All Day (%)	UNIVERSE	ADULTS	TVI channels	25.8	26.4	SIC channels	23.0	23.5	RTP channels	19.4	20.3	Prime Time (%)	UNIVERSE	ADULTS	TVI channels	28.0	28.5	SIC channels	26.8	27.3	RTP channels	18.2	19.0
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	<ul style="list-style-type: none"> • 231,000,000 visits and over 2,050 million pageviews • More than 1,800,000 app downloads • Facebook: over 4.7 million fans in the several Media Capital’s pages 																								

GRUPO MEDIA CAPITAL SGPS, SA
Sociedade Aberta
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Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)
Pessoa Coletiva n.º 502 816 481 | Capital Social: 89.583.970,80 euros

FIRST HALF 2014 RESULTS

Media Capital's net income grew by 30% over 1H13 figures, reaching
€ 7.1 million

- Media Capital's first half 2014 EBITDA improved by 9% to € 18.1 million, with a corresponding margin of 20.4%. This performance was achieved through an increase of revenues (+2%), together with flat operating costs.
- The Group estimates to have outperformed the market in what advertising is concerned, as the consolidated advertising revenues went up by 17%, whereas the market grew by approximately 14%.
- **TVI** kept the leadership in TV audiences, with an average share of 23.7% and 26.3% in all day and prime time respectively. The gap over the second most watched channel was 4.1pp in all day and 2.4pp in prime time, which compares with 2.7pp and 1.0pp in the same period of last year. TVI leadership was also maintained when analyzing groups of channels, with 25.8% in all day and 28.0% in prime time. It is worth highlighting that TVI was the leader in the month of June, in spite of not having broadcasted any World Cup matches.
- On financial grounds, the **TV** segment posted an EBITDA of € 15.4 million and a margin of 21.1%, with advertising going up by 17%.
- The **Audiovisual Production** segment had a substantial improvement of its profitability, with an EBITDA of € 0.2 million (vs. € -2.7 million in 1H13), following the conclusion of restructuring that was initiated in 2013.
- The **Radio's** EBITDA was € 2.0 million until June (improving 26% YoY), which corresponds to a margin 25.8%. In the latest audience data available for 2014, the radio station Rádio Comercial registered its 11th consecutive reading as the #1 radio station in Portugal.
- In **Digital**, the innovation achieved in solutions and contents were paramount in allowing this area to have a relevant boost of advertising revenues and continue to be a net positive contributor in EBITDA for the Group.

Queluz de Baixo, July 21st, 2014



1. Consolidated P&L

€ thousand	1H 2014	1H 2013	% Var	Q2 2014	Q2 2013	% Var
Total operating revenue	88,957	87,355	2%	49,097	48,099	2%
Television	72,942	70,061	4%	40,267	38,932	3%
Audiovisual Production	20,225	19,403	4%	10,648	9,209	16%
Radio	7,804	7,072	10%	4,456	3,885	15%
Others	9,040	8,928	1%	4,532	4,543	0%
Consolidation Adjustments	(21,053)	(18,109)	-16%	(10,806)	(8,469)	-28%
Total operating expenses ex-D&A	70,816	70,761	0%	36,222	34,625	5%
EBITDA	18,142	16,595	9%	12,875	13,475	-4%
EBITDA Margin	20.4%	19.0%	1.4pp	26.2%	28.0%	-1.8pp
Television	15,419	16,873	-9%	10,370	13,328	-22%
Audiovisual Production	174	(2,678)	N/A	479	(1,460)	N/A
Radio	2,016	1,596	26%	1,531	1,168	31%
Others	468	1,193	-61%	422	530	-20%
Consolidation Adjustments	64	(389)	N/A	73	(92)	N/A
Depreciation and amortisation	4,330	4,909	-12%	2,112	2,354	-10%
Operating income (EBIT)	13,811	11,686	18%	10,763	11,120	-3%
Financial Results	(4,445)	(4,037)	-10%	(2,252)	(2,258)	0%
Profit / (Loss) before inc. tax/ no contrl. Inl	9,366	7,648	22%	8,511	8,863	-4%
Income Tax	(2,273)	(2,196)	-4%	(2,134)	(2,562)	17%
Profit / (Loss) from continued operations	7,093	5,452	30%	6,378	6,301	1%
Net profit / (loss) for the period	7,093	5,452	30%	6,378	6,301	1%

In the first half of 2014, Media Capital registered **consolidated operating revenues** of € 89 million, increasing 2% YoY, mostly due to advertising revenues. In the second quarter, the YoY variation was also 2%, with advertising increasing by 26%.

Consolidated opex in 1H14 was in line with the previous year, while in 2Q14 it rose 5%, mainly due to the Television segment.

Consolidated EBITDA was € 18.1 million, with a margin of 20.4%. This represents a 9% improvement on a YoY comparison. In 2Q14, EBITDA was 12.9 million, with the margin reaching 26.2%.

Consolidated EBIT reached € 13.8 million (which compares with € 11.7 million in 1H14), **while net profit** was € 7.1 million (30% increase YoY). In 2Q14, net profit was 1% above the comparable period.



€ thousand	1H 2014	1H 2013	% Var	Q2 2014	Q2 2013	% Var
Operating revenue	88,957	87,355	2%	49,097	48,099	2%
Advertising	56,638	48,543	17%	33,088	26,183	26%
Other revenues	32,320	38,812	-17%	16,009	21,916	-27%

In terms of revenues, **advertising** went up by 17%. Media Capital estimates to have outperformed the market, which should have grown by 14%. In the Television segment the increase was also of 17%, while advertising in the Radio segment rose by

9%. The Others segment (which includes digital, music and events, the holding and shared services) increased by 23%. In 2Q14, the YoY variations were 28% (Television), 13% (Radio) and 34% (Others). In the quarter, Media Capital should

have also outpaced the market, which should have grown by 24%.

Other operating revenues, which comprise mainly the audiovisual production, multimedia and

transmission rights revenues, were down by 17% in 1H14 and by 27% in 2Q14, mostly driven by multimedia services in the Television segment.

2. Television

€ thousand	1H 2014	1H 2013	Var %	Q2 2014	Q2 2013	Var %
Operating revenue	72,942	70,061	4%	40,267	38,932	3%
Advertising	47,517	40,463	17%	27,878	21,723	28%
Other revenues	25,425	29,598	-14%	12,389	17,209	-28%
Operating Expenses, ex D&A	57,523	53,188	8%	29,897	25,604	17%
EBITDA	15,419	16,873	-9%	10,370	13,328	-22%
EBITDA margin	21.1%	24.1%	-2.9pp	25.8%	34.2%	-8.5pp
Depreciation and amortisation	1,794	2,121	-15%	883	990	-11%
Operating income (EBIT)	13,626	14,752	-8%	9,487	12,338	-23%

Considering the aggregate groups of channels of each operator, TVI achieved a share of 25.8% in all day and 28% in prime time, again being the number one player.

All Day (%)	UNIVERSE	ADULTS
TVI channels	25.8	26.4
SIC channels	23.0	23.5
RTP channels	19.4	20.3
Prime Time (%)	UNIVERSE	ADULTS
TVI channels	28.0	28.5
SIC channels	26.8	27.3
RTP channels	18.2	19.0



In terms of individual channels, TVI generalist channel confirmed its #1 position, with a share of 23.7% in all day (4.1pp above the second position), according to GfK. TVI also leads audiences in the most relevant commercial target - adults, registering a 24.3% share (7.5pp above its competitors).

In prime-time, TVI reinforced its leadership, obtaining shares of 26.3% (2.4pp above the second position) and of 26.8% for the total universe and in adults.

The channels preference is also visible during the remaining timeslots, as TVI is the most watched channel in the mornings, lunchtime, afternoons and dawn.

In the first half of 2014, TVI reached a total of 5,250 million viewers daily.

In 1H14 Local Drama represented 34% of TVI's programming, followed by Entertainment (25%) and News (22%).

Regarding the latter, TVI's main **news programs** lead on their timeslots. At lunch, "Jornal da Uma" obtained an average share of 765 thousand viewers, corresponding to a 29.9% share. In the evening, "Jornal das 8" maintains its leadership and it is the only news program with an average daily audience of over 1 million viewers (24.8% share).

In Sports, TVI broadcasted 9 matches of the "Champions League", which had an audience of 1.9 million viewers and a leading share of 40.5%. In the main target (males), the share was 48.3% whereas in adults it was 41.5%.

In entertainment, TVI kept a strong lead.

In daily entertainment programs, and more specifically on weekday mornings, "Você na TV" had a share of 30.2% (31.8% in adults).

By the same token, on weekday afternoons “A Tarde é Sua” had a share of 22.3% (23.3% in adults).

On Sundays, the program “Somos Portugal” clearly is a winner among its rivals, obtaining a share of 24.4% (25.6% in adults).

Still on weekends, the show “A Tua Cara Não me é Estranha – Kids”, led on Sunday nights, posting a share of 32.1% (33% in adults).

The international successful format “Masterchef Portugal” also had a widespread leadership, with shares of 32.3% (universe), 32.7% (adults) and 30.7% (ABCD 15_54 years’ old).

At the end of the period under analysis the show “Rising Star” was premiered, being the first big example of a program with high interactivity in what regards the use of second screen. During this period, it was the leader, with a share of 25.9% (26% in adults).

In what concerns Local Drama, the 110 episodes of the novela “Beijo do Escorpião”, premiered in February, obtained an average audience of 1.210 million viewers, corresponding to a 25.4% share (28.3% in the female target).

In June, TVI debuted “Mulheres”, which so far had an average daily audience of 721 thousand viewers (24.1% share).

Still in prime time, “Belmonte” (premiered in September 2013) achieved an average of 1.1 million daily viewers, which corresponds to a 28.2% share (31.4% in the female target).



In the first six months of the year, TVI24 registered audience shares of 1.4% and 1.3%, in all day and prime time, respectively, for the total universe. Considering only the pay TV market, these shares rise up to 1.8% (all day) and 1.7% (prime time).

TVI24’s shares among news channels increased 5% in all day and 11.3% in prime time, thus reaching 32.4% and 35.5% in those metrics.

The channel registered a total daily audience of 1.4 million viewers (757k in prime time).



Aside from TVI and TVI24, TVI also has the thematic pay-tv channels TVI Ficção and +TVI, which presented a new and renewed

programming grid in the beginning of 2014. Specialized in local drama, TVI Ficção (distributed exclusively on MEO platform) reached an average share of 0.5% in the first six months, while +TVI (mostly focused on entertainment and humour and distributed by NOS), which now completes one year of existence, had an average share of 0.2%.



The internationalization of TVI’s channels has proceeded in 2014. In April, TVI Internacional became available in the French operator SFR, after being present in that territory through Orange and Free. As a whole, TVI Internacional is available in 12 countries and territories: Angola, Mozambique, Spain, France, Andorra, Switzerland, Monaco, Luxemburg, United States, Porto Rico, Australia and New Zealand, taking to the Portuguese speaking communities throughout the World the best contents in drama, entertainment and news.

TVI24, TVI Ficção and +TVI are already present in Angola, Mozambique and Cape Verde (in the latter only TVI24, in two platforms). TVI Ficção is also present in France since April this year.

FINANCIAL PERFORMANCE

In what regards **financial performance**, operating revenues in the TV segment increased by 4% (+3% YoY in the quarter).

Advertising revenues were up 17% versus last year (28% in 2Q14). Media Capital estimates the FTA (free-to-air) advertising market to have improved by 13% in the first six months of the year (20% YoY in the quarter). Estimates for the Pay TV advertising market are of a 22% increase (June Ytd).

On the other hand, **other revenues**, which essentially include transmission rights and multimedia services, were down 14% (-28% in the quarter).

Opex rose 8% on a YoY comparison in 1H14 (17% in 2Q14). On this regard, and having into consideration an expected improvement in the advertising market, TVI adjusted its programming costs, with more impact on entertainment and local production, while a stronger competitive environment lead to an increase in costs related to multimedia services.

The combined evolution of revenues and costs resulted in an **EBITDA** of € 15.4 million, which compares with € 16.9 million in 1H13 (-9%), with

a margin of 21.1%. 2Q EBITDA reached € 10.4 million (€ 13.3 million in 2Q13).



3. Audiovisual Production

€ thousand	1H 2014	1H 2013	Var %	Q2 2014	Q2 2013	Var %
Operating revenue	20,225	19,403	4%	10,648	9,209	16%
Advertising	0	0	0%	0	0	0%
Other revenues	20,225	19,403	4%	10,648	9,209	16%
Operating Expenses, ex D&A	20,051	22,081	-9%	10,169	10,668	-5%
EBITDA	174	(2,678)	N/A	479	(1,460)	N/A
EBITDA margin	0.9%	-13.8%	14.7pp	4.5%	-15.8%	20.3pp
Depreciation and amortisation	1,583	1,804	-12%	791	879	-10%
Operating income (EBIT)	(1,408)	(4,483)	N/A	(312)	(2,338)	87%

The Audiovisual Production segment reached total **operating revenues** of € 20.2 million, thus improving 4% (16% YoY in 2Q).

In Portugal, operating revenues were up by 30% (+50% YoY in the quarter), due to the performance of television productions and construction and sale of sceneries (in Portugal and abroad – Spain and Angola).

In Spain, there was a decrease in operating revenues, which were mostly related with lower orders.

In order to improve the Group's return in this area, Media Capital continued its strategy of adapting the productions' structure, notwithstanding the Group's long-term bet in the business. Media Capital believes that with these changes it becomes better prepared to face the future and

respond positively to the challenges ahead, as results already show.

Hence, along with the increase in revenues, costs were substantially lower, which lead to an **EBITDA** of € 0.2 million that compares with € -2.7 million in 1H13. As for 2Q14, EBITDA was € 0.5 million (vs € -1.5 million in 2Q13). This improvement in EBITDA was negatively impacted by indemnities booked in the period under analysis, without which the figures would be better.

One final note for the 3-D animation movie "Futbolín", premiered in Portugal in May under the name "Matraquilhos". After winning the Goya Prize, it won three other prizes: the Grand Prize by the New York International Children's Film Festival and the awards for Best Animation Movie and Best Original Music by the "Prémios Platino do Cinema Iberoamericano".

4. Radio







€ thousand	1H 2014	1H 2013	Var %	Q2 2014	Q2 2013	Var %
Operating revenue	7,804	7,072	10%	4,456	3,885	15%
Advertising	7,309	6,701	9%	4,147	3,682	13%
Other revenues	495	371	33%	309	203	52%
Operating Expenses, ex D&A	5,788	5,477	6%	2,925	2,717	8%
EBITDA	2,016	1,596	26%	1,531	1,168	31%
EBITDA margin	25.8%	22.6%	3.3pp	34.4%	30.1%	4.3pp
Depreciation and amortisation	779	742	5%	349	370	-6%
Operating income (EBIT)	1,236	854	45%	1,182	798	48%

MCR's advertising revenues improved 9% YoY (+13% in the quarter). Other operating revenues soared 33% (+52% in 2Q), mostly due to events.

In this context, opex was up 6% (+8% in YoY), thus undershooting the variation in revenues, and partially justified by the increase in events.

Hence, EBITDA was € 2.0 million (+26% YoY), with a margin of 25.8% (+3,3pp). In 2Q, EBITDA was up 31% to € 1.5 million, with a margin of 34.4% (+4,3pp).

In the meantime, the audience data continues to underline the outstanding performance of the formats explored by MCR.

Indeed, the aggregate radio stations owned by Grupo Media Capital registered, in the third of five annual audience measures, an audience reach (AAV) of 22.8% and an audience share of 33.7%. The performance of Rádio Comercial was quite positive, as it kept being the #1 radio with a reach of 16.1% and a share of 23.0%, thus improving by 1.0pp and 2.7pp the comparable readings of 2013. It is in fact the eleventh

consecutive audience measurement with Rádio Comercial in the first place.

In turn, m80 – the 60's, 70's e 80's hits radio – had a reach of 4.2% (share of 5.4%). It is the most listened to radio station among the ones that have no nationwide network.

As for the other formats, Cidade had a reach of 3.8% (share of 4.2%), thus keeping the leadership amongst the radio stations whose main target are the youngsters.

At the end of June, Cidade lost the surname "FM" as one of the several measures taken to improve its positioning. More modern and urban, the new Cidade is now closer to youngsters.

Finally, on top of the support and presence of MCR radios in the most relevant music events it is also worth highlighting the success of the shows developed internally - "Parabéns in the Night" (related with the 35th birthday of Rádio Comercial) and m80's two parties (one in Lisbon and another in Oporto), celebrating its 7th birthday.

5. Others






€ thousand	1H 2014	1H 2013	Var %	Q2 2014	Q2 2013	Var %
Operating revenue	9,040	8,928	1%	4,532	4,543	0%
Advertising	1,829	1,489	23%	1,085	812	34%
Other revenues	7,210	7,439	-3%	3,447	3,730	-8%
Operating Expenses, ex D&A	8,572	7,735	11%	4,111	4,013	2%
EBITDA	468	1,193	-61%	422	530	-20%
EBITDA margin	5.2%	13.4%	-8.2pp	9.3%	11.7%	-2.4pp
Depreciation and amortisation	175	242	-28%	88	115	-23%
Operating income (EBIT)	293	952	-69%	333	415	-20%

This segment includes the following areas: Digital, Music & Events, as well as the holding and shared services.

Despite the strong competitive environment, MCD managed to continue to improve the quality and audiences of its network of sites, with positive impact on its pageviews, unique browsers and download indicators.

As an example, TVI kept its leadership in the first half of the year, with a share of 47% in visits 42.3% in page views, in both cases considering the universe of FTA TV sites.

MCD continued to innovate and improve its digital contents, already available in multiple platforms (Apple, Nokia, Android, Windows 8 and Samsung) and devices (smartphones, tablets and smart TV's), having so far developed over 20 apps to several of the Group's brands, and accounting for more than 1.8 million downloads.

In the January-June period, we highlight the following:

- Desafio Final – access to the online emission of the tv reality show “Casa dos Segredos - Desafio Final” – available by subscription;
- Blogs – development of the blog cabaredogoucha.pt;
- New website of Lux – this site adapts itself to the various screens and platforms where it can be seen;
- New website MasterChef Portugal – photos and videos, extra info on contestants and several other online exclusives, including masterclasses.

- New website and app “Melhor do que Falecer”;
- New website Rising Star, along with an innovative app which had strong impact in social networks (Facebook and Twitter), and was listed in the Top10 ranking of “Social Wit List” in May;
- MaisFutebol – new app; CNID award (Sports Journalists Association) in the category; Elected “The Guardian” as the Portuguese media partner and supplier of contents regarding the World Football Cup
- Transmedia contents – website, blogues, facebook, linkedin, pinterest and VOD – for the new soap opera “Mulheres”.

In the Music segment, Tony Carreira, represented by Farol, was awarded in the 2014 edition of the World Music Awards as the “World Best Selling Portuguese Artist”. Leader in the compilation market in Portugal, Farol launched four new compilations with music from acknowledge Portuguese and foreign artists.

Advertising revenues were up by 23% YoY (34% in 2Q14) benefiting from a significant growth in some of the projects, while **other revenues** registered a slightly negative performance (-3% in 1H14 and -8% in 2Q14).

The **EBITDA** of the segment was positive by € 468 thousand, which compares to € 1.2 million in the first half of 2013. In 2Q14, the absolute variation was less expressive (€ 530 thousand vs € 422 thousand in 2Q13).

6. Cash Flow

€ thousand	1H 2014	1H 2013	Var %	Q2 2014	Q2 2013	Var %
Receipts	113,869	107,374	6%	62,825	56,704	11%
Payments	(107,406)	(106,882)	0%	(50,870)	(59,927)	15%
Cash flows op. activities (1)	6,464	492	1214%	11,956	(3,223)	N/A
Receipts	1,660	2,502	-34%	1,611	487	231%
Payments	(3,818)	(3,273)	-17%	(2,122)	(1,518)	-40%
Cash flows inv. activities (2)	(2,158)	(771)	-180%	(511)	(1,031)	50%
Receipts	49,943	63,094	-21%	19,082	34,656	-45%
Payments	(57,375)	(71,051)	19%	(31,494)	(35,240)	11%
Cash flows fin. activities (3)	(7,431)	(7,956)	7%	(12,412)	(584)	N/A
Cash at the beginning of the period	5,237	10,790	-51%	3,075	7,387	-58%
Variation of cash (4) = (1) + (2) + (3)	(3,126)	(8,235)	62%	(968)	(4,838)	80%
Effect of FX variations	(5)	(21)	77%	(1)	(14)	93%
Cash at the end of the period	2,106	2,534	-17%	2,106	2,534	-17%

Cash flow from operating activities was € 6.5 million, which compares with € 0.5 million in first six months of 2013. Part of this variation took place due to lower tax cash out flow (€ -5.3 M€ in 1H13 vs. € -1.4 M€ in 1H14).

It is also worth mentioning that the seasonality of the Group's business and the characteristics of the commercial policies have stronger and more favourable impact in cash flow generation in the second half of the year (with greater impact in the last three months of the year).

Cash flow from investing activities was € -2.2 million, which compares with € -0.8 million in 1H13. The cash outflow related with tangible and intangible assets was € -1.9 million, in line with the value observed in 1H13, thus signalling the Group's effort in having capex under strong scrutiny.

Cash flow from financing activities amounted to € -7.4 million, reflecting the movements of both operating and investing activities, as well as the dividends paid out (€ 9.8 million) and the lower level of cash and equivalents vs. the end of the first six months of 2013.



7. Net Debt

€ thousands	Jun 14	Dec 13	Abs Var	% Var
Group financial debt	113,304	110,807	2,496	2%
Bank loans / Commercial paper	111,231	108,304	2,927	3%
Other debt	2,072	2,503	(431)	-17%
Cash & equivalents	2,106	5,237	(3,130)	-60%
Net debt	111,197	105,571	5,627	5%

In what concerns **net debt**, it has increased by 5% or € 5.6 million vs. the end of 2013, standing at the end of June at 111.2 million. It is worth mentioning that leasings, in a global amount of € 2.1 million, are included in the figure above.

Thus, Media Capital maintains a comfortable capital structure.



8. Subsequent events

After the end of June, Media Capital SGPS, S.A. announced to the market that it signed with Banco BPI, S.A., an agreement to organize a private placement (underwritten by BPI) of a bond issue of 7,500 bonds, corresponding to a global amount of € 75,000,000, at a variable

rate, and with a maturity of 5 years. The bonds were issued on 14 July 2014.

Such issue is part of the Group's refinancing strategy, with the aim of reducing interest costs and increase the maturity of its debt.

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2014 AND 31 DECEMBER 2013

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>30.06.2014</u>	<u>31.12.2013</u>
NON-CURRENT ASSETS:		
Goodwill	153,568	153,568
Intangible assets	14,786	15,972
Tangible fixed assets	15,288	17,357
Investments in associates	1,639	1,612
Assets held for sale	8	8
Transmission rights and TV programs	46,834	46,469
Other non-current assets	3,827	3,961
Deferred income tax assets	4,496	4,279
	<u>240,446</u>	<u>243,225</u>
CURRENT ASSETS:		
Transmission rights and TV programs	32,040	33,091
Inventories	68	102
Trade and other account receivable	44,618	42,086
Current tax assets	761	127
Other current assets	13,255	10,748
Cash and cash equivalents	2,106	5,237
	<u>92,848</u>	<u>91,391</u>
TOTAL ASSETS	<u>333,294</u>	<u>334,616</u>
<hr/> EQUITY AND LIABILITIES <hr/>		
EQUITY:		
Share capital	89,584	89,584
Reserves	29,129	25,261
Profit for the period	7,093	13,683
Equity attributable to controlling interests	<u>125,805</u>	<u>128,529</u>
Total Equity	<u>125,805</u>	<u>128,529</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	21,093	77,566
Provisions	6,586	6,602
Deferred income tax liabilities	1,478	1,478
	<u>29,157</u>	<u>85,647</u>
CURRENT LIABILITIES:		
Borrowings	92,211	33,241
Trade and other payables	48,070	45,442
Current tax liabilities	11	1,159
Other current liabilities	38,040	40,598
	<u>178,332</u>	<u>120,440</u>
Total liabilities	<u>207,489</u>	<u>206,087</u>
TOTAL EQUITY AND LIABILITIES	<u>333,294</u>	<u>334,616</u>

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
30 JUNE 2014 AND 2013
(Amounts stated in Euro thousand)

	6 months ended		3 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
OPERATING REVENUES:				
Services rendered	62,935	56,822	36,400	30,368
Sales	174	719	55	313
Other operating revenue	25,848	29,814	12,642	17,419
Total operating revenue	88,957	87,355	49,097	48,099
OPERATING EXPENSES:				
Cost of programs broadcasted and goods sold	(13,367)	(15,251)	(6,239)	(7,715)
Subcontrats and third party supplies	(33,357)	(31,426)	(17,845)	(15,726)
Payroll expenses	(23,360)	(25,629)	(11,823)	(12,244)
Depreciation and amortization	(4,330)	(4,909)	(2,112)	(2,354)
Provisions and impairment losses	(94)	868	39	186
Other operating expenses	(639)	677	(353)	875
Total operating expenses	(75,146)	(75,669)	(38,334)	(36,979)
Net operating profit	13,811	11,686	10,763	11,120
FINANCIAL EXPENSES:				
Financial expense	(4,538)	(4,656)	(2,279)	(2,405)
Financial income	71	521	33	104
Finance costs, net	(4,467)	(4,135)	(2,246)	(2,301)
Gains (losses) on associated companies, net	22	97	(6)	44
Profit before tax	9,366	7,648	8,511	8,863
Income tax expense	(2,273)	(2,196)	(2,134)	(2,562)
Consolidated net profit for continued operations	7,093	5,452	6,378	6,301
Attributable to:				
Equity holders of the parent	7,093	5,452	6,378	6,301
Earnings per share (Euros)				
Basic	0.0839	0.0645	0.0755	0.0746
Diluted	0.0839	0.0645	0.0755	0.0746

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014 AND 2013

(Amounts stated in Euro thousand)

	<u>30.06.2014</u>	<u>30.06.2013</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	113,869	107,374
Cash paid to suppliers	(57,301)	(51,162)
Cash paid to employees	(24,015)	(24,987)
Cash generated from operations	<u>32,554</u>	<u>31,225</u>
Cash received/(paid) relating to income tax	(1,426)	(5,313)
Other cash received/(paid) relating to operating activities	(24,664)	(25,420)
Net cash from operating activities (1)	<u>6,464</u>	<u>492</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
Disposal of fixed tangible and intangible assets	884	36
Interest and similar income	92	590
Loans granted	683	1,876
	<u>1,660</u>	<u>2,502</u>
Payments resulting from:		
Business concentrations	(294)	(21)
Acquisition of tangible assets	(2,267)	(1,939)
Acquisition of intangible assets	(532)	-
Loans granted	(724)	(1,313)
	<u>(3,818)</u>	<u>(3,273)</u>
Net cash from /(used in) investing activities (2)	<u>(2,158)</u>	<u>(771)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	<u>49,943</u>	<u>63,094</u>
Cash paid relating to:		
Borrowings	(43,006)	(54,685)
Leases	(662)	(637)
Interest and other similar expenses	(3,157)	(3,468)
Dividends	(9,804)	(11,325)
Other financial expenses	(746)	(937)
	<u>(57,375)</u>	<u>(71,051)</u>
Net cash from/(used in) financing activities (3)	<u>(7,431)</u>	<u>(7,956)</u>
Cash and equivalents at the beginning of the period	5,237	10,790
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(3,126)	(8,235)
Exchange rate effect	(5)	(21)
Cash and equivalents at the end of the period	2,106	2,534