





# First nine months results of 2013

**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"> <li>• Maintenance of audience leadership by TVI in all-day and prime-time</li> <li>• TVI is also the leading TV website</li> <li>• Debut of the novella "Belmonte", TVI's great bet in drama, which is leading its time slot</li> <li>• TVI Internacional increases its presence in new countries and platforms</li> <li>• New season of the Champions League</li> </ul>
	<ul style="list-style-type: none"> <li>• Plural is the leading drama producing company in Portugal</li> <li>• The internationalization of technical services and building of scenarios has continued</li> <li>• Movie "Bairro" is the third most watched Portuguese film premiered in Portugal in 2013</li> <li>• A TV movie produced by Plural was recognised with an international award ("Prix Italia")</li> <li>• EPC, the leading Portuguese scenery company in audiovisual, participated in an Emmy Nominated Angolan novella</li> </ul>
	<ul style="list-style-type: none"> <li>• MCR's group of radios with record audience share, being now number one</li> <li>• Rádio Comercial consolidates its #1 position</li> <li>• Rádio Comercial awarded with prize from Meios &amp; Publicidade</li> </ul>
	<ul style="list-style-type: none"> <li>• Secret Story 4: new site and MEO app</li> <li>• New website of Mais Futebol</li> <li>• Blogs dailycristina.pt and jessyjames.pt</li> <li>• New sites for TVI's novelas</li> <li>• Establishment of a partnership with Goodlife for the project Planeo.pt</li> <li>• Establishment of a partnership with OLX for advertising sales</li> <li>• New site Spot+</li> <li>• Digital activation of contents</li> </ul>
	<ul style="list-style-type: none"> <li>• "Fados de Amor" (Rodrigo Costa Félix), edited by Farol, wins award "Album of the year"</li> <li>• Filipe Pinto (artist with Farol) nominated for MTV Music Awards</li> <li>• Summer releases, in partnership with TVI: "Somos Portugal" and "Liliane Marise", #1 in sales</li> <li>• Biggest summer festivals – MEO Spot – in Portimão and Quinta do Lago</li> </ul>
	<ul style="list-style-type: none"> <li>• Media Capital established an agreement with Onza Distribution for the international distribution of its vast content catalogue</li> <li>• Over 1.1 million downloads of the various apps available</li> <li>• Facebook: over 4 million fans on Media Capital's various Facebook pages</li> <li>• Media Capital's websites with more than 6.0 million monthly unique browsers in the first nine months</li> </ul>

GRUPO MEDIA CAPITAL SGPS, SA

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## FIRST NINE MONTHS RESULTS OF 2013

Media Capital registered an EBITDA of € 22.6 million

- Notwithstanding the impact of the negative economic framework in the advertising market (which is estimated to have decreased by 15% until August – September data is not available yet), Media Capital's operating revenues came down only 2% against the comparable period, benefiting from (i) the estimated increase in market share and (ii) from the Group's strategy to develop revenue sources complementary to advertising.
- Still on the advertising market, the latest available data points towards a slowdown of the negative trend we have seen so far. According to our estimates, in the Q3'13 the FTA market should have been stable over the comparable period.
- Net profit improved by 1% vs. 9M'12, due also to lower financial costs.
- According to Marktest/Kantar Media, **TVI** continued to rank number one in TV audiences, registering an average audience share of 26.1% and 28.8%, in all-day and prime-time respectively. TVI continues to invest in the best contents, having launched its newest channel, +TVI, in January, while expanding TVI Internacional and TVI24's geographic presence. On the financial front, the TV segment had an EBITDA of € 22.9 million (22.2% margin), representing an increase of 12% when compared with the first nine months of 2012, benefiting from a good performance of revenues and cost control.
- The **Audiovisual Production** segment registered an improvement of its operating revenues in the third quarter (+1% YoY). The construction of sceneries and sale of technical services have successfully intensified Plural Entertainment's internationalization process. The Group expects to increase the number of productions in the last quarter of the year. Coupled with the implementation of efficiency enhancing measures, this should translate into an improvement of this segment's operating performance.
- The EBITDA of the **Radio** segment was € 1.9 million from January to September, with a margin of 18.5%. The main highlight refers to the continuing growth trend in what advertising share is concerned, as a result of the good performance in audience share and reach. As such, MCR's advertising revenues were up 5%, with the market falling double digit. According to the latest data available for 2013, the radio station Rádio Comercial increased its lead as number one, whereas MCR as a group is for the first time ever leader in audience share (33.5%).

Queluz de Baixo, October 22, 2013



## 1. Consolidated P&L

€ thousand	9M 2013	9M 2012	% Var	Q3 2013	Q3 2012	% Var
<b>Total operating revenue</b>	<b>129,518</b>	<b>132,134</b>	<b>-2%</b>	<b>42,162</b>	<b>41,216</b>	<b>2%</b>
Television	103,116	101,075	2%	33,055	31,827	4%
Audiovisual Production	30,750	40,097	-23%	11,347	11,226	1%
Radio	10,294	9,943	4%	3,222	2,985	8%
Others	14,507	15,290	-5%	5,579	5,300	5%
Consolidation Adjustments	(29,150)	(34,271)	15%	(11,041)	(10,122)	-9%
<b>Total operating expenses ex-D&amp;A</b>	<b>106,940</b>	<b>108,488</b>	<b>-1%</b>	<b>36,179</b>	<b>34,147</b>	<b>6%</b>
<b>EBITDA</b>	<b>22,578</b>	<b>23,646</b>	<b>-5%</b>	<b>5,983</b>	<b>7,068</b>	<b>-15%</b>
<b>EBITDA Margin</b>	<b>17.4%</b>	<b>17.9%</b>	<b>-0.5pp</b>	<b>14.2%</b>	<b>17.1%</b>	<b>-3.0pp</b>
Television	22,879	20,390	12%	6,006	7,731	-22%
Audiovisual Production	(2,794)	2,983	N/A	(116)	(69)	-68%
Radio	1,904	1,347	41%	308	181	70%
Others	1,128	(207)	N/A	(65)	(192)	66%
Consolidation Adjustments	(539)	(867)	38%	(150)	(583)	N/A
Depreciation and amortisation	7,185	8,593	-16%	2,276	2,909	-22%
<b>Operating income (EBIT)</b>	<b>15,393</b>	<b>15,053</b>	<b>2%</b>	<b>3,707</b>	<b>4,160</b>	<b>-11%</b>
Financial Results	(6,556)	(6,931)	5%	(2,519)	(2,314)	-9%
<b>Profit / (Loss) before inc. tax/ no contrl. In</b>	<b>8,837</b>	<b>8,122</b>	<b>9%</b>	<b>1,188</b>	<b>1,846</b>	<b>-36%</b>
Income Tax	(3,331)	(2,668)	-25%	(1,135)	(444)	-155%
<b>Profit / (Loss) from continued operations</b>	<b>5,506</b>	<b>5,454</b>	<b>1%</b>	<b>54</b>	<b>1,401</b>	<b>-96%</b>
<b>Net profit / (loss) for the period</b>	<b>5,506</b>	<b>5,454</b>	<b>1%</b>	<b>54</b>	<b>1,401</b>	<b>-96%</b>

In the first nine months of 2013, Media Capital registered **consolidated operating revenues** of € 129.5 million, decreasing 2% YoY, with the Group almost managing to completely offset the impacts stemming from the decreasing advertising market with other recurrent revenue sources. In the third quarter, the YoY variation was +2%.

**Consolidated opex** was down by 1% (+6% in the quarter) albeit it is worth highlighting that the variation of intragroup adjustments, chiefly between TVI and Plural, had an opposite impact. As a matter of fact, as over the previous year the volume of intragroup audiovisual production sold by Plural to TVI was greater than in the current year, the opex (as well as revenues) cancelled this year was lower, therefore generating an increase in overall costs. Without this effect, the consolidated

opex would have decreased even more versus the comparable period. For the same reason, the quarterly YoY variation of opex would also show saving vs 2012.

**Consolidated EBITDA** was stable at € 22.6 million, with a margin of 17.4%. In Q3, the margin was 14.2% for an absolute figure of € 6.0 million.

**Consolidated EBIT** reached € 15.4 million (2% above the comparable period), whereas **net profit** was € 5.5 million (+1%), benefiting also from better financial results.

In the quarter, EBIT was down 11% towards € 3.7 million, while net profit was positive, notwithstanding the decrease when compared with 2012.



€ thousand	9M 2013	9M 2012	% Var	Q3 2013	Q3 2012	% Var
<b>Operating revenue</b>	<b>129,518</b>	<b>132,134</b>	<b>-2%</b>	<b>42,162</b>	<b>41,216</b>	<b>2%</b>
Advertising	71,301	80,455	-11%	22,758	22,857	0%
Other revenues	58,217	51,679	13%	19,405	18,359	6%

Regarding operating performance, and in terms of revenues, **advertising** fell by 11%, mostly due to the TV segment, which registered a decrease of 14%. On the contrary, in the Radio segment there was an increase (+5%), while in the Others segment advertising revenues decreased by 2%. In the July-September period, advertising revenues were stable (TV -3%, Radio +11% and Others +3%).

As regards the **advertising market**, a decrease of 15% until August (September data is not available yet) is estimated, in terms of

agencies and before rappel discounts. The available data for July and August indicates a 2% negative variation for the market. Media Capital estimates to have gained market share.

**Other operating revenues** were up by 13% YoY, thanks to the Television segment that compensated a worse performance by Audiovisual Production. The contribution from Television and Audiovisual Production segments was important in the quarterly YoY variation.

## 2. Television

€ thousand	9M 2013	9M 2012	Var %	Q3 2013	Q3 2012	Var %
<b>Operating revenue</b>	<b>103,116</b>	<b>101,075</b>	<b>2%</b>	<b>33,055</b>	<b>31,827</b>	<b>4%</b>
Advertising	59,527	69,165	-14%	19,064	19,591	-3%
Other revenues	43,589	31,910	37%	13,991	12,236	14%
<b>Operating Expenses, ex D&amp;A</b>	<b>80,237</b>	<b>80,685</b>	<b>-1%</b>	<b>27,049</b>	<b>24,096</b>	<b>12%</b>
<b>EBITDA</b>	<b>22,879</b>	<b>20,390</b>	<b>12%</b>	<b>6,006</b>	<b>7,731</b>	<b>-22%</b>
EBITDA margin	22.2%	20.2%	2.0pp	18.2%	24.3%	-6.1pp
Depreciation and amortisation	3,077	4,156	-26%	956	1,330	-28%
<b>Operating income (EBIT)</b>	<b>19,802</b>	<b>16,234</b>	<b>22%</b>	<b>5,050</b>	<b>6,401</b>	<b>-21%</b>

According to Marktest/Kantar Media, TVI continued to lead FTA audience shares in Portugal, both in all-day and in prime-time, registering an average audience of 26.1% and 28.8% respectively. From a group of channels point of view, the first nine months of 2013 also allowed TVI to consolidate its portfolio of thematic channels, with the launching of +TVI (distributed in exclusive in the ZON's platform), which joined the already existing channels TVI24, TVI Ficção (exclusive in MEO's platform) and TVI Direct (the latter typically used to broadcast exclusive contents associated with realities).

Such aggregate of channels had a combined all-day audience share of 29.9%, thus clearly ahead of the second competitor. In prime-time, the audience share achieved was

31.8%, with TVI standing out as the only operator with a share above 30%, according to Marktest/Kantar Media data.

In the first nine months of the year, the generalist channel TVI led in the most important time slots.

On weekday mornings, the entertainment show "Você na TV" got a 32.3% share. At lunch time, the news program "Jornal da Uma" also led with 28.9%. At the beginning of afternoons, the second run of the novela "Ninguém como Tu" performed quite well, with a leading share of 29.3%. Also in the afternoons, the talk-show "A Tarde é Sua" led with 22.7%. At the end of the afternoons, and in September, it is worth highlighting the debut of new juvenile series – "I Love It". This product, which is being

internationally recognised and was one of the formats under the spotlight in the latest MIPCOM (the world's biggest audiovisual entertainment content market), posted a very good performance in the episodes aired so far, with a share of 27.8% in the target audience (4-24 years-old).

As regards TVI's main news program (typically aired daily at 8 pm), entitled "Jornal das 8", it was also a gainer, with a share of 27.3%.

Besides the already mention to the product "I Love It", TVI continued to invest in high quality Portuguese drama content, with the broadcasting (on prime-time) of "Destinos Cruzados" and "Mundo ao Contrário", with an audience share of 30.5% and 28.9% respectively. In this period, the novela "Doida por Ti" registered an average audience share of 22%.

Still in the drama genre, and already towards the end of September, TVI debuted "Belmonte" with great success: share of 30.2%.

As for entertainment programs, we highlight (following a chronological order) "A Tua Cara Não me É Estranha" (37.9% share), "Big Brother VIP" (with its weekly "galas" having an average of 33.9%), and "Secret Story" (premiered at the end of September, with a 36.2% share).

Still in the entertainment genre, on weekend afternoons, the shows "Não há Bela sem João" (Saturdays) and "Somos Portugal" (Sundays) led their time slots, with average shares of 24.4% and 31.4% respectively.

In sports, the 2012/2013 season of the Champions League ended. Broadcasted on FTA exclusively by TVI (with complementary programs in TVI24), the 15 matches aired posted an average audience share of 41.2%. At the end of August, the 2013/2014 season started, with the 3 matches broadcasted so far showing an average share of 35.4%.



TVI24, TVI's news channel, improved its relative position. Considering the three Portuguese news channels available in pay-tv, TVI24 got a share of 25.6%. Such figure improves up to 26.7% when taking into consideration the period when news programs are most watched (7pm to 1am).



In this period, TVI continued to strengthen its bouquet of channels, having launched +TVI on January 25th. This channel is mainly focused on entertainment and is distributed exclusively through the pay-tv platform ZON. We recall that TVI Ficção, focused on drama contents, and available only in MEO's pay-tv offering, was first aired on October 2012.

Notwithstanding the lower addressable audience available for each of these new channels when compared with other channels, both of them show interesting figures, with 260 thousand daily viewers for TVI Ficção (share of 0.5%) and 84 thousand (0.1%) for +TVI, in cable homes.



Within its internationalisation strategy, TVI continues to bet in the increase of the coverage of its groups of channels, namely TVI Internacional and TVI24, with the target markets being those with an important presence of Portuguese speaking communities.

Following this plan, in the first nine months of the year TVI Internacional reached 11 countries, 4 continents and 12 TV distribution platforms. This compares with 7 countries and 7 platforms at the end of 2012. TVI Internacional is currently present in Angola, Mozambique, Spain, France, Switzerland, Luxembourg, Andorra, Monaco, United States of America, Australia and New Zealand. The channels TVI24 and +TVI are present in Angola, Mozambique and Cape Verde (in the latter only TVI24).

Aiming at boosting the scope and rhythm of expansion, Media Capital has recently entered into an agreement with Onza Distribution, an international distributor with an experienced team, to enhance its internationalisation efforts. TVI's catalogue was presented, at the beginning of October, in MIPCOM.

## FINANCIAL PERFORMANCE

In what regards financial performance, and in spite of the difficult economic environment,

**operating revenues** in the TV segment increased by 2% (+4% YoY in the quarter).

**Advertising revenues** were down 14% versus last year (-3% YoY in Q3). Media Capital estimates the FTA (free-to-air) advertising market to have fallen by 13% in the first nine months of the year. In the quarter, and notably for the first time in many quarters, the estimates point towards a flat market YoY.

On the other hand, **other revenues** were up significantly (+37%, +43% in Q3'13), thus compensating for the poor performance of the advertising market.

**Opex** was down 1% YoY, resulting from the cost control that was put in place. On this regard, we highlight that TVI cut down its programming costs, mainly in domestic contents, as well as in sports ("Champions League" in 2013 vs. "Superliga" and "Euro

2012" in 2012). Such effort in savings was possible notwithstanding the impact stemming from the two new channels (TVI Ficção and +TVI). As regards the second quarter, opex was up by 12% YoY, impacted mostly by the increase of other revenues.

It is worth mentioning that a significant portion of TVI's programming costs – local drama – derives from in-house Group productions (Plural), therefore retaining the respective added value.

The combined evolution of revenues and costs resulted in an **EBITDA** of € 22.9 million, which compares with € 20.4 million in 9M'12 (+12%), with the corresponding margin expanding from 20.2% to 22.2% (+2.0pp). Third quarter's EBITDA reached € 6.0 million (-22% YoY), with the margin dropping 6.1pp to 18.2%.



### 3. Audiovisual Production

€ thousand	9M 2013	9M 2012	Var %	Q3 2013	Q3 2012	Var %
<b>Operating revenue</b>	<b>30,750</b>	<b>40,097</b>	<b>-23%</b>	<b>11,347</b>	<b>11,226</b>	<b>1%</b>
Advertising	0	0	0%	0	0	0%
Other revenues	30,750	40,097	-23%	11,347	11,226	1%
<b>Operating Expenses, ex D&amp;A</b>	<b>33,544</b>	<b>37,114</b>	<b>-10%</b>	<b>11,463</b>	<b>11,295</b>	<b>1%</b>
<b>EBITDA</b>	<b>(2,794)</b>	<b>2,983</b>	<b>N/A</b>	<b>(116)</b>	<b>(69)</b>	<b>-68%</b>
EBITDA margin	-9.1%	7.4%	-16.5pp	-1.0%	-0.6%	-0.4pp
Depreciation and amortisation	2,649	2,799	-5%	844	1,027	-18%
<b>Operating income (EBIT)</b>	<b>(5,443)</b>	<b>184</b>	<b>N/A</b>	<b>(960)</b>	<b>(1,096)</b>	<b>12%</b>

The Audiovisual Production segment reached total **operating revenues** of € 30.8 million, thus decreasing by 23%.

In Portugal, operating revenues came down 19% (+15% YoY in the quarter), due to a lower level of TV productions, despite the important increase observed in the international business (rendering of technical services and building of scenarios).

In Spain, there was also a decrease in operating revenues, mostly related with lower orders from generalist TV channels (but also, thematic and local channels).

As a consequence of the lower activity, **EBITDA** was also negatively affected, having reached € -2.8 million, that compares with € 3.0 million in 9M'12. In Q3, EBITDA reached € -116 thousand (vs. € -69 thousand in Q3'12).

The Group expects to increase the number of productions in the last months of the year. Coupled with the implementation of efficiency enhancing measures, this should translate into an improvement of this segment's operating performance in the last quarter.



## 4. Radio

€ thousand	9M 2013	9M 2012	Var %	Q3 2013	Q3 2012	Var %
<b>Operating revenue</b>	<b>10,294</b>	<b>9,943</b>	<b>4%</b>	<b>3,222</b>	<b>2,985</b>	<b>8%</b>
Advertising	9,779	9,343	5%	3,077	2,767	11%
Other revenues	516	599	-14%	144	218	-34%
<b>Operating Expenses, ex D&amp;A</b>	<b>8,391</b>	<b>8,596</b>	<b>-2%</b>	<b>2,914</b>	<b>2,805</b>	<b>4%</b>
<b>EBITDA</b>	<b>1,904</b>	<b>1,347</b>	<b>41%</b>	<b>308</b>	<b>181</b>	<b>70%</b>
EBITDA margin	18.5%	13.5%	4.9pp	9.6%	6.1%	3.5pp
Depreciation and amortisation	1,103	1,216	-9%	361	411	-12%
<b>Operating income (EBIT)</b>	<b>800</b>	<b>131</b>	<b>513%</b>	<b>(53)</b>	<b>(230)</b>	<b>77%</b>

Regarding the audiences of the radio market, as of the beginning of 2013 a new methodology was put in place. Amongst the several changes made, it is worth mentioning:

- i. the change of the universe of the study "Bareme Rádio", which now reflects the population data according with the 2011 census (with impacts in the following variables: age, occupational groups, and new so-called "Marktest regions");
- ii. the change in the period of analysis, going from 4 to 5 reports a year.

Hence, the values now published are not comparable with the ones available until the end of 2012.

Having that in mind, the audience data under the new methodology still emphasizes the good performance achieved by MCR.

The formats explored by MCR had a reach of **23.3% and a share of 33.5%** (being leader for the first time ever in this metric), with **Rádio Comercial** standing out, as it kept the leadership **with a reach of 15.8% (and a share of 23.0%)**, equivalent to a 3.4pp difference towards the second most listened to radio station (i.e. +27% listeners).

In turn, among the most listened to radio stations in Portugal, **m80** had an audience reach of 4.3% (share of 5.9%).

Concerning other formats, **Cidade FM** had an audience reach of 3.7% (share of 3.8%), ranking number one amongst youngsters.

As for the radio's digital presence, it is worth mentioning that Radio Comercial maintains its leading position as media brand, ranking number one as the Portuguese brand with more fans on Facebook (over 860 thousand).

Benefiting from the excellent audience performance over the last quarters, **advertising revenues** were up 5% YoY. Also following the trend seen in previous quarters, we estimate to continue to be gaining market share, as the market should have decreased by 17% until August (September data is not available yet). In the third quarter, advertising revenues were up 11% YoY, surely representing an outperformance vs. the market.

**Other operating revenues** fell by 14% YoY. However, the absolute figures are not materially relevant.

Regarding **opex**, it was down 2% (+4% YoY in the quarter), as a result of a constant optimization of MCR's cost structure.

Consequently, **EBITDA** for this segment was € 1.9 million (improving 41% vs. 9M'12), with a margin of 18.5% (+4.9pp). In Q3, EBITDA reached € 0.3 million (+70% YoY) and the margin was up 3.5pp to 9.6%.




**5. Others**


€ thousand	9M 2013	9M 2012	Var %	Q3 2013	Q3 2012	Var %
<b>Operating revenue</b>	<b>14,507</b>	<b>15,290</b>	<b>-5%</b>	<b>5,579</b>	<b>5,300</b>	<b>5%</b>
Advertising	2,160	2,203	-2%	671	654	3%
Other revenues	12,347	13,088	-6%	4,908	4,645	6%
<b>Operating Expenses, ex D&amp;A</b>	<b>13,379</b>	<b>15,497</b>	<b>-14%</b>	<b>5,644</b>	<b>5,492</b>	<b>3%</b>
<b>EBITDA</b>	<b>1,128</b>	<b>(207)</b>	<b>N/A</b>	<b>(65)</b>	<b>(192)</b>	<b>66%</b>
EBITDA margin	7.8%	-1.4%	9.1pp	-1.2%	-3.6%	2.5pp
Depreciation and amortisation	356	421	-15%	115	140	-18%
<b>Operating income (EBIT)</b>	<b>772</b>	<b>(628)</b>	<b>N/A</b>	<b>(180)</b>	<b>(333)</b>	<b>46%</b>

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

In Digital, the penetration of international players continues to mount, in parallel with the weight of social networks. Despite the increase in the competitive environment, MCD managed to improve the quality and audiences of its network of sites. As an example, TVI kept its leadership in the first nine months of the year, with a share of 41.2% in visits and 44.1% in page views, in both cases considering the universe of FTA TV sites.

MCD made great efforts 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 1.1 million downloads.

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

- The partnership agreed with Goodlife involving the exploration by the latter of the collective buying website planeo.pt;
- The partnership agreed with OLX – comprising the inclusion of its sites within the ones explored by MCD in terms of advertising;
- The new website Spot+ - a portal that aims at being the number one aggregator of contents available at the social networks of VIP's. Simultaneously with this digital product a TV show was also created;
- TVI 20 anos – a special website within the TVI's website containing content broadcasted by TVI since its inception;

- TVI Economia – integration of the website Agência Financeira within the economy/financial area of TVI24's website;
- Representing an unprecedented innovation in Portugal, the TV program "A Tua Cara Não Me é Estranha" (entertainment) had several interactive apps for iPad, iPhone Android and PC, that allowed viewers to play and actively participated in the program as it was aired;
- Big Brother VIP – A new *site* was developed, entirely oriented towards video, where it was possible to follow in real time all the action of this reality show;
- Big Brother VIP – new *app* for Windows 8 that allowed live viewing 24h a day. Paid app with an trial period;
- Big Brother VIP – interactive app for MEO (pay-tv operator) with many functionalities (e.g. watching best moments, exclusive cameras, voting, access to the program's facebook page, etc);
- Guimarães 2013 – Guimarães is the European Sports City of 2013. MCD's "Mais Futebol" is media partner of the event and is responsible for a special coverage of all the related sports activities;
- New website Mais Futebol – a website that adapts itself to different screens and platforms;
- Secret Story 4 – new website totally oriented to video, where it is possible to follow every minute of the most watched house in Portugal;
- Secret Story 4 – interactive app for MEO (pay-tv), which gives access to exclusive cameras as well as to participate in weekly voting;
- Blogs – new business line that explores the potential of the TV channel's stars. Two

are already online: dailyCristina.pt and jessyjames.pt;

- Website I Love It – the new TVI youth series;
- Website “Belmonte” – photos and videos of this novella, and many extras;
- Digital Activation – digital marketing that allows Media Capital to reach all sorts of public, as well as managing and differentiate its brands in the digital arena, by means of cross promotions and cross reference of the contents on-air with digital ones. Examples: bambylandia.pt and beinfiniteandawake.blogspot.pt

**Advertising revenues** were down 2% (+3% YoY in Q3). In spite of the strong performance by some of the projects (mainly the ones of TVI), that was not enough to offset the decrease in other sites and, above all, the

negative impact stemming from the new business model associated with the Plano project (although it also affects costs, in this case positively).

The behaviour of **other revenues** (-6%) was due to lower income from music & events, cinema & video and lower activity of B2B in digital.

**Opex** was down by 14% (+3% YoY in the quarter), resulting from savings across the board, as well as of the lower activity in the various areas / business units, on top of the aforementioned change in the business model of Planeo.

The **EBITDA** of the segment was € 1.1 million (€ -65 thousand in Q3'13), comparing with € -0.2 million in 9M'12 (€ -0.2 million in Q3'12).

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## 6. Consolidation Adjustments

€ thousand	9M 2013	9M 2012	Var %	Q3 2013	Q3 2012	Var %
<b>Operating revenue</b>	<b>(29,150)</b>	<b>(34,271)</b>	<b>15%</b>	<b>(11,041)</b>	<b>(10,122)</b>	<b>-9%</b>
Advertising	(165)	(256)	36%	(55)	(155)	64%
Other revenues	(28,985)	(34,015)	15%	(10,986)	(9,967)	-10%
<b>Operating Expenses, ex D&amp;A</b>	<b>(28,611)</b>	<b>(33,404)</b>	<b>14%</b>	<b>(10,891)</b>	<b>(9,540)</b>	<b>-14%</b>
<b>EBITDA</b>	<b>(539)</b>	<b>(867)</b>	<b>N/A</b>	<b>(150)</b>	<b>(583)</b>	<b>74%</b>
EBITDA margin	1.8%	2.5%	-0.7pp	1.4%	5.8%	-4.4pp
Depreciation and amortisation	0	0	0%	0	0	0%
<b>Operating income (EBIT)</b>	<b>(539)</b>	<b>(867)</b>	<b>N/A</b>	<b>(150)</b>	<b>(583)</b>	<b>74%</b>

Concerning **consolidation adjustments**, the values above reflect, to a large extent, the intra-group activity between TVI (Television) and Plural (Audiovisual Production).

The EBITDA figure results from the margin adjustments between, on one hand, TVI and, on the other hand, Plural and CLMC.

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## 7. Cash Flow

€ thousand	9M 2013	9M 2012	Var %	Q3 2013	Q3 2012	Var %
Receipts	165,247	156,488	6%	57,873	50,861	14%
Payments	(165,003)	(155,598)	-6%	(58,121)	(46,259)	-26%
<b>Cash flows op. activities (1)</b>	<b>244</b>	<b>890</b>	<b>-73%</b>	<b>-248</b>	<b>4,602</b>	<b>N/A</b>
Receipts	7,557	2,525	199%	5,055	259	1853%
Payments	(3,596)	(5,197)	31%	(323)	(1,194)	73%
<b>Cash flows inv. activities (2)</b>	<b>3,961</b>	<b>-2,672</b>	<b>N/A</b>	<b>4,733</b>	<b>-935</b>	<b>N/A</b>
Receipts	84,729	155,233	-45%	21,635	45,118	-52%
Payments	(96,817)	(163,090)	41%	(25,766)	(49,568)	48%
<b>Cash flows fin. activities (3)</b>	<b>-12,088</b>	<b>-7,857</b>	<b>-54%</b>	<b>-4,131</b>	<b>-4,450</b>	<b>7%</b>
Cash at the beginning of the period	10,790	11,813	-9%	2,534	2,957	-14%
Variation of cash (4) = (1) + (2) + (3)	(7,882)	(9,639)	18%	353	(783)	N/A
Effect of FX variations	(25)	5	N/A	(4)	5	N/A
<b>Cash at the end of the period</b>	<b>2,884</b>	<b>2,178</b>	<b>32%</b>	<b>2,884</b>	<b>2,178</b>	<b>32%</b>

**Cash flow from operating activities** was € 244 thousand, comparing with € 890 thousand in the first nine months of 2012. This variation includes a non-recurrent payment (made in 9M'12) totalling € 3.9 million, regarding a litigation process dating from 2003, related to transmitter of the analogue broadcasting network (RETI). Finally, in 2013 operating cash flow related with corporate tax € 11.1 million lower than last year's (i.e. more tax paid out this year), something that should be taken as non-recurrent going forward.

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 in the last quarter of the year.

**Cash flow from investing activities** was € 4.0 million, which compares with € -2.7 million in 9M'12. The cash outflow related with tangible and intangible was € -2.1 million, slightly above the € -1.9 million observed in 9M'12, thus signalling the Group's effort in having capex under strong scrutiny.

**Cash flow from financing activities** was negative and amounted to € -12.1 million, reflecting the movements of both operating and investing activities, as well as the dividends paid out (€ 11.3 million, vs. € 5.8 million in 2012).



## 8. Net Debt

€ thousands	Sep 13	Dec 12	Abs Var	% Var
<b>Group financial debt</b>	<b>125,044</b>	<b>113,375</b>	<b>11,669</b>	<b>10%</b>
Bank loans / Commercial paper	122,312	110,235	12,077	11%
Other debt	2,731	3,140	(409)	-13%
<b>Cash &amp; equivalents</b>	<b>2,884</b>	<b>10,790</b>	<b>(7,907)</b>	<b>-73%</b>
<b>Net debt</b>	<b>122,160</b>	<b>102,584</b>	<b>19,576</b>	<b>19%</b>

In what concerns **net debt**, it has increased by 19% or € 19.6 million vs. the end of 2012, standing at the end of September at € 122.2 million. It is worth mentioning that leasings, which amount to € 2.7 million, are included in the figure above. Financial debt **adjusted** for the loans to Promotora de Informaciones, S.A. **reached € 119.2 million** at the end of the

period, comparing with € 99.1 million at the end of last year, thus putting Media Capital in a comfortable capital structure. As referred to in the comments made to the operating cash flow, the seasonality effect as well as the fact that the dividends have already been paid out should translate into a relevant reduction of net debt by the end of the year.

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBRE 2013 AND 31 DECEMBER 2012

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>30.09.2013</u>	<u>31.12.2012</u>
<b>NON-CURRENT ASSETS:</b>		
Goodwill	153,568	153,568
Intangible assets	16,192	18,486
Tangible fixed assets	17,646	21,616
Investments in associates	1,648	1,592
Assets held for sale	8	8
Transmission rights and TV programs	52,181	50,407
Other non-current assets	4,178	4,758
Deferred income tax assets	4,665	4,669
	<u>250,084</u>	<u>255,103</u>
<b>CURRENT ASSETS:</b>		
Transmission rights and TV programs	28,821	29,500
Inventories	108	187
Trade and other account receivable	45,938	40,908
Current tax assets	199	141
Other current assets	14,313	14,653
Cash and cash equivalents	2,884	10,790
	<u>92,263</u>	<u>96,179</u>
<b>TOTAL ASSETS</b>	<u><u>342,347</u></u>	<u><u>351,282</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY:</b>		
Share capital	89,584	89,584
Reserves	25,224	24,569
Profit for the period	5,506	11,939
Equity attributable to controlling interests	<u>120,314</u>	<u>126,092</u>
Total Equity	<u>120,314</u>	<u>126,092</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Borrowings	71,058	86,319
Provisions	6,601	7,727
Deferred income tax liabilities	1,599	1,598
	<u>79,257</u>	<u>95,644</u>
<b>CURRENT LIABILITIES:</b>		
Borrowings	53,986	27,056
Trade and other payables	54,159	53,071
Current tax liabilities	427	6,373
Other current liabilities	34,204	43,046
	<u>142,775</u>	<u>129,546</u>
Total liabilities	<u>222,033</u>	<u>225,190</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>342,347</u></u>	<u><u>351,282</u></u>

GRUPO MEDIA CAPITAL, S.G.P.S, S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
30 SEPTEMBRE 2013 AND 2012
(Amounts stated in Euro thousand)

	9 months ended		3 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
<b>OPERATING REVENUES:</b>				
Services rendered	84,459	97,292	27,637	28,494
Sales	991	1,414	273	238
Other operating revenue	44,067	33,428	14,253	12,484
Total operating revenue	129,518	132,134	42,162	41,216
<b>OPERATING EXPENSES:</b>				
Cost of programs broadcasted and goods sold	(20,371)	(17,735)	(5,120)	(5,826)
Subcontrats and third party supplies	(50,053)	(50,275)	(18,627)	(16,033)
Payroll expenses	(38,147)	(40,407)	(12,519)	(13,259)
Depreciation and amortization	(7,185)	(8,593)	(2,276)	(2,909)
Provisions and impairment losses	803	681	(65)	1,146
Other operating expenses	828	(751)	152	(175)
Total operating expenses	(114,124)	(117,081)	(38,455)	(37,056)
Net operating profit	15,393	15,053	3,707	4,160
<b>FINANCIAL EXPENSES:</b>				
Financial expense	(7,148)	(7,120)	(2,506)	(2,336)
Financial income	546	188	38	22
Finance costs, net	(6,602)	(6,931)	(2,467)	(2,314)
Gains (losses) on associated companies, net	45	-	(52)	-
Profit before tax	8,837	8,122	1,188	1,846
Income tax expense	(3,331)	(2,668)	(1,135)	(444)
Consolidated net profit for continued operations	5,506	5,454	54	1,401
Attributable to:				
Equity holders of the parent	5,506	5,454	54	1,401
<b>Earnings per share (Euros)</b>				
Basic	0.0651	0.0645	0.0006	0.0166
Diluted	0.0651	0.0645	0.0006	0.0166

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBRE 2013 AND 2012
(Amounts stated in Euro thousand)

	<u>30.09.2013</u>	<u>30.09.2012</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	165,247	156,488
Cash paid to suppliers	(82,703)	(86,497)
Cash paid to employees	<u>(38,950)</u>	<u>(41,734)</u>
Cash generated from operations	43,594	28,257
Cash received/(paid) relating to income tax	(9,709)	1,409
Other cash received/(paid) relating to operating activities	<u>(33,641)</u>	<u>(28,775)</u>
Net cash from operating activities (1)	<u>244</u>	<u>890</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
Business concentrations	26	-
The sale of subsidiaries	-	1,512
Disposal of fixed tangible assets	48	78
Dividends	-	302
Interest and similar income	607	199
Loans granted	<u>6,876</u>	<u>434</u>
	<u>7,557</u>	<u>2,525</u>
Payments resulting from:		
Business concentrations	-	(996)
Acquisition of tangible assets	(2,101)	(1,916)
Acquisition of intangible assets	-	(11)
Loans granted	<u>(1,494)</u>	<u>(2,274)</u>
	<u>(3,596)</u>	<u>(5,197)</u>
Net cash from /(used in) investing activities (2)	<u>3,961</u>	<u>(2,672)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	<u>84,729</u>	<u>155,233</u>
Cash paid relating to:		
Borrowings	(77,923)	(148,671)
Leases	(968)	-
Interest and other similar expenses	(5,123)	-
Dividends	(11,325)	-
Other financial expenses	<u>(1,478)</u>	<u>-</u>
	<u>(96,817)</u>	<u>(148,671)</u>
Net cash from/(used in) financing activities (3)	<u>(12,088)</u>	<u>6,562</u>
Cash and equivalents at the beginning of the period	10,790	11,813
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(7,882)	(9,639)
Exchange rate effect	(25)	5
Cash and equivalents at the end of the period	2,884	2,178