



First Half 2012 Results

Grupo Media Capital, SGPS, S.A.

NOTE:

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



- Audience leader since 2005
- Audience leader in the main genres (news, national drama, entertainment) and in the main time slots



- New programming strategy and positioning, coupled with a renewed and reinforced offer and strong audience growth
- Main multimedia screen in Portugal



- Radio station audience leader in Portugal
- MCR's radios associated with the main musical events of the year



- Content partnership with Microsoft
- Renewal of IOL
- Launch of IOL Push
- Launch of MaisFotos
- Launch of Futebol Brasil
- Renewal of AB Motor



- Undisputed audience leadership in the drama formats produced
- Internationalisation of technical production services



- National Surf Championship – Liga Meo Pro Surf

Media Capital's brands and contents have a strong presence on the internet and on social networks

- TVI leader in TV channels online presence, with 180.5 million *pageviews* in H1'12
- Series "Morangos com Açúcar": more than 237 thousand monthly active users on Facebook
- New tool – Social Reader – for the editorial sites of Media Capital Digital (MCD)
- Rádio Comercial also leads on Facebook (more than 548.000 fans)
- Over 500 thousand *downloads* of the Group's *apps*
- Grupo Media Capital with over 5.9 million monthly unique browsers in 2012 (+10% vs 2011)

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FIRST HALF 2012 RESULTS

Grupo Media Capital registered an EBITDA margin of 18.2%

- Operating revenues were € 90.9 million (-23%)
- **Advertising revenues** of € 57.6 million, 18% below the comparable period.
- According to Marktest/Kantar Media data, **TVI** continued to rank number one on FTA audiences by a considerable lead, in all day and in the main time slots as well as in the main genres - national drama, news and entertainment. TVI was also the only FTA channel improving its audience, with a 1.3% growth relative to H1'11. The Television segment obtained an EBITDA margin of 18.3% in H1'12 (corresponding to € 12.7 million).
- **Audiovisual Production** activity registered a 31% decrease in its operating revenues while EBITDA fell 12% to € 3.1 million in H1'12, corresponding to a 10.6% margin. Excluding the effects related to changes in the consolidation perimeter, EBITDA would have increased on a YoY comparison. Technical production services successfully internationalised its activity.
- In **Radio**, the main highlight goes to Radio Comercial, as it achieved audience leadership for the first time, with an audience reach of 14.1%, corresponding to almost 1.2 million listeners and a 32% growth (vs H1'11) and to m80, the leader among radios without national coverage. The Group's radios accomplished their highest aggregate audience level ever (21.4%) and improved their advertising share.
- In the **Digital** segment, it is worth mentioning (i) the business area rebranding (from MCM to MCD); (ii) the partnership with Microsoft, for the provision of TVI and TVI24's video contents in MSN's portal; (iii) the renewal of IOL, with new features, new design, new image and more content; (iv) IOL Push – a news service; (v) MaisFotos; and (vi) the renewal of AB Motor. MCD also reinforced the production of digital content to multiple platforms and devices.

Queluz de Baixo, July 23, 2012



1. Consolidated P&L

€ thousand	1H 2012	1H 2011	% Var	Q2 2012	Q2 2011	% Var
Total operating revenue	90,918	118,007	-23%	50,874	64,457	-21%
Television	69,248	77,615	-11%	39,795	41,942	-5%
Audiovisual Production	28,871	42,049	-31%	13,536	22,773	-41%
Entertainment	2,265	7,303	-69%	1,161	3,777	-69%
Radio	6,957	7,504	-7%	3,971	4,132	-4%
Digital & Others	7,860	8,568	-8%	3,880	4,199	-8%
Cons. Adjustments	(24,283)	(25,031)	3%	(11,469)	(12,366)	7%
Total operating expenses ex-D&A	74,341	95,656	-22%	38,510	48,933	-21%
EBITDA	16,578	22,351	-26%	12,364	15,525	-20%
EBITDA Margin	18.2%	18.9%	-0.7pp	24.3%	24.1%	0.2pp
Television	12,659	18,434	-31%	10,228	13,034	-22%
Audiovisual Production	3,052	3,477	-12%	966	2,164	-55%
Entertainment	203	(225)	N/A	357	(132)	N/A
Radio	1,166	1,434	-19%	1,043	1,272	-18%
Digital & Others	(217)	(194)	-12%	(255)	(226)	-13%
Cons. Adjustments	(285)	(575)	50%	24	(587)	N/A
Depreciation and amortisation	5,684	5,758	-1%	2,854	2,903	-2%
Operating income (EBIT)	10,894	16,594	-34%	9,509	12,622	-25%
Financial results	(4,617)	(2,056)	-125%	(2,048)	(1,278)	-60%
Profit / (Loss) before inc. tax/ no contrl. Int.	6,276	14,538	-57%	7,462	11,344	-34%
Income tax	(2,224)	(4,307)	48%	(2,455)	(3,298)	26%
Profit / (Loss) from continued operations	4,053	10,231	-60%	5,007	8,046	-38%
No Controlling interests	0	(472)	100%	0	(211)	100%
Net profit / (loss) for the period	4,053	9,758	-58%	5,007	7,835	-36%

In the first half of 2012 (1H'12) Media Capital reports **consolidated revenues** of € 90.9 million, down 23% on a YoY comparison. In Q2'12, the YoY variation was -21%.

Consolidated EBITDA decreased 26% to € 16.6 million, with a margin of 18.2%, only 0.7pp below the comparable period due to a strong reduction in operating costs. In the

quarter, EBITDA reached € 12.4 million, 20% above last year while EBITDA margin improved to 24%.

EBIT decreased 34% to € 10.9 million in H1'12 (€ 9.5 million in Q2'12), whereas **net profit** was € 4.1 million (€ 9.8 million in 1H'11), penalised by a higher effective tax rate.



€ thousand	1H 2012	1H 2011	% Var	Q2 2012	Q2 2011	% Var
Operating revenue	90,918	118,007	-23%	50,874	64,457	-21%
Advertising	57,598	70,670	-18%	32,306	39,549	-18%
Other revenues	33,320	47,337	-30%	18,567	24,908	-25%

Concerning operating revenues in H1'12, **advertising** was down 18%, mostly due to the weight of the Television segment, which decreased 21% (these variations were the same regarding Q2'12 vs Q2'11). The radio segment fell by -2% in H1'12 (-3% in Q2'12), whereas the Digital and Others segment

decreased 9% on a YoY comparison (-12% in Q2'12).

As far as the **advertising market** is concerned, the available information points towards an overall 19% downturn until May.

Consolidated **other revenues** were down by 30% vs H1'11 (-25% YoY in Q2'12), strongly impacted by the Audiovisual Production (changes in the consolidation perimeter) and Entertainment segments.

In what regards **consolidated operating costs**, these were down 22% (-21% YoY in Q2'12), as a result of (i) the lower activity in the Audiovisual Production and Entertainment segments and (ii) efficiency gains across the organization.

In H1'12 **consolidated financial results** went from € - 2.1 million to € -4.6 million and in Q1'12 this value fell from € -1.3 million to € - 2.0 million. Both these variations were due to higher interest rates.

Consolidated net results reached € 4.1 million, which compares to € 9.8 million in H1'11, as a consequence of both operating and financial results. In Q2'12, net results were € 5 million, 36% below the comparable period.

Television

€ thousand	1H 2012	1H 2011	Var %	Q2 2012	Q2 2011	Var %
Operating revenue	69,248	77,615	-11%	39,795	41,942	-5%
Advertising	49,574	62,920	-21%	27,795	35,108	-21%
Other revenues	19,674	14,694	34%	11,999	6,834	76%
Operating Expenses, ex D&A	56,590	59,180	-4%	29,567	28,909	2%
EBITDA	12,659	18,434	-31%	10,228	13,034	-22%
EBITDA margin	18.3%	23.8%	-5.5pp	25.7%	31.1%	-5.4pp
Depreciation and amortisation	2,826	3,001	-6%	1,371	1,515	-10%
Operating income (EBIT)	9,833	15,433	-36%	8,857	11,519	-23%

The Television segment includes TVI as well as Publipartner, the Group's marketing management company created to develop

advertising related revenue. The largest proportion of its advertising investment is on TVI.

1st Half 2012	All-Day (%)	Prime-Time (%)
RTP1	19.3	17.7
RTP2	3.4	3.2
SIC	22.4	24.2
TVI	26.7	30.1
Cabe / Others	28.2	24.9

Source: Marktest / Kantar Media, market for generalist and thematic channels

During the first six months of 2012, TVI confirmed itself as the most watched TV channel, as it registered an average audience share of 26.7%, according to Marktest Audimetria/Kantar Media data, thus clearly ahead of the second player, which reached a share of 22.4%. The channel ranking in the third position posted an audience share of 19.3%. The combined share of cable channels and other means of TV consumption (gaming, OTT, non-linear, etc) was 28.2%.

In H1'12, TVI is the only generalist channel that improves its position relatively to last year's

comparable period, with 1.3% more of audience share. In prime-time, TVI was the most watched channel, comprising 30.1% of total TV consumption, i.e. 5.9pp above the number two TV station (which obtained 24.2%), while in line with the performance observed in H1'11.

TVI also was the only channel to get an average audience share above 1 million viewers during prime-time in H1'12.

In the period under analysis, all-day TV consumption improved by 0.8%, whereas in

prime-time the variation was higher (2.1%), part of which justified by the EURO 2012 event.

During the 1H12, TVI kept its typical programming mix: a strong foothold in national drama (24% of the volume), news (22.8%), while entertainment was responsible for 23%.

TVI's evening programming was based on **drama**, having started the year with the premier of "**Doce Tentação**", which reached, in H1'12, an average audience of 1.1 million viewers, corresponding to a share of 31.5% (33.8% in Housewives).

With its debut in May, the soap "**Louco Amor**" had a leading average share of 33.9% (35.6% in Housewives). It replaced "**Anjo Meu**", which had started in 2011, and posted an average share of 31.8% in the episodes broadcasted in 2012.

Also in H1'12, the soap "**Remédio Santo**" continued to be broadcasted, with average daily viewers amounting to 933 thousand (32.3% share).

At the end of afternoons, TVI kept broadcasting the juvenile series "**Morangos com Açúcar**", posting an average audience share of 40.7% among individuals aged between 4 and 24 years-old (core target).

In **News**, H1'12 was particularly important, as the two main news programs ranked number one in their respective time slots: at lunch, "**Jornal da Uma**" had an average share of 29%, i.e. 5.7pp over H1'11.

At dinner time, "**Jornal das 8**", whose format dates back to May 2011, also led with a 26.4% share, 14.7% more on a YoY basis.

CHANNEL	NEWS PROGRAM	VIEWERS	SHARE %
TVI	JORNAL DAS 8	973.540	26.4
SIC	JORNAL DA NOITE	925.670	25.3
RTP1	TELEJORNAL	920.040	25.8
TVI	JORNAL DA UMA	576.860	29,0
RTP 1	JORNAL DA TARDE	548.510	27.4
SIC	PRIMEIRO JORNAL	505.600	26.6

Source: *Markttest Audimetria/Kantar Media, Generalist TV channels and thematic channels*

As in the past several years, TVI again broadcasted a considerable number of investigative reporting news programs (22 to be exact) under the brand "**Repórter TVI**", with an average share of 30.5%.

In **football**, the Portuguese League matches broadcasted obtained an average share of 40.2%. Also important was the **EURO 2012**, with TVI broadcasting 6 matches average share of 44.3% (53% in males).

In **Entertainment** the big blockbuster was "**A Tua Cara Não me é Estranha**". Broadcasted on Sunday evenings, two seasons were aired, with the third one going until the end of July.

The first season obtained a leading share of 51.1% (1.5 million individuals), the same happening to the second one (50.5%), thus both clearly outpacing the competition.

The table below is self-explanatory in demonstrating the extraordinary reach of this program across a wide range of commercial targets.

"A TUA CARA NÃO ME É ESTRANHA" – AUDIENCE SHARE ACROSS TARGETS

TARGETS	Univero	Housewives	A/B	C1	C2	D	Male	Female
Season I	51.1	53.9	35.9	50.9	53.2	59.5	45.0	55.9
Season II	50.5	54.3	33.1	47.0	51.3	64.6	44.4	55.4
Average	50.8	54.1	34.5	49.0	52.3	62.1	44.7	55.6

TARGETS	Universe	4/14	15/24	25/34	35/44	45/54	55/64	64+ A
Season I	51.1	51.1	50.1	39.5	48.5	50.0	56.9	60.1
Season II	50.5	53.2	39.9	37.3	42.1	47.1	59.8	67.3
Average	50.8	52.2	45.1	38.5	45.5	48.6	58.3	63.7

Source: *Markttest Audimetria/Kantar Media; market for generalist and thematic channels. Values in %.*

Still in the entertainment genre, in this first half of the year, TVI had yet again a winning format: on weekend afternoons **"Somos Portugal"**, a live program aimed at promoting Portuguese music and regional culture across the country, had 8 shows with an average audience share of 28% (30% in Housewives).

In the mornings, **"Você na TV"** continued to win by a strong lead, by posting a share of 34.7% (37.8% in Housewives).

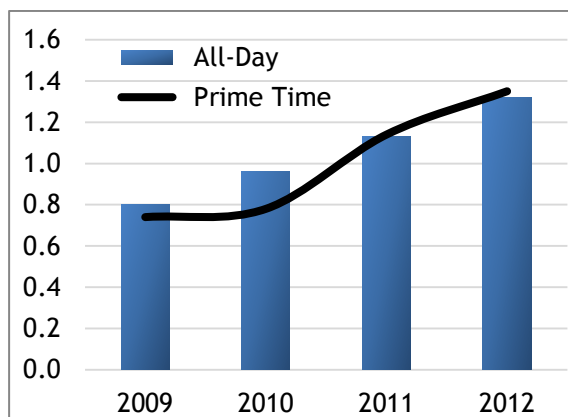
On weekdays afternoons, the program **"A Tarde é Sua"**, achieved the number one ranking, with an average share of 21.6%.



This first half was quite important for TVI24, the Group's channel specialised in news and present in all pay-tv platforms.

Its all-day audience share in the period was 1.3%, whereas between 19.00 and 25.00 hours it registered a share of 1.4%. Average daily contact was 12.5 thousand viewers per minute, with a total daily audience (with no duplications) of 877 thousand individuals.

Such values reflect a growing pattern since the launch of the channel, which took place in February 2009. This can be depicted in the following graph:



Source: Marktest Audimetria/Kantar Media; market for cable and IPTV. Values in %.

In the digital arena, the value proposal by TVI24 also had positive developments, by assuming itself as the country's main multimedia screen. On top of having the site tvi24.pt registering record audience figures, its video contents and apps for several platforms and devices also posted unmatched record figures.

OTHER MARKETS - TVI24 AND TVI INTERNACIONAL

During the first six months of the year, the international distribution of both TVI24 and TVI Internacional continued to show increasing penetration with over 250 thousand subscribers (TVI Internacional and TVI24) at the end of June.

Launched in May 2010, TVI Internacional offers a wide variety of TVI and TVI24 best programming in Portuguese. Available in Africa until the end of 2011, in 2012 it extended its reach to Europe, namely Andorra, Luxembourg, France and Switzerland.

FINANCIAL PERFORMANCE

In terms of financial performance, and given the difficult economic environment, the TV segment saw its operating revenues falling 11% (-5% YoY in Q2). **Advertising** revenues came 21% lower than in 2011 (-19.2% excluding the elections effect in H1'11). Media Capital estimates the FTA advertising market to have fallen by approximately 22% YoY. In the quarter, advertising revenues also stood 21% below last year's figure (-19% excluding elections), also on a YoY basis. In the same period, the Group estimates the FTA market to have decreased by 18%.

Other **operating revenues** were up 34%. We highlight the performance achieved by multimedia services, as well as the booking of the capital gain resulting from the sale of RETI, which materialised in the second quarter. In the said period, this line of revenues increased by 76% YoY.

In the first half of the year, **operating costs** were 4% lower when compared with the figures of H1'11, driven by a strict sense of cost control. Always keeping in mind the need to have the best contents, TVI cut down its programming costs, especially in what regards international ones (series and, above all, motion pictures), as well as national contents (drama and entertainment) and news, notwithstanding the adverse effects concerning FX differences and the impact of the EURO 2012. In the quarter, opex was up by 2% YoY, although this evolution was the result of the non-recurring provisions and the costs

associated with the EURO 2012. Excluding these two effects, opex would have decreased.

It is worth mentioning that a significant portion of TVI's programming costs – national 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 € 12.7 million, which compares with € 18.4 million in H1'11. The EBITDA margin went from 23.8% to 18.3%. In Q2, EBITDA reached € 10.2 million (-22%), with the margin falling 5.4pp towards 25.7%.



2. Audiovisual Production

€ thousand	1H 2012	1H 2011	Var %	Q2 2012	Q2 2011	Var %
Operating revenue	28,871	42,049	-31%	13,536	22,773	-41%
Advertising	0	0	0%	0	0	0%
Other revenues	28,871	42,049	-31%	13,536	22,773	-41%
Operating Expenses, ex D&A	25,819	38,572	-33%	12,570	20,609	-39%
EBITDA	3,052	3,477	-12%	966	2,164	-55%
EBITDA margin	10.6%	8.3%	2.3pp	7.1%	9.5%	-2.4pp
Depreciation and amortisation	1,773	1,452	22%	942	745	26%
Operating income (EBIT)	1,279	2,025	-37%	24	1,419	-98%

Variations observed in this segment are the result not only of the ordinary activity of its companies but also of the change observed in the segments' consolidation perimeter.

As of January 1st 2012, the stake in Factoría went from 51% to 15%, resulting in the deconsolidation of both Factoría and its participated company CHIP. They are now considered associated companies. Also recall that Socater and Productora Canaria de Programas (owned 40% each) which are, from the end of 2011 and resulting from the agreements reached with the remaining shareholders of both companies, out of Grupo Media Capital's consolidated accounts.

The Audiovisual production segment reached total **operating revenues** of € 28.9 million, decreasing 31% (-41% in Q2'12).

As for the operations in Portugal during H1'12, overall operating revenues increased close to a

two digit rate, due to higher revenues from television productions and to the internationalisation of the production services and technical support (especially from April to June).

Regarding operations in Spain, operating revenues were down. Aside from the aforementioned deconsolidation impact, this negative variation was due to (i) a reduction in volume production, (ii) the absence of revenues from the cinema activity and (iii) the decrease in revenues in Miami. This same reasoning is applicable to Q2'12 vs Q2'11.

As a result of all of the abovementioned factors and to the absence of subsidies to cinema activity (vs H1'11), **EBITDA** was down 12% to € 3.1 million, with the margin increasing 2.3pp to 10.6%. The variation in Q2'12 reflects these same effects.



3. Radio

€ thousand	1H 2012	1H 2011	Var %	Q2 2012	Q2 2011	Var %
Operating revenue	6,957	7,504	-7%	3,971	4,132	-4%
Advertising	6,576	6,687	-2%	3,776	3,884	-3%
Other revenues	381	817	-53%	195	248	-21%
Operating Expenses, ex D&A	5,791	6,070	-5%	2,928	2,860	2%
EBITDA	1,166	1,434	-19%	1,043	1,272	-18%
EBITDA margin	16.8%	19.1%	-2.3pp	26.3%	30.8%	-4.5pp
Depreciation and amortisation	805	968	-17%	404	479	-16%
Operating income (EBIT)	361	466	-23%	639	793	-19%

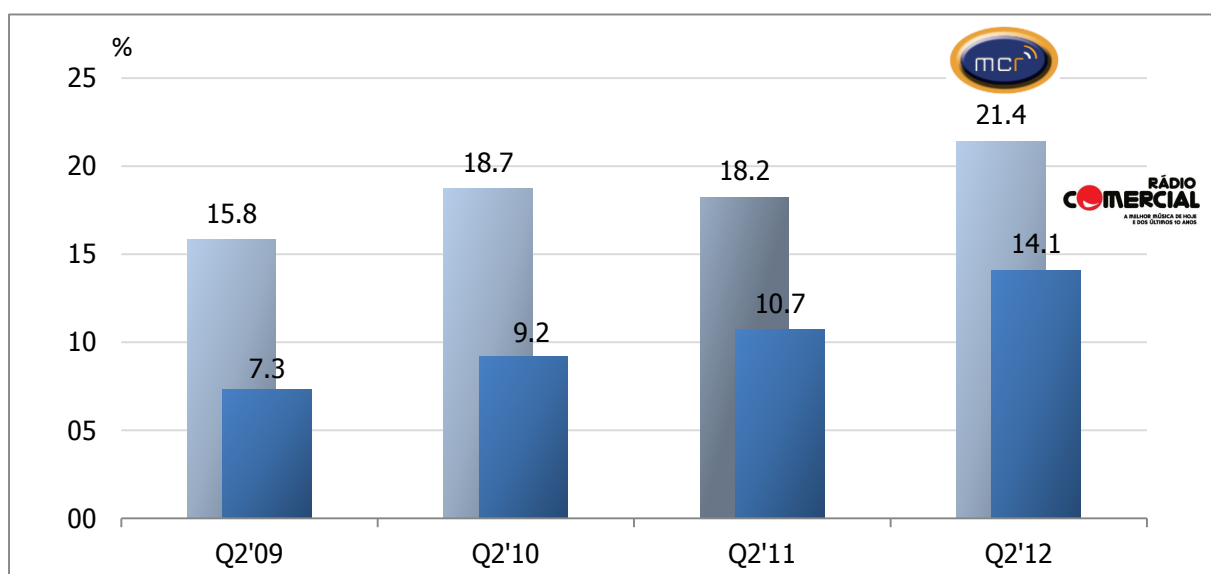
The data on radio audiences, measured through Bareme, kept showing an outstanding performance for MCR's radio formats.

The formats explored by MCR had an **aggregate audience share of 29.8%** in Q2'12. In terms of **audience reach (AAV)**, a more interesting metric as it reflects radio consumption, the data was equally encouraging (21.4%), mainly due to the performances of (i) Radio Comercial, which posted an AAV of 14.1% (+32% than in the previous year) and became market leader for the first time ever, with almost 1.2 million listeners and (ii) m80, that continued its growth path, reaching an AAV of 4.7% in H1'12, (its highest ever) corresponding to an 8% increase on a YoY comparison. It is worth mentioning that of the

4 most listened to radios in Portugal, m80 is the only one with no national network coverage. Also, audience gains are especially relevant in the most critical commercial targets.

MCR's radios partnered with the main musical events throughout the country, associating their brands to the concerts of well-known artists such as Simple Minds, Michel Teló, James Morrison, Virgem Suta, Mónica Ferraz, Coldplay, Madonna, Sting or Stacey Kent and the show Spirit of the Dance, among others. During H2'12, with special emphasis on the music festivals in the summer, MCR's radios are expected to maintain leadership in this important area of the radio business.

Audience Reach (%)



Source: Marktest. Note: The quarterly evolution for the aggregate of MC Radios is not fully comparable, given the changes made in the radio formats. Q2'12 data includes Rádio Comercial, "m80", "Cidade FM" and "Smooth FM".

MCR **advertising revenues** were down 2% on a YoY comparison (-3% YoY in Q2'12). MCR

estimates to have once again improved its market share among advertisers.

Other operating revenues fell by 53% (-21% in Q2'12), as a result of non-recurrent revenues.

Total **cost expenses** decreased 5% (+2% in Q2'12) in H1'12, as a result of a constant optimization of MCR's cost structure.

As a consequence, **EBITDA** for this segment was € 1.2 million (-19%), with a margin of 16.8%. In Q2'12, EBITDA was € 1 million, 18% below the comparable period.

4. Entertainment

€ thousand	1H 2012	1H 2011	Var %	Q2 2012	Q2 2011	Var %
Operating revenue	2,265	7,303	-69%	1,161	3,777	-69%
Music & Events	1,707	1,557	10%	907	804	13%
Cinema & Video	557	5,746	-90%	254	2,973	-91%
Operating Expenses, ex D&A	2,062	7,527	-73%	804	3,909	-79%
EBITDA	203	(225)	N/A	357	(132)	N/A
EBITDA margin	9.0%	-3.1%	12.0pp	30.7%	-3.5%	34.2pp
Depreciation and amortisation	43	64	-32%	21	31	-33%
Operating income (EBIT)	160	(288)	N/A	336	(163)	N/A

The entertainment segment includes the music edition and distribution, music publishing, artists booking and event production activities, as well as the cinema and video distribution business of CLMC – Multimédia.

Operating revenues in this segment decreased 69%, with the Music & Events activity increasing 10% (+13% in Q2'12) and the Cinema and Video activity decreasing 90% (-91% in Q2'12). Regarding the latter, its activity was discontinued and therefore commercial actions were taken in order to maximize the return on the existing rights.

In the **Music & Events** business, despite the structural fall in the physical market (no final data available, but estimated at a relevant two

digit fall), CD net sales were up 4% (-21% in Q2'12), mostly due to returns registered in H1'11. Regarding other revenues, it is worth highlighting the increase in revenues from the events activity (namely the National Surf Championship – Liga Meo Pro Surf and m80's five years party), having the remaining items stayed below H1'11.

Operating costs in this segment fell by 73% (-79% in Q2'12), resulting from a strong decrease in activity level.

Consolidated **EBITDA** for the segment was € 203 thousand, which compares to € -225 thousand in H1'11. In Q2'12 EBITDA was € 357 thousand, with a margin of 30.7%.

5. Digital and Others



€ thousand	1H 2012	1H 2011	Var %	Q2 2012	Q2 2011	Var %
Operating revenue	7,860	8,568	-8%	3,880	4,199	-8%
Advertising	1,549	1,709	-9%	788	899	-12%
Other revenues	6,312	6,859	-8%	3,092	3,300	-6%
Operating Expenses, ex D&A	8,078	8,762	-8%	4,134	4,425	-7%
EBITDA	(217)	(194)	-12%	(255)	(226)	-13%
EBITDA margin	-2.8%	-2.3%	-0.5pp	-6.6%	-5.4%	-1.2pp
Depreciation and amortisation	238	273	-13%	117	133	-12%
Operating income (EBIT)	(455)	(467)	3%	(372)	(359)	-3%

Digital operations, shared services and central holding costs are included in this segment.

During Q2'12 MCD underwent a rebranding (to MCD), which aimed at reflecting and reinforcing its mission and positioning as the Group's digital transformation agent.

In 2012, the presence of global competitors in the Portuguese market has increased, as well as the use of social networks. Despite this intensification of the competitive environment, MCD – through efforts to increase traffic – improved the quality of the audiences on its websites network while enhancing advertising revenues. It has registered a significant boost in its audiences, according to page views and unique browsers indicators.

MCD has been making great efforts to innovate and improve its digital contents, already available in multiple platforms (Apple, Nokia, Android and Samsung) and devices (smartphones, tablets and smart tvs), having already developed 20 apps to several of the Group's brands, that registered more than 500.000 downloads.

Some of the key projects during Q2'12 were:

- Partnership with Microsoft, to make TVI and TVI24's main video contents (in entertainment, news and sports) available

in MSN portal, which is already a success as it doubled video visualizations in MSN.

- Renewal of IOL - new features, new *design*, new image and more content.
- IOL Push – service that provides the best news selection of the day and aims at being a reference in digital news in Portugal.
- MaisFotos – website exclusively dedicated to sports photography worldwide.
- Renewal of AB Motor – new design and new features for this auto, motor and boat buying and selling website.
- Launch of two new advertising solutions of large impact.

Advertising revenues decreased 9% (-12% in Q2'12), with the increase in some of the projects not being able to compensate the losses resultant from the end (in Q3'11) of the commercial partnership with MySpace.

Intra-group transactions justify not only the variation of **other revenues** (-8% in H1'12 and -6% in Q2'12) but also the decrease in **operating costs** when comparing to H1'11.

EBITDA for this segment was negative by € 217 thousand (almost the same as in H1'11). Regarding EBITDA for Q2'12, it was also similar to the one registered in the previous year.



6. Consolidation Adjustments

€ thousand	1H 2012	1H 2011	Var %	Q2 2012	Q2 2011	Var %
Operating revenue	(24,283)	(25,031)	3%	(11,469)	(12,366)	7%
Advertising	(101)	(646)	84%	(53)	(342)	84%
Other revenues	(24,182)	(24,384)	1%	(11,416)	(12,024)	5%
Operating Expenses, ex D&A	(23,999)	(24,456)	2%	(11,494)	(11,779)	2%
EBITDA	(285)	(575)	N/A	24	(587)	N/A
EBITDA margin	1.2%	2.3%	-1.1pp	-0.2%	4.7%	-5.0pp
Depreciation and amortisation	0	0	0%	0	0	0%
Operating income (EBIT)	(285)	(575)	N/A	24	(587)	N/A

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.



7. Cash Flow

€ thousand	1H 2012	1H 2011	Var %	Q2 2012	Q2 2011	Var %
Receipts	105,627	138,686	-24%	61,850	75,712	-18%
Payments	(109,339)	(136,866)	20%	(55,928)	(70,315)	20%
Cash flows op. activities (1)	-3,711	1,820	N/A	5,922	5,397	10%
Receipts	2,266	1,573	44%	1,109	401	176%
Payments	(4,003)	(8,453)	53%	(838)	(5,710)	85%
Cash flows inv. activities (2)	-1,737	-6,881	75%	271	-5,309	N/A
Receipts	110,115	129,884	-15%	21,717	81,417	-73%
Payments	(113,522)	(135,129)	16%	(28,093)	(78,725)	64%
Cash flows fin. activities (3)	-3,407	-5,245	35%	-6,377	2,692	N/A
Variation of cash (4) = (1) + (2) + (3)	(8,856)	(10,306)	14%	(184)	2,781	N/A
Cash at the beginning of the period	11,813	23,579	-50%	3,141	10,492	-70%
Cash at the end of the period	2,957	13,273	-78%	2,957	13,273	-78%

Cash flow from operating activities reached € -3.7 million, which compares to € -1.8 million in H1'11. This is mainly due to (i) a reduction in operating revenues in the Television segment and (ii) a non-recurrent payment totalling € 3.9 million, regarding a litigation process dating from 2003, related to transmitter of the analogue broadcasting network (RETI).

It is 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 second half of the year.

Cash flow from investing activities went from € -6.9 million to € -1.7 million. The cash outflow related with tangible and intangible was € -1.6 million, which compares to € -3.7 million on a YoY comparison, thus demonstrating the Group's effort in maximizing cash flow, mostly through a strong capex contention.

Cash flow from financing activities came in at € 3.4 million, resulting directly from the operational and investing activities, financial costs, as well as the dividend distribution during this period, amounting to € 5.8 million.



8. Net Debt

€ thousands	Jun 12	Dec 11	Abs Var	% Var
Group financial debt	118,662	117,744	918	1%
Bank loans / Commercial paper	114,281	113,924	357	0%
Other debt	4,381	3,820	561	15%
Cash & equivalents	2,957	11,813	(8,856)	-75%
Net debt	115,705	105,932	9,774	9%

As a result of the movements described above, Media Capital's **total financial net debt** was up 9% or € 9.8 million vs. December 2011, totalling € 115.7 million at the end of June 2012. It is worth mentioning the financial debt figure includes the fair value of the derivatives, as well as leasing, in a global amount of € 4.4 million at the end of the period under analysis.

Financial debt **adjusted for the loans** to Promotora de Informaciones, S.A. **reached € 103.7 million** at the end H1'12, which compares with € 89.3 million at the end of 2011, thus putting Media Capital in a comfortable capital structure.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2012 AND 31 DECEMBER 2011

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>30.06.2012</u>	<u>31.12.2011</u>
NON-CURRENT ASSETS:		
Goodwill	153,568	157,363
Intangible assets	19,538	18,652
Tangible fixed assets	24,438	28,996
Investments in associates	1,589	1,354
Assets held for sale	8	8
Transmission rights and TV programs	59,720	55,915
Other non-current assets	451	2,328
Deferred income tax assets	5,312	5,360
	<u>264,622</u>	<u>269,975</u>
CURRENT ASSETS:		
Transmission rights and TV programs	19,986	20,516
Inventories	276	326
Trade and other account receivable	46,489	49,309
Current tax assets	3,736	158
Other current assets	28,109	25,304
Cash and cash equivalents	2,957	11,813
	<u>101,551</u>	<u>107,427</u>
TOTAL ASSETS	<u><u>366,173</u></u>	<u><u>377,401</u></u>
<hr/> EQUITY AND LIABILITIES <hr/>		
EQUITY:		
Share capital	89,584	89,584
Reserves	24,459	29,183
Profit for the period	4,053	1,165
Equity attributable to controlling interests	<u>118,095</u>	<u>119,932</u>
Equity attributable to non-controlling interests	-	1,791
Total Equity	<u>118,095</u>	<u>121,723</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	79,007	81,657
Provisions	5,507	6,831
Tax liabilities	4,356	-
Deferred income tax liabilities	1,599	1,599
	<u>90,468</u>	<u>90,086</u>
CURRENT LIABILITIES:		
Borrowings	38,965	34,905
Trade and other payables	61,341	62,763
Current tax liabilities	2,480	1,588
Other current liabilities	54,133	65,154
Derivative financial instruments	691	1,183
	<u>157,610</u>	<u>165,592</u>
Total liabilities	<u>248,078</u>	<u>255,678</u>
TOTAL EQUITY AND LIABILITIES	<u><u>366,173</u></u>	<u><u>377,401</u></u>

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012 AND 2011
(Amounts stated in Euro thousand)

	6 months ended		3 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
OPERATING REVENUES:				
Services rendered	68,798	99,175	37,724	55,815
Sales	1,176	3,610	544	1,702
Other operating revenue	20,944	15,222	12,607	6,941
Total operating revenue	<u>90,918</u>	<u>118,007</u>	<u>50,874</u>	<u>64,457</u>
OPERATING EXPENSES:				
Cost of programs broadcasted and goods sold	(11,909)	(14,729)	(6,400)	(6,844)
Subcontrats and third party supplies	(34,242)	(47,067)	(17,215)	(25,063)
Payroll expenses	(27,148)	(32,710)	(13,288)	(16,312)
Depreciation and amortization	(5,684)	(5,758)	(2,854)	(2,903)
Provisions and impairment losses	(465)	(429)	(1,115)	(210)
Other operating expenses	(577)	(721)	(492)	(505)
Total operating expenses	<u>(80,025)</u>	<u>(101,413)</u>	<u>(41,364)</u>	<u>(51,836)</u>
Net operating profit	<u>10,894</u>	<u>16,594</u>	<u>9,509</u>	<u>12,622</u>
FINANCIAL EXPENSES:				
Financial expense	(4,953)	(2,955)	(2,361)	(1,569)
Financial income	335	902	309	292
Finance costs, net	(4,617)	(2,053)	(2,052)	(1,278)
Gains (losses) on associated companies, net	-	(3)	4	-
Profit before tax	<u>6,276</u>	<u>14,538</u>	<u>7,462</u>	<u>11,344</u>
Income tax expense	(2,224)	(4,307)	(2,455)	(3,298)
Consolidated net profit for continued operations	<u>4,053</u>	<u>10,231</u>	<u>5,007</u>	<u>8,046</u>
Attributable to:				
Equity holders of the parent	4,053	9,758	5,007	7,835
Non-controlling interests	-	472	-	211
	<u>4,053</u>	<u>10,231</u>	<u>5,007</u>	<u>8,046</u>
Earnings per share (Euros)				
Basic	0.0480	0.1155	0.0592	0.0927
Diluted	<u>0.0480</u>	<u>0.1155</u>	<u>0.0592</u>	<u>0.0927</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2012 AND 2011
(Amounts stated in Euro thousand)

	<u>30.06.2012</u>	<u>30.06.2011</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	105,627	138,686
Cash paid to suppliers	(59,969)	(77,267)
Cash paid to employees	(29,038)	(34,583)
Cash generated from operations	<u>16,620</u>	<u>26,836</u>
Other cash received/(paid) relating to operating activities	(20,331)	(25,016)
Net cash from operating activities (1)	<u>(3,711)</u>	<u>1,820</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	1,512	-
Disposal of fixed tangible assets	51	202
Disposal of intangible assets	-	220
Investment subsidies	-	24
Dividends	101	-
Interest and similar income	191	55
Loans granted	412	1,072
	<u>2,266</u>	<u>1,573</u>
Payments resulting from:		
Business concentrations	(912)	(250)
Acquisition of tangible assets	(1,593)	(3,362)
Acquisition of intangible assets	-	(323)
Loans granted	(1,499)	(4,519)
	<u>(4,003)</u>	<u>(8,453)</u>
Net cash from /(used in) investing activities (2)	<u>(1,737)</u>	<u>(6,881)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	<u>110,115</u>	<u>129,884</u>
Cash paid relating to:		
Borrowings	(102,028)	(124,137)
Leases	(980)	(1,143)
Interest and other similar expenses	(3,218)	(1,890)
Dividends	(5,815)	(6,988)
Other financial expenses	(1,481)	(971)
	<u>(113,522)</u>	<u>(135,129)</u>
Net cash from/(used in) financing activities (3)	<u>(3,407)</u>	<u>(5,245)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(8,856)	(10,306)
Cash and equivalents at the beginning of the period	11,813	23,579
Cash and equivalents at the end of the period	2,957	13,273