

A large, light grey, stylized graphic of a wheel or gear, centered on the page and partially obscured by a blue horizontal band.

# First Half 2017 Results

Grupo Media Capital, SGPS, S.A.

## FIRST HALF 2017 RESULTS

Media Capital's net income increased by 13% to € 8.3 million

- Media Capital's **net income** was up 13%, with the second quarter improving 16% YoY.
- Consolidated **EBITDA** improved 1% YoY in the first half (1H), reaching € 17.3 million, benefiting from a relevant effort in cost cutting (-9%). In the quarter, EBITDA improved 8% YoY.
- In the first six months of 2017, **advertising revenues** came down 5% YoY, with the impact mostly due to the first quarter, as in the second one advertising decreased only 1%.
- **TVI** kept the leadership in TV **audience** share, registering an average of 21.4% and 25.0% in all day and prime time, respectively. The gap over the second most watched channel was 4.3pp in all day and 3.3pp in prime time. TVI's leadership in audiences was also maintained when analysing groups of channels, with 24.4% in all day and 27.6% in prime time, i.e. respectively 3.8pp and 2.8pp above the second most watched group of channels.
- On financial grounds, the **TV** segment posted an EBITDA of € 15.1 million, which compares with € 14.7 million in 1H 2016. In the second quarter, EBITDA grew by 18%, from € 9.5 million to € 11.1 million, with a margin of 30.4%.
- The **Radio** segment had an EBITDA of € 2.6 million, with a margin of 28.4%, down 1% vs last year's figure. In the second quarter, EBITDA rose by 2% YoY to € 1.8 million. In the latest audience measurement, Media Capital's radios had their best performance ever in terms of share: 38.1%. Rádio Comercial kept the leadership, with a 24.6% share, whereas m80 had a very significant improvement, reaching its highest audience ever (9.7%), standing out as the third radio station in Portugal.

Queluz de Baixo, 27<sup>th</sup> of July 2017

---

**Subsequent events**

On the 14th of July, Grupo Media Capital, SGPS, S.A. (Media Capital) announced to the market a communication received from Promotora de Informaciones, S.A. (PRISA), with the latter informing on the acceptance of the binding offer launched by Altice N.V. relative to the acquisition of the full amount of shares of Media Capital owned by PRISA. In the same date, it was also communicated to the market a preliminary announcement of a general and mandatory tender offer for the shares representing the share capital of Grupo Media Capital, SGPS, S.A. The terms and conditions of this preliminary announcement are available at the website [www.cmvm.pt](http://www.cmvm.pt).

---



## 1. Consolidated P&L

€ thousand	1H 2017	1H 2016	% Var	Q2 2017	Q2 2016	% Var
<b>Total operating revenue</b>	<b>79,033</b>	<b>85,266</b>	<b>-7%</b>	<b>43,957</b>	<b>46,224</b>	<b>-5%</b>
Television	65,295	70,260	-7%	36,645	37,821	-3%
Audiovisual Production	12,519	22,278	-44%	5,861	11,275	-48%
Radio	9,143	8,869	3%	5,193	4,987	4%
Others	7,804	8,541	-9%	3,886	4,526	-14%
Consolidation Adjustments	(15,728)	(24,682)	36%	(7,628)	(12,385)	38%
<b>Total operating expenses ex-D&amp;A</b>	<b>61,702</b>	<b>68,093</b>	<b>-9%</b>	<b>31,641</b>	<b>34,782</b>	<b>-9%</b>
<b>EBITDA</b>	<b>17,331</b>	<b>17,173</b>	<b>1%</b>	<b>12,316</b>	<b>11,442</b>	<b>8%</b>
<b>EBITDA Margin</b>	<b>21.9%</b>	<b>20.1%</b>	<b>1.8pp</b>	<b>28.0%</b>	<b>24.8%</b>	<b>3.3pp</b>
Television	15,136	14,663	3%	11,148	9,449	18%
Audiovisual Production	(1,670)	122	N/A	(1,006)	(181)	-457%
Radio	2,597	2,629	-1%	1,798	1,772	2%
Others	417	(285)	N/A	72	254	-72%
Consolidation Adjustments	850	44	1844%	303	148	105%
Depreciation and amortisation	3,838	4,141	-7%	1,973	2,159	-9%
<b>Operating income (EBIT)</b>	<b>13,493</b>	<b>13,032</b>	<b>4%</b>	<b>10,344</b>	<b>9,283</b>	<b>11%</b>
Financing Results	(2,334)	(2,926)	20%	(1,237)	(1,384)	11%
<b>Profit / (Loss) before inc. tax/ no contrl. int.</b>	<b>11,159</b>	<b>10,105</b>	<b>10%</b>	<b>9,107</b>	<b>7,899</b>	<b>15%</b>
Income Taxes	(2,840)	(2,738)	-4%	(2,699)	(2,388)	-13%
<b>Profit / (Loss) from continued operations</b>	<b>8,319</b>	<b>7,367</b>	<b>13%</b>	<b>6,407</b>	<b>5,511</b>	<b>16%</b>
<b>Net profit / (loss) for the period</b>	<b>8,319</b>	<b>7,367</b>	<b>13%</b>	<b>6,407</b>	<b>5,511</b>	<b>16%</b>

In the first half of 2017, **operating revenues** decreased 7% (-5% in Q2), reaching € 79.0 million (€ 44.0 million in Q2). **Opex** (excluding D&A) had a more relevant decrease (-9%), from € 68.1 million para € 61.7 million. In Q2, opex was also down (-9%) on a YoY basis.

**Consolidated EBITDA** was € 17.3 million, improving 1% YoY. In Q2, the increase was more pronounced

(+8%), placing the quarterly EBITDA at € 12.3 million.

**EBIT** was € 13.5 million, 4% higher than a year ago, whereas in the quarter, EBIT grew by 11% to € 10.3 million.

**Net income** was € 8.3 million, thus 13% above the comparable period of 2016. In the second quarter, net income reached € 6.4 million (+16% YoY).

-----



€ thousand	1H 2017	1H 2016	% Var	Q2 2017	Q2 2016	% Var
<b>Operating revenue</b>	<b>79,033</b>	<b>85,266</b>	<b>-7%</b>	<b>43,957</b>	<b>46,224</b>	<b>-5%</b>
Advertising	57,101	60,071	-5%	33,853	34,297	-1%
Other revenues	21,932	25,195	-13%	10,104	11,927	-15%

In the first six months, **advertising revenues** stood 5% below 1H 2016 (-1% in Q2). In the TV segment, advertising fell 6% YoY (-2% in 2Q), whereas in the Radio segment there was an increase of 5% (6% in Q2). In the Other segment (which includes Digital, Music & Events, shared services and holding) the variation was -14% YoY (-12% in 2Q).

**Other operating revenues**, which comprise mainly audiovisual production, sale of contents, multimedia and retransmission revenues, were down 13% YoY (-15% in 2Q), with a decreased in all of these lines of revenue.



## 2. Television

€ thousand	1H 2017	1H 2016	Var %	Q2 2017	Q2 2016	Var %
<b>Operating revenue</b>	<b>65,295</b>	<b>70,260</b>	<b>-7%</b>	<b>36,645</b>	<b>37,821</b>	<b>-3%</b>
Advertising	46,948	50,063	-6%	28,109	28,673	-2%
Other revenues	18,347	20,197	-9%	8,536	9,148	-7%
<b>Operating Expenses, ex D&amp;A</b>	<b>50,159</b>	<b>55,596</b>	<b>-10%</b>	<b>25,497</b>	<b>28,372</b>	<b>-10%</b>
<b>EBITDA</b>	<b>15,136</b>	<b>14,663</b>	<b>3%</b>	<b>11,148</b>	<b>9,449</b>	<b>18%</b>
EBITDA margin	23.2%	20.9%	2.3pp	30.4%	25.0%	5.4pp
Depreciation and amortisation	1,451	1,338	8%	717	676	6%
<b>Operating income (EBIT)</b>	<b>13,686</b>	<b>13,326</b>	<b>3%</b>	<b>10,431</b>	<b>8,773</b>	<b>19%</b>

Considering the TVI FTA (generalist) channel, TVI24, TVI Ficção and TVI Reality, TVI's aggregate group of channels led audiences, with 24.4% in all day and 27.6% in prime time (20h-24h). Such leadership was also maintained in the main commercial target - Adults - as shown below.

All Day (%)	UNIVERSE	ADULTS
<b>TVI Group</b>	<b>24.4</b>	<b>25.2</b>
SIC Group	20.6	21.2
RTP Group	17.2	17.9

Prime Time (%)	UNIVERSE	ADULTS
<b>TVI Group</b>	<b>27.6</b>	<b>28.2</b>
SIC Group	24.8	25.5
RTP Group	16.3	16.9



In terms of individual channels, TVI's generalist channel confirmed yet again its #1 position, with a share of 21.4% in all day, 4.3pp above the closest competitor and 8.5pp above the third most watched channel. TVI is the leader since 2005. In 2017 TVI ranks number one in all time slots from 10 a.m. to 12 p.m. On a daily basis, over 4 million and 500 thousand Portuguese viewers watch TVI.

In 2017, TVI also ranks in the first place in the main commercial target - Adults - obtaining a share of 22.1%, i.e. 4.5pp and 8.5pp above the second and third players, respectively.

In prime time, TVI also beats the competition, with a share of 25.0%, meaning 3.3pp above the second channel and a 12.4pp advantage over the third one. TVI leads in this time slot since 2001. A similar situation was achieved in the Adults target, with TVI capturing a 25.6% share, while the second and third most watched channels had 22.3% and 13.2%, respectively.

During this period, TVI based its programming on local drama (fiction), entertainment and news.

In **fiction**, the *telenovela* **"Ouro Verde"** is the undisputed audience leader in prime time, with an average audience of 1 million and 318 thousand viewers, which corresponds to an average 28.3% share. Still in this genre, TVI was the only channel to produce a fiction content (**"Jacinta"**) that celebrates the 100 years of "Nossa Senhora de Fátima" apparitions.

In **entertainment**, **"Pesadelo na Cozinha"** ("Kitchen Nightmares") had a stellar performance, with an average of 1 million and a half viewers and a 33.1% share, which is more than the sum of its two main competitors in the same slot. **"Apanha se Puderés"** ("Raid the Cage") is the new leader in access to prime time (7 p.m. - 8 p.m.), with an average audience share of 26.3% on weekdays, which is 42% better than the previous leading program (aired by the main public channel). Moreover, this content is produced in Plural's facilities, thus reinforcing the Group's know-how in contents that are paramount to its success in the medium/long term.

Also in entertainment, **"Masterchef Celebidades"**, an unprecedented format in Portugal, was also leader with a 25.7% audience share.

One of TVI's cult series, **"Inspetor Max"**, had a new season aired, leading with a 20.0% share.

In day time, the morning talk show **"Você na TV"** kept its leadership (which begun in 2009), while **"A Tarde É Sua"** ranks number one in the afternoons since 2011.

TVI is also leader in the two main time slots for news (1 p.m. and 8 p.m.). At the same time, **TVI24** (TVI's news channel in pay-tv) is the number one channel among news channels in prime time. In the top 5 most watched programs in pay-tv, 3 of them belong to TVI24.

In the aftermath of the fire tragedy that took place in Portugal, TVI was part of an unseen and successful solidarity action that united the three main generalist channels in a live program called “**Juntos por Todos**”, with TVI being the most watched channel, with an audience 60% above the #2 channel.

TVI and Plural won 17 of the 25 television trophies attributed by “TV 7 Dias”. Special highlight to the following categories: Best *Telenovela*, Best Actress, Best Actor, Best TV Hosts, Best News Anchor.

Finally, the *telenovela* “**A Única Mulher**” was sold to Honduras, which becomes the 13<sup>th</sup> country (aside from Portuguese-speaking African countries) to broadcast this *telenovela*.

## FINANCIAL PERFORMANCE

Regarding financial performance, **operating revenues** decreased by 7% YoY (-3% in Q2).

**Advertising revenues** were down by 6% (-2% in Q2), negatively affected by the adverse market conditions.

**Other revenues**, which encompass, among other, retransmission fees, sale of contents and multimedia services, were down 9% (-7% in the quarter), due to all these lines of revenues.

It is worth highlighting the effort to control costs, as **Opex** was down by 10% YoY both Ytd and in the three months from April to June. **EBITDA** was € 15.1 million (+3% YoY), with a margin of 23.2%. In the second quarter, EBITDA improved by 18%, reaching € 11.1 million.



## 3. Audiovisual Production

€ thousand	1H 2017	1H 2016	Var %	Q2 2017	Q2 2016	Var %
<b>Operating revenue</b>	<b>12,519</b>	<b>22,278</b>	<b>-44%</b>	<b>5,861</b>	<b>11,275</b>	<b>-48%</b>
Advertising	0	0	0%	0	0	0%
Other revenues	12,519	22,278	-44%	5,861	11,275	-48%
<b>Operating Expenses, ex D&amp;A</b>	<b>14,189</b>	<b>22,156</b>	<b>-36%</b>	<b>6,867</b>	<b>11,455</b>	<b>-40%</b>
<b>EBITDA</b>	<b>(1,670)</b>	<b>122</b>	<b>N/A</b>	<b>(1,006)</b>	<b>(181)</b>	<b>-457%</b>
EBITDA margin	-13.3%	0.5%	-13.9pp	-17.2%	-1.6%	-15.6pp
Depreciation and amortisation	1,614	1,441	12%	811	682	19%
<b>Operating income (EBIT)</b>	<b>(3,284)</b>	<b>(1,319)</b>	<b>-149%</b>	<b>(1,817)</b>	<b>(863)</b>	<b>-111%</b>

Plural is the largest fiction production company in Portugal and this year has started to produce entertainment as well. As mentioned in the “Television” caption, “**Apanha se Puderés**” was produced by Plural, and is leader in TVI’s access to prime time. Furthermore, the production of this format in Spain is in the pipeline.

In the period under analysis, Plural has provided services and facilities to a U.S. major studio for the production of international contents.

As a matter of fact, Plural is more internationalised than ever, with filming taking place in Mozambique, Chile, Angola, Brazil. Furthermore, EMAV was responsible for the technical support to the broadcasting of several matches of the Spanish national football team.

TVI and Plural have already 4 international Emmy nominations, having won one with the *telenovela* “Meu Amor”.

This segment had **operating revenues** of € 12.5 million (-44 YoY). In the Q2, the YoY decrease was 48%.

In **Portugal**, revenues were down 43% YoY, mostly as a result of the unusually strong content production activity in 1H 2016, as well as the unusually weak production in 1H 2017, namely in the second quarter.

**Opex** decreased 36% YoY (-40% in Q2).

Hence, **EBITDA** reached a negative figure of € 1.7 million.

## 4. Radio



€ thousand	1H 2017	1H 2016	Var %	Q2 2017	Q2 2016	Var %
<b>Operating revenue</b>	<b>9,143</b>	<b>8,869</b>	<b>3%</b>	<b>5,193</b>	<b>4,987</b>	<b>4%</b>
Advertising	8,808	8,362	5%	5,001	4,710	6%
Other revenues	335	507	-34%	192	277	-31%
<b>Operating Expenses, ex D&amp;A</b>	<b>6,546</b>	<b>6,240</b>	<b>5%</b>	<b>3,395</b>	<b>3,216</b>	<b>6%</b>
<b>EBITDA</b>	<b>2,597</b>	<b>2,629</b>	<b>-1%</b>	<b>1,798</b>	<b>1,772</b>	<b>2%</b>
EBITDA margin	28.4%	29.6%	-1.2pp	34.6%	35.5%	-0.9pp
Depreciation and amortisation	490	1,156	-58%	298	696	-57%
<b>Operating income (EBIT)</b>	<b>2,107</b>	<b>1,473</b>	<b>43%</b>	<b>1,500</b>	<b>1,075</b>	<b>39%</b>

**Advertising revenues** improved 5% YoY (+6% in Q2), while other operating revenues dropped 34% to € 0.3 million, mostly related to events.

Audience data continues to underline the good performance of the various radio stations held by Media Capital Rádios (MCR).

In the third audience measurement published in 2017, **MCR posted an aggregate share of 38.1% - its best ever -**, improving 1.8pp vs the equivalent audience reading of 2016.

It is worth highlighting the performance of **Radio Comercial**, with a share of 24.6%, 0.3pp above the previous figure of 2017 and 0.2pp better than a year ago.

In turn, **m80** had a huge improvement, reaching its all-time best share (9.7%), much higher than any other level obtained previously. Not only it continues to be the most-listened-to radio station among those without a nationwide coverage, but it stands out as the third most-listened-to radio station.

As for other formats, **Cidade** had a share of 2.4%.

**Opex** increased 5% YoY on Ytd basis (+6% in Q2).

**EBITDA** decreased 1% to € 2.6 million, despite a 2% YoY improvement in Q2.

## 5. Others



€ thousand	1H 2017	1H 2016	Var %	Q2 2017	Q2 2016	Var %
<b>Operating revenue</b>	<b>7,804</b>	<b>8,541</b>	<b>-9%</b>	<b>3,886</b>	<b>4,526</b>	<b>-14%</b>
Advertising	1,452	1,681	-14%	813	928	-12%
Other revenues	6,352	6,860	-7%	3,073	3,598	-15%
<b>Operating Expenses, ex D&amp;A</b>	<b>7,387</b>	<b>8,827</b>	<b>-16%</b>	<b>3,814</b>	<b>4,272</b>	<b>-11%</b>
<b>EBITDA</b>	<b>417</b>	<b>(285)</b>	<b>N/A</b>	<b>72</b>	<b>254</b>	<b>-72%</b>
EBITDA margin	5.3%	-3.3%	8.7pp	1.9%	5.6%	-3.8pp
Depreciation and amortisation	283	206	37%	146	104	40%
<b>Operating income (EBIT)</b>	<b>134</b>	<b>(492)</b>	<b>N/A</b>	<b>(74)</b>	<b>149</b>	<b>N/A</b>

This segment includes the remaining business areas of Media Capital, including Digital, Music & Events, holding and shared services.

Despite the strong competitive environment, MCD continued to improve the quality and audiences of its network of sites, with positive impact on

several KPI's. In fact, in 1H 2017, pageviews increased by 4%.

**TVI Player** had 170 thousand new users during the first six months of the year, registering the highest traffic among domestic OTT's. It is the only Portuguese OTT with exclusive digital contents, such as NOS Primavera Sound music festival. TVI

Player was also the first case of a Portuguese TV operator to make available its OTT offer in a pay-tv distributor's set-top box (Vodafone).

During this period, TVI Player was the only operator to provide mobile adapted contents, with the digital format "Novela Num Minuto", which corresponds to a one minute summary of a daily episode of the *telenovela* "Ouro Verde" (broadcasted in TVI's generalist channel).

TVI and MCD also made yet again a relevant bet in interactivity and innovation. Coupled with the broadcasting in the first screen of the entertainment program "Let's Dance", it was developed a second-screen app, which enhanced the engagement of audiences with the format, even taking an important role in defining which contestants had to leave the show.

Also worth mentioning are the new editorial projects from MCD, namely "SELFIE", a digital

magazine targeting lifestyle, with a strong bet in video, with a link to the TVI program "SPOT+", a digital magazine focused on millennials.

IOL was the only publisher to have its own blog network, reaching 20 blogs, after the launching of the blog "The Coolunista" and the "UpToKids" website.

Last but not least, it was reached the first milestone of Nónio project, co-financed by Google DNI, encompassing the register of users for a common DMP amongst national publishers.

**Advertising** decreased by 14% YoY (-12% in Q2), whilst **other revenues** decreased by 7% (-15% in Q2).

The EBITDA improved from € -0.3 million in 1H 2016 to € 0.4 million this year. In Q2, the EBITDA stood at € 0.1 million (€ 0.3 million in Q2 2016).



## 6. Capex

€ thousand	1H 2017	1H 2016	% Var	Q2 2017	Q2 2016	% Var
<b>Capex</b>	<b>1,262</b>	<b>1,005</b>	<b>26%</b>	<b>845</b>	<b>739</b>	<b>14%</b>
Television	701	687	2%	463	467	-1%
Audiovisual Production	410	198	107%	294	188	56%
Radio	52	46	13%	17	37	-55%
Others	99	74	33%	72	46	56%

During the first half of 2017, Media Capital registered a capex of € 1.3 million, staying above the 1H 2016 figure, with the variation being

related with improvements and expansions in studios and equipment, mostly in the Audiovisual Production segment.





## 7. Cash Flow

€ thousand	1H 2017	1H 2016	Var %	Q2 2017	Q2 2016	Var %
Receipts	105,215	120,665	-13%	55,524	66,989	-17%
Payments	(90,797)	(98,990)	8%	(43,361)	(47,525)	9%
<b>Cash flows op. activities (1)</b>	<b>14,418</b>	<b>21,675</b>	<b>-33%</b>	<b>12,163</b>	<b>19,464</b>	<b>-38%</b>
Receipts	8	785	-99%	8	81	-90%
Payments	(4,054)	(2,582)	-57%	(1,047)	(1,074)	3%
<b>Cash flows inv. activities (2)</b>	<b>(4,046)</b>	<b>(1,796)</b>	<b>-125%</b>	<b>(1,039)</b>	<b>(992)</b>	<b>-5%</b>
Receipts	71,710	78,980	-9%	43,647	57,204	-24%
Payments	(81,965)	(102,760)	20%	(54,108)	(75,818)	29%
<b>Cash flows fin. activities (3)</b>	<b>(10,254)</b>	<b>(23,780)</b>	<b>57%</b>	<b>(10,461)</b>	<b>(18,614)</b>	<b>44%</b>
Cash at the beginning of the period	1,235	5,545	-78%	689	1,787	-61%
Variation of cash (4) = (1) + (2) + (3)	118	(3,901)	N/A	664	(143)	N/A
Effect of FX differences	(1)	(1)	-73%	(0)	(0)	-152%
<b>Cash at the end of the period</b>	<b>1,352</b>	<b>1,644</b>	<b>-18%</b>	<b>1,352</b>	<b>1,644</b>	<b>-18%</b>

**Cash flow from operating activities** was €14.4 million in 1H 2017, which compares with € 21.7 million a year ago. The variation is related with cash inflows in the television segment, associated to advertising and retransmission fees.

**Cash flow from investing activities** was € -4.0 million (€ -1.8 million in 1H 2016). Cash flow related with tangible and intangible assets was € -4.1 million, comparing with € -2.5 million registered in the same period of 2016. This increase stems from the fact that most of 2016

capex occurred towards the end of the year and hence a relevant part of the payments are taking place in 2017.

**Cash flow from financing activities** was € -10.3 million (€ -23.8 million in 2016), reflecting the movements of operating and investing activities, as well as the distribution of dividends (€ 17.7 million in 2017 vs € 16.1 million) and the change in cash and equivalents.



## 8. Net Debt

€ thousands	Jun 17	Dez 16	Abs Var	% Var
<b>Group financial debt</b>	<b>106,865</b>	<b>99,329</b>	<b>7,536</b>	<b>8%</b>
Bank loans / Commercial paper / Bonds	106,242	98,500	7,741	8%
Other debt	623	828	(205)	-25%
<b>Cash &amp; equivalents</b>	<b>1,352</b>	<b>1,235</b>	<b>117</b>	<b>9%</b>
<b>Net debt</b>	<b>105,513</b>	<b>98,094</b>	<b>7,419</b>	<b>8%</b>

**Net debt** increased € 7.4 million vs the end of 2016, standing at € 105.5 million at the end of June.

Media Capital maintains a comfortable capital structure.

It is worth mentioning that leasings are included in the figure above.

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017 AND 2016

(Amounts stated in Euro thousand)

	6 months ended		3 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
<b>OPERATING REVENUES:</b>				
Services rendered	60,671	64,714	35,397	36,785
Sales	-	44	-	5
Other operating revenue	18,362	20,507	8,560	9,434
Total operating revenue	<u>79,033</u>	<u>85,266</u>	<u>43,957</u>	<u>46,224</u>
<b>OPERATING EXPENSES:</b>				
Cost of programs broadcasted and goods sold	(10,704)	(6,344)	(5,669)	(4,031)
Subcontrats and third party supplies	(30,126)	(37,848)	(15,280)	(19,120)
Payroll expenses	(20,655)	(22,849)	(10,586)	(11,237)
Depreciation and amortization	(3,838)	(4,141)	(1,973)	(2,159)
Provisions and impairment losses	(84)	(357)	(72)	(70)
Other operating expenses	(133)	(695)	(35)	(324)
Total operating expenses	<u>(65,540)</u>	<u>(72,235)</u>	<u>(33,613)</u>	<u>(36,941)</u>
Net operating profit	<u>13,493</u>	<u>13,032</u>	<u>10,344</u>	<u>9,283</u>
<b>FINANCIAL EXPENSES:</b>				
Financial expense	(2,365)	(2,407)	(1,252)	(1,160)
Financial income	31	1	16	1
Finance costs, net	(2,334)	(2,406)	(1,237)	(1,159)
Gains (losses) on associated companies, net	-	(520)	-	(225)
	<u>(2,334)</u>	<u>(2,926)</u>	<u>(1,237)</u>	<u>(1,384)</u>
Profit before tax	11,159	10,105	9,107	7,899
Income tax expense	(2,840)	(2,738)	(2,699)	(2,388)
Consolidated net profit for continued operations	<u>8,319</u>	<u>7,367</u>	<u>6,407</u>	<u>5,511</u>
Attributable to:				
Equity holders of the parent	8,319	7,367	6,407	5,511
<b>Earnings per share (Euros)</b>				
Basic	0.0984	0.0872	0.0758	0.0652
Diluted	<u>0.0984</u>	<u>0.0872</u>	<u>0.0758</u>	<u>0.0652</u>

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2017 AND 31 DECEMBER 2016

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>30.06.2017</u>	<u>31.12.2016</u>
<b>NON-CURRENT ASSETS:</b>		
Goodwill	149,718	149,718
Intangible assets	11,910	13,098
Tangible fixed assets	15,220	16,609
Investments in associates	-	0
Assets held for sale	5	5
Transmission rights and TV programs	51,224	54,473
Other non-current assets	4,099	5,524
Deferred income tax assets	2,377	2,646
	<u>234,552</u>	<u>242,072</u>
<b>CURRENT ASSETS:</b>		
Transmission rights and TV programs	30,874	28,616
Trade and other account receivable	35,010	38,020
Current tax assets	243	384
Other current assets	6,205	4,752
Cash and cash equivalents	1,352	1,235
	<u>73,684</u>	<u>73,007</u>
<b>TOTAL ASSETS</b>	<u><b>308,236</b></u>	<u><b>315,079</b></u>
<hr/> <b>EQUITY AND LIABILITIES</b> <hr/>		
<b>EQUITY:</b>		
Share capital	89,584	89,584
Reserves	31,858	30,259
Profit for the period	8,319	19,101
Equity attributable to controlling interests	<u>129,762</u>	<u>138,944</u>
Total Equity	<u>129,762</u>	<u>138,944</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Borrowings	83,571	77,590
Provisions	5,935	6,898
Deferred income tax liabilities	1,193	1,226
	<u>90,699</u>	<u>85,715</u>
<b>CURRENT LIABILITIES:</b>		
Borrowings	23,294	21,738
Trade and other payables	37,826	40,273
Current tax liabilities	2	9
Other current liabilities	26,654	28,399
	<u>87,776</u>	<u>90,420</u>
Total liabilities	<u>178,474</u>	<u>176,135</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>308,236</b></u>	<u><b>315,079</b></u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017 AND 2016

(Amounts stated in Euro thousand)

	<u>30.06.2017</u>	<u>30.06.2016</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	105,215	120,665
Cash paid to suppliers	(53,993)	(58,853)
Cash paid to employees	<u>(21,122)</u>	<u>(21,602)</u>
Cash generated from operations	30,101	40,209
Cash received/(paid) relating to income tax	326	(33)
Other cash received/(paid) relating to operating activities	<u>(16,008)</u>	<u>(18,501)</u>
Net cash from operating activities (1)	<u>14,418</u>	<u>21,675</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
Disposal of fixed tangible and intangible assets	8	743
Dividends	-	42
Interest and similar income	-	0
	<u>8</u>	<u>785</u>
Payments resulting from:		
Acquisition of tangible assets	(3,779)	(2,067)
Acquisition of intangible assets	(275)	(437)
Loans granted	-	(78)
	<u>(4,054)</u>	<u>(2,582)</u>
Net cash from /(used in) investing activities (2)	<u>(4,046)</u>	<u>(1,796)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	<u>71,710</u>	<u>78,980</u>
Cash paid relating to:		
Borrowings	(62,212)	(84,346)
Leases	(254)	(398)
Interest and other similar expenses	(1,675)	(1,873)
Dividends	(17,748)	(16,058)
Other financial expenses	<u>(76)</u>	<u>(86)</u>
	<u>(81,965)</u>	<u>(102,760)</u>
Net cash from/(used in) financing activities (3)	<u>(10,254)</u>	<u>(23,780)</u>
Cash and equivalents at the beginning of the period	1,235	5,545
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	118	(3,901)
Exchange rate effect	(1)	(1)
Cash and equivalents at the end of the period	1,352	1,644