



First Half 2010 Results

Grupo Média Capital, SGPS, S.A.



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

FIRST HALF 2010 RESULTS

For the first half 2010 Grupo Media Capital presents Operating Revenues of € 120.5 million and an EBITDA of € 20.6 million

- In the first half 2010, Grupo Media Capital posted an **EBITDA** of € 20.6 million.
- The Group had total **advertising revenues** of € 73.3 million, improving 1% over the comparable period. With no market data yet available for June, the figures for the first five months of 2010 show that the advertising market has increased close to 5%.
- Despite not having the broadcasting rights for the 2010 World Cup, **TVI** kept its FTA audience leadership every month and with a significant lead to its competitors, with an average share of 34.3% in all day and 39.5% in prime time. The EBITDA margin for the TV segment improved from 24% to 25.8%.
- **TVI Internacional** premiered at the end of May. This new channel constitutes an additional step in the Group's strategy to exploit revenues other than advertising, by means of leveraging on both existing capabilities and the vast bouquet of own reference contents.
- The **Audiovisual Production** segment posted a 20% decrease in its operating revenues, which was not offset by the reduction in operating costs. Notwithstanding, the activity reached an EBITDA margin of 7%.
- In **Entertainment**, the strong increase in Cinema ("Avatar") was not enough to compensate for the lower revenues in both Video and Music & Events, which were negatively affected by the market erosion and, in the case of video, by the end of the agreement with Warner Home Video (in September 2009). Due to the poor performance of this segment, it is being subject to a reorganisation.
- In **Radio**, the advertising revenues improved by 1% during the first six months. In the second quarter, MCR group of radios had its best audience performance ever, with a special emphasis to Rádio Comercial and M80.
- In **Internet**, the first half 2010 showed record levels in what regards revenues and traffic data (page views and unique users).

Queluz de Baixo, July 15, 2010

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1. Consolidated Income Statement

€ thousand	6M 2010	6M 2009	% Var	Q2 2010	Q2 2009	% Var
Total operating revenue	120,453	134,863	-11%	65,237	76,212	-14%
Television	76,212	77,283	-1%	41,520	43,416	-4%
Audiovisual Production	44,252	55,227	-20%	23,654	31,391	-25%
Entertainment	9,794	14,969	-35%	4,356	7,532	-42%
Radio	6,375	6,440	-1%	3,763	3,956	-5%
Others	7,712	10,007	-23%	4,422	5,637	-22%
Cons. Adjustments	(23,891)	(29,064)	-18%	(12,478)	(15,720)	-21%
Total operating expenses	99,811	110,744	-10%	50,678	57,995	-13%
EBITDA	20,642	24,119	-14%	14,559	18,217	-20%
EBITDA margin	17.1%	17.9%	-0.7pp	22.3%	23.9%	-1.6pp
Television	19,634	18,514	6%	13,297	13,886	-4%
Audiovisual Production	3,219	5,788	-44%	1,808	3,620	-50%
Entertainment	(1,403)	(630)	123%	(851)	(188)	354%
Radio	175	(110)	n.a.	643	560	15%
Others	(545)	1,344	n.a.	(69)	874	n.a.
Cons. Adjustments	(438)	(787)	-44%	(270)	(534)	-49%
Depreciation and amortisation	5,963	6,062	-2%	3,126	3,102	1%
Operating income (EBIT)	14,679	18,057	-19%	11,433	15,115	-24%
Financial results	(2,904)	(3,683)	-21%	(1,337)	(1,091)	23%
Profit / (Loss) before inc. tax/ no contrl. Int.	11,775	14,374	-18%	10,096	14,025	-28%
Income tax	(2,738)	(5,187)	-47%	(1,958)	(5,086)	-62%
Profit / (Loss) from continued operations	9,037	9,186	-2%	8,138	8,938	-9%
Profit / (Loss) from disc. operations	0	0	n.a.	0	0	n.a.
No Controlling interests	(751)	(568)	32%	(504)	(326)	55%
Net profit / (loss) for the period	8,286	8,618	-4%	7,634	8,613	-11%

In the first half of 2010 Grupo Media Capital had **consolidated operating revenues** of € 120.5 million, corresponding to a 11% decrease versus the same period of 2009.

Consolidated EBITDA fell 14% towards € 20.6 million, with a 17.1% margin. Excluding the impact from the capital gain registered with

the sale of a 35% stake in Transjornal in Q2'09, the EBITDA would have fallen by 12%.

Operating results (EBIT) came down 19%, reaching € 14.7 million, whereas **net income** was € 8.3 million (€ 8.6 million in 1H09), with an improvement in financial results and a lower effective tax rate.

€ thousand	6M 2010	6M 2009	% Var	Q2 2010	Q2 2009	% Var
Operating revenue	120,453	134,863	-11%	65,237	76,212	-14%
Advertising	73,306	72,403	1%	40,794	42,411	-4%
Other revenues	47,147	62,459	-25%	24,443	33,801	-28%

In consolidated revenues, **advertising revenues** increased 1%, improving in every segment: 0.5% in Television, 1.1% in Radio and 13% in the Others segment. After two consecutive quarters with positive YoY

variations, in the second quarter the Group had a decrease of 4%.

As far as the **advertising market** is concerned, the available information for



agencies (therefore excluding direct clients), and excluding both rappel (volume rebates) and pre-paid discounts, points towards a YoY growth close to 5% in the first five months of 2010. With the exception of Press and Cinema, all segments posted a positive performance. The YoY variation for the months of May and June together stayed marginally positive, at around 0.5%.

The **other operating revenues** lost 25%, with all the segments posting YoY decreases.

Regarding **operating costs**, and despite the impact from btch TVI24 and TVI Internacional (which started broadcasting in February 2009 and at the end of May 2010 respectively), there was a 10% improvement versus the comparable period of last year, as a result not

only of the lower activity in the Audiovisual Production and Entertainment segments, but also of the efficiency gains that have been attained all across the organisation. The same justifications apply to the YoY quarterly trend (13% reduction).

In 1H10, **net financial results** improved from € -3.7 million to € -2.9 million, in spite of the interest rate swap contract held by the Group. Such derivative, underwritten with the aim of reducing risk, had a negative impact of € 1.3 million in the first six months.

Net profit was € 8.3 million in the period under analysis, € 0.3 million below the figure observed in 1H09.

2. Television

€ thousand	6M 2010	6M 2009	Var %	Q2 2010	Q2 2009	Var %
Operating revenue	76,212	77,283	-1%	41,520	43,416	-4%
Advertising	66,150	65,811	1%	36,609	38,398	-5%
Other revenues	10,062	11,473	-12%	4,911	5,018	-2%
Operating Expenses	56,578	58,770	-4%	28,223	29,531	-4%
EBITDA	19,634	18,514	6%	13,297	13,886	-4%
EBITDA margin	25.8%	24.0%	1.8pp	32.0%	32.0%	0.0pp
Depreciation and amortisation	2,995	2,876	4%	1,583	1,444	10%
Operating income (EBIT)	16,639	15,638	6%	11,714	12,442	-6%

The Television segment includes both the activities of TVI and the activity of Publipartner, a marketing management group company created to develop advertising related revenue sources. As a significant part of Publipartner's activity is directly related to TVI and the use of its advertising inventory, consolidated advertising revenues for the segment are lower (although by a small amount) than TVI's alone.

Following the agreement signed between TVI and ZON TV Cabo, the leading cable platform in Portugal, on February 26 2009, TVI launched its first cable channel TVI24, a round-the-clock news. This launch has an impact on comparisons with the first quarter of last year. Also affecting YoY comparisons is TVI Internacional, a new channel which premiered on May 30 2010.

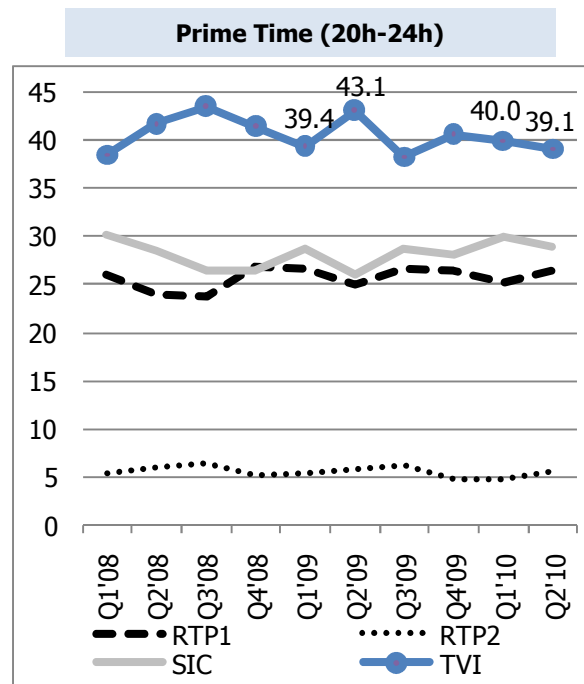
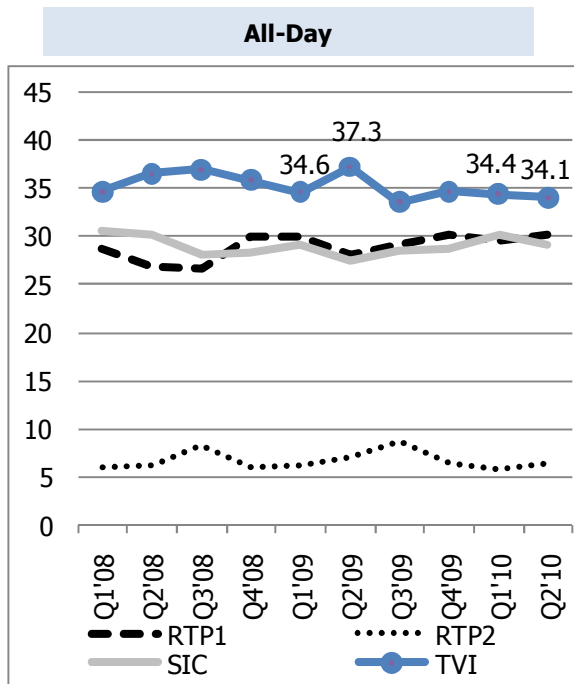
TVI Internacional is a generalist channel, created with the aim of getting closer Portugal

with the several Portuguese speaking communities spread throughout the World, making available the leading contents in Portugal and showing the very best done in our country, while taking into account the specificities of each market and country where TVI Internacional will be present.

By genres, its contents are composed mainly of national fiction, big events, news and entertainment. This channel constitutes an additional step in the Group's strategy of exploiting revenues other than advertising, by means of leveraging on existing capabilities and on the vast array of own reference contents.



Quarterly Audience Share (FTA Channels, %)



Source: Marktest

During the first half of the year, and despite not having the broadcasting rights for the football matches of the World Cup, TVI managed to lead TV consumption, with an audience share of 34.3%, with state-owned RTP1 ranking second with 29.9%, whereas the other private operator, SIC, was third with 29.8%.

It's the sixth year in a row that TVI leads audiences during the first six months of the year.

In prime time, TVI also kept the leadership it attained in 2001, by means of an audience share of 39.6%. SIC was second with 29.5% and RTP1 third with 25.8%.

Throughout the period, TVI maintained its usual programming structure, again grounded on local drama, entertainment and news.

In what regards **local drama**, TVI started an innovative concept within this genre: mini-series showed in three parts. At the end of January it premiered "**Destino Imortal**", a story where youngsters have a leading role, in a vampire's world. It posted an average daily viewership above one million individuals and a market share of 38.7% thus leading on Sunday's afternoons. At the end of February, the urban thriller "**37**" was first broadcasted, with the 3 episodes averaging a leading share of 41.5%, backed by an audience of 760 thousand viewers. In April, TVI premiered

"**Dias Felizes**" which posted an average daily share of 40% (800 thousand average viewers).

At the end of the first quarter, a new prime time soap premiered: "**Mar de Paixão**". The 97 episodes aired during the first half had an average audience of 1.2 million, corresponding to a 43.0% share.

On May 30, the soap "**Espírito Indomável**", was first broadcasted, at the beginning of prime time (after news). At the end of the 29 episodes broadcasted managed to keep a solid leadership – average audience of 1.2 million and (45.5% share).

For the youngsters, "**Morangos com Açúcar**" was leader once again. The seventh season of this soap had a share of 37.3% (71.4% in its core target: 4-24 age group). On 19 June it was replaced by "**Morangos com Açúcar – Vive o Teu Verão**" which for the nine episodes aired so far had a leading share of 38.6% (71.4% in the core target).

In the period under analysis, the soap "**Sentimentos**" came to an end. Since its debut, this soap posted a 42.1% share and more than 800 thousand regular viewers per episode. Also ending during this period the soap "**Deixa que te Leve**", premiered in 2009, had an overall share of 45.9% and an average audience of 1.3 million (49.5% share and 940 thousand viewers, in women).



In **information** programming, the highlight goes to the investigative reporting program "**Repórter TVI**", which continued to be the most watched program of its kind in Portuguese television: in the first six months of the year the 23 emissions delivered an average audience of 1.2 million and a share of 37.7%. In what regards daily news programs, "**Jornal Nacional**" (prime time news) had 926 thousand average viewers from Mondays to Fridays. At lunch time, "**Jornal da Uma**" maintained a good performance on weekdays (480 thousand viewers and a share of 29.7%). Also worth mentioning is the detailed coverage of the visit of Pope Benedict XVI to Portugal, which resulted in more than 23 hours of live broadcasting.

In **sports**, TVI broadcasted six matches of "**Taça de Portugal**" (Portugal's Cup), which obtained an average audience of 1 million individuals for a share of 40% (50.2% in men). Also in this genre, TVI also aired four matches of the national football team (55.4% audience share).

In **entertainment**, the highlight goes to the results achieved by "**Depois da Vida**", which had 3 special programs that averaged a 52.7% share on Friday nights (820 thousand viewers).

Also in entertainment, TVI's other programs kept a strong position in what regards talk-shows. "**Você na TV**" (mornings) was leader with a 34.2% share, while "**As Tardes da Júlia**" (afternoons) was responsible for a 33.7% share.

During the first half TVI also offered to its viewers two special events: the 2010 edition of the musical "**Morangomania**", broadcasted on June 19 (52.6% share in the 4/24 age group) and the "**Tribute to Nicolau Breyner**", the latter broadcasted on May 30 with a share of 47.2%.

As for **foreign drama**, TVI premiered on February the sixth season of "**Dr.House**", which has registered an average share of 29.5%. In April TVI started broadcasting the series "**Glee**", which for the 22 episodes aired had an average share of 30.3% (47.5% in the 4/24 age group).

The movies broadcasted on weekend afternoons registered an average share of 30.4% on Saturdays and 31.7% on Sundays.

On March 7, a TVI broadcasted live and exclusively and for the 13th time, the Oscars

ceremony, which delivered an audience share above 35%.

Turning to **TVI24**, during the period it delivered a gross reach of 650 thousand individuals and an audience share of 13.8% amongst the national news channels. TVI continued to offer a diversified programming within the information genre.

In terms of **financial performance**, the Television segment had a 1% decrease in its operating revenues (-4% YoY in the quarter). **Advertising revenues** were up 0.5% (the percentage would be similar excluding Publipartner), and down 5% YoY in the quarter. Media Capital estimates that the FTA advertising market improved by 8% YoY in 6M10 (+6% in Q2 '10 YoY). This estimate, and in line with what the Group has been reporting in past, includes agencies and direct clients and is Net 2, i.e. after rappel and before pre-payment discounts. On top of the market effect, the reported figures had other two meaningful impacts: the lack of revenue related with the compensation for the elections (2009) and the fact that TVI did not broadcast any of the World Cup football matches.

Other revenues were down 12% (-2% YoY in 2Q'10), representing now 13% of total operating revenues. It is worth mentioning that in the first half of 2010 were booked non-recurrent revenues from the rendering of technical support services. The absence of such revenues in 1H10 was not offset by an additional month of revenues from TVI24 and TVI Internacional. Excluding these items, the other revenues decreased by 3%, explained by Publipartner's lower activity.

Operating costs fell 4%, with a decisive contribution of improving efficiency in all areas, as the costs associated with TVI24 stood this period above the ones observed in 1H09, since this channel started its emissions at the end of February 2009. In the case of TVI Internacional, and as already mentioned, it has only a contribution to revenues and costs since 2Q'10. As for other costs, we underline the lower programming costs of TVI, namely in local drama, entertainment and sports, as they were 7% down on a pro-forma basis (i.e. excluding TVI24 and TVI Internacional). Finally, the YoY variation in operating costs was penalised by an increase of € 0.8 million of foreign exchanges losses, as a result of the strong appreciation of the Dollar against the Euro.



Bear in mind that a significant portion of programming costs – local drama – corresponds to internal production (through Plural), with the Group thus retaining the value added in the production of such contents.

The combined evolution of revenues and costs allowed for a good performance at the EBITDA level, which increased 6%, with margin expanding from 24.0% to 25.8%. In the quarter, EBITDA was down 4%, but the margin kept stable at 32%.



3. Produção Audiovisual

€ thousand	6M 2010	6M 2009	Var %	Q2 2010	Q2 2009	Var %
Operating revenue	44,252	55,227	-20%	23,654	31,391	-25%
Advertising	0	0	n.a.	0	0	n.a.
Other revenues	44,252	55,227	-20%	23,654	31,391	-25%
Operating Expenses	41,033	49,439	-17%	21,846	27,771	-21%
EBITDA	3,219	5,788	-44%	1,808	3,620	-50%
EBITDA margin	7.3%	10.5%	-3.2pp	7.6%	11.5%	-3.9pp
Depreciation and amortisation	1,404	1,392	1%	745	743	0%
Operating income (EBIT)	1,816	4,396	-59%	1,063	2,877	-63%

The Audiovisual Production activity posted total operating revenues of € 44.3 million in the quarter.

In what regards **operating revenues**, the activity in Spain showed a reduction, chiefly in terms of production for both generalist FTA TV operators (with the exception of Telecinco) and autonomic channels. Such performance was not offset by the good evolution in the management of autonomic channels.

As for the operations in Portugal, revenues also stood below 1H09 figures, due to lower

revenues from TV productions, which was not compensated by an increase of revenues from the rental of technical equipment and, mostly, sets.

As a consequence of the downturn in revenues, and despite the cost reduction, the **EBITDA** ended up negatively affected, dropping 44% to € 3.2 million (7% margin vs. 10% in 1H10).

The basis behind the variations in the first half is similar to the one described for the accumulated figures.



4. Entertainment

€ thousand	6M 2010	6M 2009	Var %	Q2 2010	Q2 2009	Var %
Operating revenue	9,794	14,969	-35%	4,356	7,532	-42%
Music & Event production	3,731	5,953	-37%	1,986	2,918	-32%
Cinema & Video	6,062	9,016	-33%	2,371	4,613	-49%
Operating Expenses	11,197	15,599	-28%	5,207	7,719	-33%
EBITDA	(1,403)	(630)	123%	(851)	(188)	354%
EBITDA margin	-14.3%	-4.2%	-10.1pp	-19.5%	-2.5%	-17.0pp
Depreciation and amortisation	77	95	-19%	40	47	-16%
Operating income (EBIT)	(1,480)	(725)	104%	(891)	(235)	280%

The Entertainment 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 – Multimedia.



Operating revenues were down 35% (-42% YoY in Q2), with the Music & Events activity falling 37% (-32% YoY in Q2), while revenues of Cinema & Vídeo posted a drop of 33% (-49% YoY in Q2).

In the **Music & Events** business, the negative market trend (-9% in value, preliminary figure), justified part of the 24% reduction in CD sales (-8% YoY in Q2). In terms of units sold, and on the positive side, we highlight "Escola de Talentos - Morangos com Açúcar", "Benfica Campeão 2010", "Michael Bubl  - Crazy Love" and "Muse - The Resistance". There was also an overall reduction in this business remaining revenues.

In the **Cinema & Video** activity, the market's gross box office posted a very positive performance (+15%, +8% in admissions and +6% in average price). The blockbuster "Avatar", distributed by CLMC, was critical for such performance, as since its premier, on 17th December, until the end of June it registered gross box office revenues of € 6.9 million, having been watched by more than 1.2 million spectators, surpassing in both metrics and by far the second most watched movie of the last years - "Mamma Mia". As a result, CLMC had a

market share of 20% during the first six months of 2010. In this period, CLMC cinema revenues grew 20%.

In Q2, the highlight in terms of CLMC movies goes to "Date Night" and "Dear John".

In video, market data shows again a lacklustre performance for DVD/Blu-Ray sales. CLMC was the number two player, with an estimated market share of 19.2% vs 19.6% in 1H09. Due to the market evolution and to the end of the deal with Warner Home Video that took place in September 2009, the revenues from video activity (retail plus rental) were down 51% in 1H10 (-49% in Q2).

Operating costs fell 28% (-33% YoY in the quarter), due both to the lower activity but also to cost cutting.

The **EBITDA** of the segment went from € -0.6 million in 1H10 to € -1.4 million.

Due to the poor performance of this segment, it is being subject to a reorganisation.



5. Radio

€ thousand	6M 2010	6M 2009	Var %	Q2 2010	Q2 2009	Var %
Operating revenue	6,375	6,440	-1%	3,763	3,956	-5%
Advertising	5,915	5,851	1%	3,492	3,570	-2%
Other revenues	460	589	-22%	271	386	-30%
Operating Expenses	6,200	6,550	-5%	3,119	3,397	-8%
EBITDA	175	(110)	n.a.	643	560	15%
EBITDA margin	2.7%	-1.7%	4.5pp	17.1%	14.1%	3.0pp
Depreciation and amortisation	1,134	1,157	-2%	578	595	-3%
Operating income (EBIT)	(959)	(1,267)	-24%	65	(36)	n.a.

Following the trend of the previous quarters, the audience data for the first two quarters of 2010 was quite positive for MCR, with the exception of the RCP format.

The audience share of MCR's group of radios was 28% in the second quarter, the highest ever. As a reminder, in Q1'10 MCR's audience share stood at 24.6%. Even more important is the substantial YoY improvement (+26% or +5.7pp in Q2 and +6% or +1.3pp in Q1). The strong performance in this first half was due to

the formats "Comercial", "M80" and "Cidade FM". The second quarter of R dio Comercial was the strongest since 2006, with the gap to the market leader now standing at its lowest figure since Q1'06. As for M80, this format maintained an impressive performance, as it posted a share of 7.2% in Q2, which compares with 2.6% in Q2'09 and 5.0% in Q1'10, benefiting not only from the rearrangement of RCP's broadcasting network in favour of M80, but also from the growing acceptance of its target audience.



In terms of audience reach (AAV), a more interesting metric, as it reflects the radio consumption, the data was also quite encouraging, with MCR jumping from 15.8% in Q2'09 to 18.7% in Q2'10, a figure that stands out as the best ever. Such evolution is in marked contrast with the radio market, as the latter was stable vs last year (AAV went from 57.3% to 57.4%).

Concerning Rádio Comercial, it is important to highlight that it is now the second radio format nationwide, thus confirming a trend that has been very clear for many quarters. In 2Q'10 it had an AAV of 9.2%, a value that is only comparable to the one it registered in 2Q'01. In turn, M80 blasted its previous readings, as it had an AAV of 4.1% in 2Q'10, clearly ahead of the data observed in 2Q'09 (1.8%) and Q1'10 (3.0%).

At the beginning of July, the Group decided to end the broadcasting of the RCP format, due to its poor economic fundamentals, justified by very low revenues (low audiences) when compared with the heavy operating cost structure.

We highlight that this is an isolated decision, in the sense that MCR will keep on betting in the

development of the other formats within its portfolio, which have registered a favourable evolution, audiences and operational wise.

Since July 12, RCP is being replaced by a new format, based on 60's and 70's music.

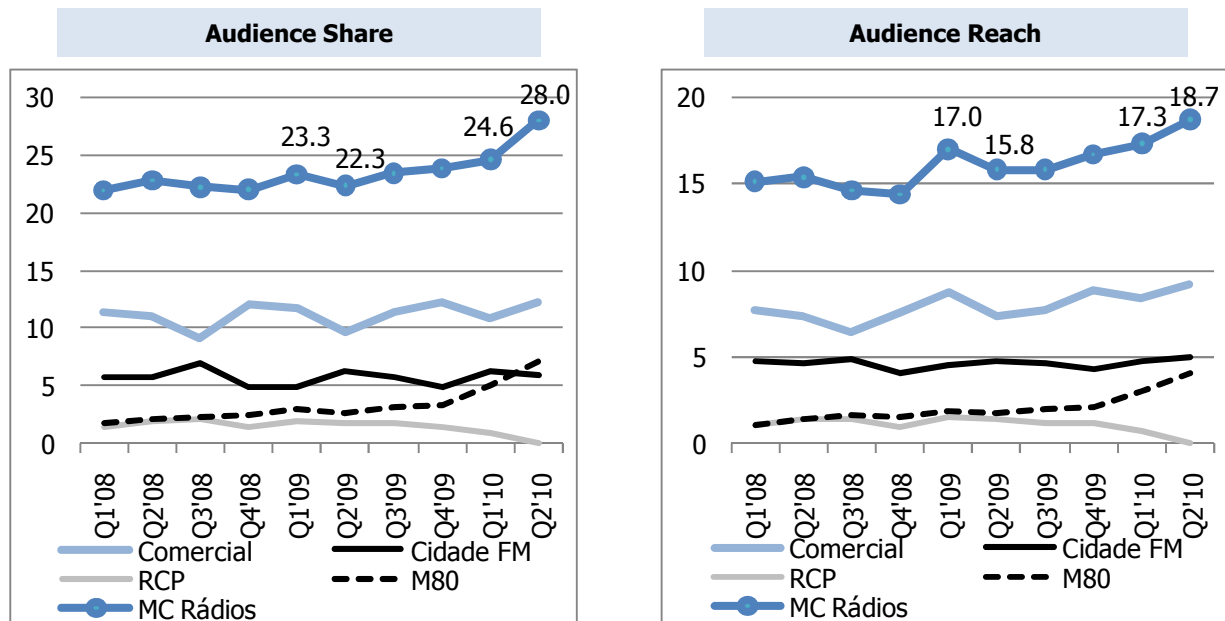
MCR's **advertising revenues** grew 1% (2% in Q2). According with the available data, for the first five months of 2010, the advertising radio market (agencies only) should have grown 5%, with the April and May together falling 3%. MCR has increased significantly its market share in agencies, although such fact is not fully reflected in its reported advertising figures, as the direct market decreased significantly.

As for the **operating costs** of this segment, and following the efficiency measures initiated several quarters ago, there was a 5% reduction until June (-8% YoY in Q2).

The **EBITDA** thus improved from € -0.1 million in 1H09 to € 0.2 million in 1H10.

Regarding the overall performance of in the online business, the portfolio of MCR formats increased by 50% the number of page views to 18.6 million (monthly average).

Audience Share and Reach (%)



Source: Marktest

6. Others



€ thousand	6M 2010	6M 2009	Var %	Q2 2010	Q2 2009	Var %
Operating revenue	7,712	10,007	-23%	4,422	5,637	-22%
Advertising	1,747	1,549	13%	964	864	12%
Other revenues	5,965	8,459	-29%	3,459	4,773	-28%
Operating Expenses	8,257	8,663	-5%	4,491	4,764	-6%
EBITDA	(545)	1,344	n.a.	(69)	874	n.a.
EBITDA margin	-7.1%	13.4%	-20.5pp	-1.6%	15.5%	-17.0pp
Depreciation and amortisation	354	542	-35%	180	273	-34%
Operating income (EBIT)	(899)	802	n.a.	(248)	601	n.a.

This segment is composed by the internet business unit, as well as the holding and the shared services unit.

MCM's IOL network of site kept presenting a substantial increase in **traffic**. After posting a 19% improvement for the full year 2009 to more than 123 million per month, in the first half of 2010 the average monthly pageviews was 148 million, 29% above the figure registered in 1H09. The number of unique users rose 9% to a monthly average of 3.7 million. Backing these numbers, we highlight the sites "**Maisfutebol**", "**TVI24**", "**Lux**" and "**MySpace**". After posting in March its best traffic performance ever, IOL network of sites managed to outmatch that record again in both May and June. In May, the IOL network was visited by 4.1 million unique users and 155 million pages were seen.

Also worth to underline is the leadership obtained by TVI sites (www.tvi.pt and

www.tvi24.pt), which in May were the most visited amongst the sites of the various TV operators, reaching a figure of 3.5 million visitors.

Advertising revenues were up 13% YoY (12% in Q2 '10), benefiting from the good volume performance described above.

As regards **other operating** revenues, their reduction is justified by lower revenues at the holding level, related with the fees charged on the business units, as well as the capital gain obtained with the sale of a 35% stake in Transjornal that was registered in Q2 '09.

The **operating costs** evolution reflects the continuing effort to keep costs under control at the holding / shared services level.

The segment's **EBITDA** was negative in € 0.5 million, comparing with a positive € 1.3 million booked in the comparable period.



7. Consolidation Adjustments

€ thousand	6M 2010	6M 2009	Var %	Q2 2010	Q2 2009	Var %
Operating revenue	(23,891)	(29,064)	-18%	(12,478)	(15,720)	-21%
Advertising	(506)	(807)	-37%	(271)	(422)	-36%
Other revenues	(23,385)	(28,257)	-17%	(12,208)	(15,298)	-20%
Operating Expenses	(23,454)	(28,277)	-17%	(12,209)	(15,186)	-20%
EBITDA	(438)	(787)	-44%	(270)	(534)	-49%
EBITDA margin	1.8%	2.7%	-0.9pp	2.2%	3.4%	-1.2pp
Depreciation and amortisation	0	0	n.m.	0	0	n.m.
Operating income (EBIT)	(438)	(787)	-44%	(270)	(534)	-49%

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.



8. Cash Flow

€ thousand	6M 2010	6M 2009	Var %	Q2 2010	Q2 2009	Var %
Receipts	141,386	163,959	-14%	82,560	95,615	-14%
Payments	(144,680)	(150,981)	-4%	(70,196)	(76,795)	-9%
Cash flows op. activities (1)	-3,294	12,978	n.a.	12,364	18,820	-34%
Receipts	31,886	69,157	-54%	25,504	62,074	-59%
Payments	(24,404)	(79,910)	-69%	(11,102)	(58,893)	-81%
Cash flows inv. activities (2)	7,482	-10,753	n.a.	14,402	3,181	353%
Receipts	41,302	46,642	-11%	25,550	11,590	120%
Payments	(59,710)	(48,283)	24%	(52,783)	(32,659)	62%
Cash flows fin. activities (3)	-18,408	-1,641	n.m.	-27,233	-21,069	29%
Variation of cash (4) = (1) + (2) + (3)	(14,220)	584	n.a.	(467)	932	n.a.
Cash at the beginning of the period	20,556	7,172	187%	6,803	6,824	0%
Cash at the end of the period	6,336	7,756	-18%	6,336	7,756	-18%

The **cash flow from operating activities** reached € -3.3 million, which compares with € 13 million in 2009. In a decreasing order of importance for the variation, we highlight (due to the lower activity) Audiovisual Production, Cinema & Video and Entertainment, which offset a better performance by the TV segment.

Cash flows from investing activities went from € -10.8 million to € 7.5 million. The cash outflow related with tangible and intangible, was € -4.5 million, thus better than the € -5.5 million observed in 1H09. We also underline (i) the payment of one tranche related with the acquisition of Plural Entertainment (€ 9.3 million) and (ii) € 0.6 million related with the acquisition of 10% of CLMC share capital and

shareholder loans, as well as 100% of PCP's share capital – a Spanish production company). Last year's figure included, on top of a similar amount related with Plural Entertainment, the cash out flow derived from the acquisition of the remaining 30.71% stake of IOL Negócios (€ 0.6 million). The positive figure of this line is due to the net impact coming from loans granted (amounts received and paid) to Promotora de Informaciones, SA.

Cash flow from financing activities came in at € -18.4 million, resulting directly from the operational and investing cash-flows, the change in cash position, and the payment of dividend in the global amount of € 17.1 million.



9. Financial Net Debt

€ thousands	Jun 2010	Dec 2009	Abs Var	% Var
Group financial debt	128,917	128,866	51	0%
Bank loans / Commercial paper	124,192	124,096	95	0%
Other debt	4,726	4,770	(44)	-1%
Cash & equivalents	6,336	20,556	(14,220)	-69%
Net debt	122,581	108,310	14,272	13%

As a result of the movements described above, Media Capital's **total financial net debt** was

up 13% or € 14.3 million vs the end of last year, totalling € 122.6 million at the end of



June. **Financial net debt adjusted** for the loans to Promotora de Informaciones, S.A. **stood at € 98 million** at the end of period, comparing with € 63.8 million at the end of

2009, thus putting Grupo 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 2010 AND 31 DECEMBER 2009

(Amounts stated in Euro thousand)

<u>ASSETS</u>	<u>30.06.2010</u>	<u>31.12.2009</u>
NON-CURRENT ASSETS:		
Goodwill	172,480	172,741
Intangible assets	20,828	21,452
Tangible assets	29,169	31,114
Investments in associates	215	-
Assets held for sale	8	8
Transmission rights and TV programs	54,357	59,526
Other non-current assets	1,341	1,470
Deferred income tax assets	5,327	5,335
	<u>283,725</u>	<u>291,646</u>
CURRENT ASSETS:		
Transmission rights and TV programs	13,860	8,903
Inventories	1,679	1,921
Trade and other account receivable	60,587	53,594
Other current assets	41,614	60,971
Cash and cash equivalents	6,336	20,556
	<u>124,076</u>	<u>145,945</u>
TOTAL ASSETS	<u><u>407,801</u></u>	<u><u>437,591</u></u>
<u>EQUITY AND LIABILITIES</u>		
EQUITY:		
Share capital	89,584	89,584
Reserves	23,126	22,495
Profit for the period	8,286	17,612
Equity attributable to equity holders	<u>120,996</u>	<u>129,691</u>
Equity attributable to non-controlling interests	4,429	4,521
Total Equity	<u>125,425</u>	<u>134,212</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	60,240	115,145
Provisions for other risks and charges	7,261	7,144
Other non-current liabilities	13,356	22,148
Deferred income tax liabilities	1,638	1,638
	<u>82,495</u>	<u>146,075</u>
CURRENT LIABILITIES:		
Borrowings	65,738	11,241
Trade and other payables	72,140	76,420
Other current liabilities	59,110	67,313
Derivative financial instruments	2,893	2,330
	<u>199,881</u>	<u>157,304</u>
Total liabilities	<u>282,376</u>	<u>303,379</u>
TOTAL EQUITY AND LIABILITIES	<u><u>407,801</u></u>	<u><u>437,591</u></u>

GRUPO MEDIA CAPITAL, S.G.P.S, S.A.
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010 AND 2009**

(Amounts stated in Euro thousand)

	6 months ended		3 months ended	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
OPERATING REVENUES:				
Sales	5,848	10,173	3,200	5,157
Services rendered	104,132	112,221	56,739	65,010
Other operating revenue	10,473	12,469	5,298	6,045
Total operating revenue	<u>120,453</u>	<u>134,863</u>	<u>65,237</u>	<u>76,212</u>
OPERATING EXPENSES:				
Broadcasting costs and cost of good sold	(13,401)	(15,557)	(6,021)	(6,505)
Subcontrats and third party supplies	(50,942)	(55,214)	(25,819)	(28,528)
Payroll expenses	(33,342)	(38,317)	(17,485)	(22,270)
Depreciation and amortization	(5,964)	(6,062)	(3,126)	(3,102)
Provisions and impairment losses	(419)	(563)	(176)	(370)
Other operating expenses	(1,706)	(1,093)	(1,177)	(322)
Total operating expenses	<u>(105,774)</u>	<u>(116,806)</u>	<u>(53,804)</u>	<u>(61,097)</u>
Net operating profit	<u>14,679</u>	<u>18,057</u>	<u>11,433</u>	<u>15,115</u>
FINANCIAL EXPENSES:				
Financial expenses, net	(2,858)	(3,518)	(1,313)	(908)
Losses on associated companies, net	(46)	(165)	(24)	(182)
	<u>(2,904)</u>	<u>(3,683)</u>	<u>(1,337)</u>	<u>(1,090)</u>
Profit before tax	<u>11,775</u>	<u>14,374</u>	<u>10,096</u>	<u>14,025</u>
Income tax expense	(2,738)	(5,188)	(1,958)	(5,086)
Consolidated net profit for continued operations	9,037	9,186	8,138	8,939
Attributable to:				
Equity holders of the parent	8,286	8,618	7,634	8,613
Non-controlling interests	<u>751</u>	<u>568</u>	<u>504</u>	<u>326</u>
Earnings per share (€)				
Basic	0.0980	0.1020	0.0903	0.1019
Diluted	<u>0.0980</u>	<u>0.1020</u>	<u>0.0903</u>	<u>0.1019</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010 AND 2009
(Amounts stated in Euro thousand)

	<u>30.06.2010</u>	<u>30.06.2009</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	141,386	163,959
Cash paid to suppliers	(90,236)	(88,177)
Cash paid to employees	(33,236)	(33,266)
Cash generated from operations	<u>17,914</u>	<u>42,516</u>
Other cash received/(paid) relating to operating activities	(21,208)	(29,538)
Net cash from operating activities (1)	<u>(3,294)</u>	<u>12,978</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	-	8,750
Disposal of tangible assets	75	105
Disposal of intangible assets	200	17,352
Repayment of loans granted	<u>31,611</u>	<u>42,950</u>
	<u>31,886</u>	<u>69,157</u>
Payments resulting from:		
Business concentrations	(9,834)	(9,812)
Acquisition of tangible assets	(4,208)	(5,213)
Acquisition of intangible assets	(287)	(313)
Loans granted	<u>(10,075)</u>	<u>(64,572)</u>
	<u>(24,404)</u>	<u>(79,910)</u>
Net cash from /(used in) investing activities (2)	<u>7,482</u>	<u>(10,753)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	40,058	43,979
Interest and other similar income	<u>1,244</u>	<u>2,663</u>
	<u>41,302</u>	<u>46,642</u>
Cash paid relating to:		
Borrowings	(40,203)	(24,974)
Leases	(429)	(767)
Interest and other similar expenses	(1,062)	(1,545)
Dividends	(17,062)	(20,158)
Other financial expenses	<u>(954)</u>	<u>(839)</u>
	<u>(59,710)</u>	<u>(48,283)</u>
Net cash from/(used in) financing activities (3)	<u>(18,408)</u>	<u>(1,641)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(14,220)	584
Cash and equivalents at the beginning of the period	20,556	7,172
Cash and equivalents at the end of the period	6,336	7,756



10. Other Highlights

- ✓ Meios e Publicidade 2010 Awards - Grupo Media Capital and its representatives won several awards in the following categories:
 - TV Production - Plural
 - Radio - Rádio Comercial
 - Media Personality- Luís Cabral (Managing Director MCR)

- ✓ TVI
 - TVI reportage awarded in Monaco – The in-depth reportage «Terra Desafio Global», broadcasted in the news program “Repórter TVI”, won the Prince Rainier III Special Prize for the Best Reportage – Environment Category, in the Monte Carlo International Television Festival
 - MAC 2010 - Programa Cultural Televisão – award attributed to the program “Cartaz das Artes” as the best cultural program in Portuguese television
 - Portuguese Football League – seasons 2010/2011 and 2011/2012 - Sport TV and TVI came to an understanding over the broadcasting by TVI of one match per week for these two seasons
 - Clube Nacional da Imprensa Desportiva - Best Television Program of the Year – “Maisfutebol”

- ✓ Farol
 - Platinum Disc (more than 20k units sold) for the album:
 - “Morangos com Açúcar – Vive o teu talento”
 - Gold Disc (more than 10k units sold) for the albums:
 - “O Melhor de Beto” – Beto
 - “Toda a Escolinha de Música” – Escolinha de Música
 - “Benfica Campeão” – Vários
 - “The Resistance” – Muse (Warner)