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Full Year Results 2018

Grupo Média Capital, SGPS, S.A.

GRUPO MÉDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhana, n.º 40, Barcarena, Oeiras
Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)
Pessoa Coletiva n.º 502 816 481 | Capital Social: 89.583.970,80 euros

FULL YEAR RESULTS 2018

Media Capital posts a net profit of € 21.6 million, 9% above 2017

- In 2018, **Media Capital kept its leadership in audiences and profitability**, strengthening its position in the competitive Portuguese media sector.
- Consolidated **EBITDA** reached € 40.2 million, in line with 2017.
- On a comparable basis (i.e. 2017 adjusted for IFRS 15), **advertising** grew by 3% vs 2017.
- It is worth highlighting the **cash flow generation**, with an improvement in operating cash flow from € 29.5 million to € 35.0 million, whereas net debt came down € 9.6 million when comparing against YE 2017, despite the € 18.6 million paid out as dividends. Hence, net debt stood at € 85.7 million at the end of 2018.
- **Financial results** improved 34% YoY, due to the lower average volume of net debt, lower all-in interest rate and favourable FX differences.
- The **TV** segment had an EBITDA of € 30.3 million. **TVI** kept the leadership in TV audience share for the 149th straight month, achieving an average share of 20.0% and 23.6% in all day and prime time, respectively. The gap over the second most watched channel was 3.5pp in all day and 3.3pp in prime time. TVI's leadership in audiences was also maintained when analyzing by groups of channels (TVI, TVI24, TVI Ficção and TVI Reality, in the case of TVI), with 22.9% in all day and 26.0% in prime time, i.e., respectively 2.7pp and 2.4pp above the second most watched group of channels, although TVI has a lower number of channels.
- The **Radio** segment continued to improve its EBITDA, which in this period rose by 14% YoY to € 7.4 million, with a margin of 38.1%. Media Capital's radios continued to increase their audience levels, reaching an average figure of 37.1% in 2018, the highest ever, also being the 7th consecutive year with positive growth. Such performance benefited from the success of Radio Comercial, which this year reached the highest number of listeners ever for a Portuguese radio in the 3rd audience reading (more than 1.5 million listeners), whereas M80 remained as the third most listened to radio in Portugal.
- In the **Digital** business there was a strong improvement in audiences and revenues. In the comparison against 2017, the number of visits, page views and videos rose by 19%, 29% and 51% respectively, thus decisively contributing for the 19% increase in advertising revenues.

Queluz de Baixo, 25th February 2019

Introductory Note: 2017 values are presented on a pro-forma basis, incorporating the adoption of IFRS 15 - Revenues from Contracts with Customers - that took place since 1 January 2018. This implied an increase in both revenues and costs in the exact same amount, i.e. neutral EBITDA and cash flow wise. In terms of reported segments, the only one affected is TV.



1. Consolidated P&L

€ thousand	2018	2017 PF	% Var	Q4 2018 PF	Q4 2017 PF	% Var
Total operating revenue	181,809	177,529	2%	54,835	54,182	1%
Television	151,333	148,809	2%	46,021	45,487	1%
Audiovisual Production	32,841	31,941	3%	9,489	11,096	(14%)
Radio	19,464	18,542	5%	5,611	5,315	6%
Others	16,685	15,980	4%	4,709	4,320	9%
Consolidation Adjustments	(38,514)	(37,743)	(2%)	(10,995)	(12,036)	9%
Total operating expenses ex-D&A	141,564	137,452	3%	39,080	36,851	6%
EBITDA	40,245	40,077	0%	15,755	17,332	(9%)
EBITDA Margin	22.1%	22.6% (0.4pp)		28.7%	32.0% (3.3pp)	
Television	30,278	32,962	(8%)	11,481	13,251	(13%)
Audiovisual Production	656	(320)	N/A	391	1,307	(70%)
Radio	7,418	6,514	14%	2,859	2,864	(0%)
Others	668	449	49%	490	102	382%
Consolidation Adjustments	1,225	472	160%	534	(191)	N/A
Depreciation and amortisation	6,632	7,903	(16%)	1,683	2,118	(21%)
Operating income (EBIT)	33,613	32,174	4%	14,072	15,214	(8%)
Financing Results	(2,957)	(4,482)	34%	(614)	(1,049)	41%
Profit / (Loss) Before Inc. Tax and No Contrl. Int.	30,656	27,692	11%	13,458	14,164	(5%)
Income Taxes	(9,082)	(7,905)	(15%)	(3,965)	(4,067)	3%
Profit / (Loss) from Continued Operations	21,573	19,787	9%	9,493	10,097	(6%)
Net Profit / (Loss) for the Period	21,573	19,787	9%	9,493	10,097	(6%)

On a pro-forma basis, 2018 **operating revenues** were up 2%, reaching € 181.8 million (€ 177.5 million in 2017). In the fourth quarter, revenues grew by 1%. **Opex** (excluding D&A) was also up, in this case by 3%, from € 137.5 million towards € 141.6 million. In the quarter, opex increased by 6% to € 39.1 million.

Consolidated EBITDA was € 40.2 million, in line with 2017. EBITDA margin went from 22.6% to 22.1%. In 4Q, EBITDA decreased 9% to € 15.8 million.

EBIT was € 33.6 million, 4% better than the value of 2017, benefiting from lower depreciations and amortisations.

Net financial results improved 34% to € -3.0 million, through the reduction in interest costs (due both to a lower average net debt and to a lower cost of debt) and to favourable FX differences.

Net income rose by 9% to € 21.6 million, whereas in the fourth quarter there was a 6% decrease to € 9.5 million.



€ thousand	2018	2017 PF	% Var	Q4 2018 PF	Q4 2017 PF	% Var
Operating revenue	181,809	177,529	2%	54,835	54,182	1%
Advertising	124,787	120,935	3%	38,780	37,056	5%
Other revenues	57,021	56,594	1%	16,055	17,126	(6%)

In 2018, **advertising revenues** had a positive evolution, having increased 3% YoY (5% in 4Q). In the TV segment, advertising was up 2% (+4% in 4Q), whereas in the Radio segment there was an increase of 4% (+6% in 4Q), while in the Other segment (which includes Digital, Music & Events, shared services and holding) the variation was

quite positive (+19% for the full year, and +24% in 4Q).

Other operating revenues, which comprise mainly audiovisual production, sale of contents, multimedia and retransmission revenues, increased by 1% (-6% in 4Q), benefiting from multimedia.

2. Television



€ thousand	2018	2017 PF	Var %	Q4 2018 PF	2017 PF	Var %
Operating revenue	151,333	148,809	2%	46,021	45,487	1%
Advertising	102,811	100,728	2%	32,276	31,168	4%
Other revenues	48,522	48,081	1%	13,746	14,319	(4%)
Operating Expenses, ex D&A	121,055	115,847	4%	34,540	32,236	7%
EBITDA	30,278	32,962	(8%)	11,481	13,251	(13%)
EBITDA margin	20.0%	22.2%	(2.1pp)	24.9%	29.1%	(4.2pp)
Depreciation and amortisation	2,529	2,877	(12%)	636	727	(13%)
Operating income (EBIT)	27,749	30,085	(8%)	10,845	12,523	(13%)

Considering the TVI FTA (generalist) channel, TVI24, TVI Ficção and TVI Reality, TVI's aggregate group of channels led audiences, with 22.9% in all day and 26.0% in prime time (20h-24h). Such leadership was also maintained in the main commercial target - Adults - as shown below.

All Day (%)	UNIVERSE	ADULTS
TVI Group	22.9	23.8
SIC Group	20.2	20.8
RTP Group	16.5	17.3
Prime Time (%)	UNIVERSE	ADULTS
TVI Group	26.0	26.7
SIC Group	23.6	24.3
RTP Group	16.1	16.7



In terms of individual channels, TVI's generalist channel confirmed yet again its #1 position for the 149th consecutive month, with a share of 20.0% in all day, 3.5pp above the closest competitor and 7.8pp above the third most watched channel. TVI is the leader in this commercial target since 2005.

In 2018, TVI also ranks in the first place in the main commercial target - Adults - obtaining a share of 20.8%, i.e. 3.6pp and 7.9pp above the second and third players, respectively.

In prime time, TVI also beats the competition, with a share of 23.6%, meaning 3.3pp above the second channel and 11.5pp advantage over the third one. TVI leads in this time slot since 2001.

A similar position was achieved in the Adults target, with TVI capturing a 24.2% share, while the second and third most watched channels had 21.0% and 12.6%, respectively.

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

"Apanha se Puderés", "Pesadelo na Cozinha", "A Herdeira", "Jogo Duplo", "Valor da Vida", "A Teia", "Dança com as Estrelas", "Secret Story VII" and "Jornal das 8" are some of the key contents that helped TVI keeping its leadership.

In a World Cup year, TVI lead audiences during the months of the competition, despite not having the FTA broadcasting rights, which were acquired by other players.

In **fiction**, the four novellas aired during 2018 lead their time slots. “A Herdeira”, which followed “Outro Verde” (winner of an Emmy Award), had an average audience of 1,243 thousand viewers and a share of 27.7%, being the most watched novella in Portugal this year. 2018 was also marked by the debut of “Valor da Vida” in the last quarter, leading with 1,078 thousand average viewers and a share of 24.4%.

Towards the end of the year, another big production came on stream – “A Teia”, with an average of 779 thousand viewers and a share of 23.6%, ranking #1 in its time slot as well.

“Jogo Duplo” was another hit, with over 810 thousand viewers and a share 23.4%.

The end of “Onde Está Elisa”’s first season had an average share of 20% and 450 thousand average viewers. It exhibited some new features, more adapted to current audience trends, such as a shorter narrative.

In **entertainment**, the second season of “Pesadelo na Cozinha” (Kitchen Nightmares) lead yet again, with an average audience over 1,371 thousand viewers and a share of 29.3%, far exceeding competition and being, for the second straight year, the most watched non-sports program.

“Dança com as Estrelas” (Dancing with the Stars) aired on December and had outstanding results, with over 870 thousand viewers and a 22.2% share.

“Apanha se Puderés” lead its time slot (access to prime time), with an average share of 22.2%.

Also in December, TVI broadcasted two special programs of “Masterchef Especial de Natal”, both being leaders on Saturday nights (average share of 26.4%).

“Somos Portugal” aired every Sunday afternoon, shot live from different geographic locations and for several hours showed tremendous resilience, winning its time slot (21.5% average share).

Still in entertainment, “A Tua Cara Não Me É Estranha” posted excellent audience figures (27.4% share).

TVI’s **news** programming keeps its leading position both at lunchtime, with “Jornal da Uma” and at dinnertime, with “Jornal das 8”.

In **sports**, the broadcasting of the “UEFA Champions League” in the second half of the year had a leading share of 41.1% (49.5% in the male target).

TVI24 kept its #1 ranking among news channels in prime time for the third year in a row, with an average audience of 63 thousand views.

The **TVI Reality** channel leveraged on the success of “Secret Story 7”, “Secret Story – O Reencontro” and “Love on Top”, having an average overall share of 0.8% within pay-tv homes. It is exclusive to NOS’s platform, has live streaming and it is available through an app for both Android and iOS.

As regards the **sale of contents**, in 2018 it was reached a new record in the number of countries where TVI’s fiction is exhibited – 75. In November, “A Única Mulher” premiered in 14 French-speaking African countries. “Ouro Verde” and “A Única Mulher” were sold to the North-American territory and to several Eastern Europe countries. Also, “A Herdeira” was sold to both Angola and Mozambique, whereas TVI’s miniseries were sold to the US VOD and SVOD markets.

Meanwhile, **TVI channels** continue to increase their worldwide footprint. All in all, **TVI Internacional** is broadcasted in 22 territories around the World, being present in more than 40 platforms.

TVI was the big winner of the prizes “Troféus de Televisão” (“Television Trophies”), winning 16 out of the 24 available prizes. The main highlight was in fiction, with TVI winning all the prizes in the telenovela category (6 in 6), while 2 of the 3 prizes in the series category were also attributed to TVI’s stars. In entertainment, the winning talk-show was TVI’s “Você na TV” and the best hosts were also TVI’s. In news, TVI won the prize for best investigative journalism piece, with Ana Leal being considered the best TV journalist, José Carlos Araújo was named as the best news anchor and Conceição Queiroz was awarded the prize “Maria Barroso Jornalismo para a Paz”. TVI24’s sports program “Maisfutebol” won in its category.

In September, TVI and Plural were nominated for the 5th time for the International Emmy Awards, the most prestigious worldwide prize in TV. “Ouro Verde” was the only Portuguese speaking production to be nominated in the Best Telenovela category, and it came out as the winner. Plural is now the most nominated and winning European producing company for the Emmy International Awards and the second most winning company worldwide, in the mentioned category.

This year, TVI became the first Portuguese brand to have more than 1 million followers on You Tube and the number one broadcaster on Instagram.

Also in 2018, TVI was awarded several prizes in Portugal. “Ouro Verde” won the prizes “autores” from Sociedade Portuguesa de Autores for the Best Fiction Program. TVI and Media Capital Digital also won 15 prizes attributed by Meios & Publicidade.

FINANCIAL PERFORMANCE

Regarding financial performance, **operating revenues** were up 2% YoY. In the fourth quarter, the YoY variation was +1%.

Advertising revenues were up 2% (+4% in the last quarter).

Other revenues, which encompass, among other, retransmission fees, sale of contents and multimedia services, were up 1%. In October-December, the YoY variation was -4%.

Opex increased 4% YoY (+7% YoY in the quarter). Such increase is the result of the effort put in better quality contents.

EBITDA was € 30.3 million (-8% YoY), with a margin of 20.0%. In the 4Q, EBITDA decreased 13% to € 11.5 million, with a margin of 24.9%.



3. Audiovisual Production

€ thousand	2018	2017	Var %	Q4 2018	Q4 2017	Var %
Operating revenue	32,841	31,941	3%	9,489	11,096	(14%)
Advertising	0	0	-	0	0	-
Other revenues	32,841	31,941	3%	9,489	11,096	(14%)
Operating Expenses, ex D&A	32,185	32,261	(0%)	9,098	9,790	(7%)
EBITDA	656	(320)	N/A	391	1,307	(70%)
EBITDA margin	2.0%	-1.0%	3.0pp	4.1%	11.8%	(7.7pp)
Depreciation and amortisation	2,504	3,375	(26%)	665	953	(30%)
Operating income (EBIT)	(1,848)	(3,695)	50%	(274)	354	N/A

Plural continues to be one the main players in the audiovisual production sector, also with a relevant presence in the associated technical services/equipment and scenic design and construction. In 2018, it kept its leadership not only in fiction, with the production of the novelas “A Herdeira”, “Jogo Duplo”, “Valor da Vida” and “A Teia”, but also in entertainment, through the adaptation of the international format “Apanha se Puderés” (“Raid the Cage”), a contest which leads audience since its debut, in the 7-8pm time slot, during weekdays.

Furthermore, EMVA (technical services and equipment) rendered its services to several important audiovisual players in Iberia, and was responsible for the technical support to the broadcasting of various sports. In turn, EPC (scenery design and construction) was again one of the main suppliers in the Portuguese market – in the areas of entertainment, fiction and news, among other, with a special highlight for the involvement in the Eurovision Song Contest.

This segment had **operating revenues** of € 32.8 million (+3 YoY), primarily due to an increase of content production in Portugal. In 4Q, the YoY variation was negative (-14%), as content production was mostly concentrated in the first nine months, whereas in 2017 it was the other way around.







In **Portugal**, revenues were up 2% YoY, as a result of higher activity in all areas.

In **Spain**, the activity is reduced to residual levels, with a slim and flexible structure, the necessary one to address attractive commercial opportunities.

Opex was flat vs 2018 (-7% in the quarter, due to the variation in the activity).

Hence, **EBITDA** reached a positive figure of € 0.7 million, substantially improving from the € -0.3 million in 2017. In the quarter, EBITDA was € 0.4 million, comparing with € 1.3 million in 4Q 2017.

4. Radio

     	€ thousand	2018	2017	Var %	Q4 2018	Q4 2017	Var %
Operating revenue		19,464	18,542	5%	5,611	5,315	6%
Advertising		18,521	17,790	4%	5,326	5,037	6%
Other revenues		943	752	25%	285	278	3%
Operating Expenses, ex D&A		12,046	12,028	0%	2,753	2,451	12%
EBITDA		7,418	6,514	14%	2,859	2,864	(0%)
EBITDA margin		38.1%	35.1%	3.0pp	50.9%	53.9%	(2.9pp)
Depreciation and amortisation		1,122	1,075	4%	281	293	(4%)
Operating income (EBIT)		6,296	5,439	16%	2,577	2,570	0%

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

In the fifth audience measurement published in 2018, **MCR** had a share of 33.6%, thus placing the **average share for 2018 at 37.1%, the highest ever**, and comparing against 36.4% in 2017, being also que 7th consecutive year of increase in audience share. The 2018 figure outpaces the second most listened to competitor by 2.2pp.

It is worth highlighting the performance of **Radio Comercial**, which **improved its share for the 5th consecutive year**, going from 24.2% in 2017 to 24.3% in 2018.

Also worth noting is the fact that in the third audience reading, Radio Comercial registered the highest level ever of listeners for a Portuguese radio (18.0%, corresponding to more than 1.5 million people).

In turn, **M80** showed great consistency, with an average audience share of 8.5%, the same as in 2017. M80 thus continues to be not only the most-listened-to radio station among those without a nationwide coverage, but it also **stands out as the overall third most listened-to radio station in the country**.

As for other formats, **Cidade FM** had a share of 2.3%.

Despite the outstanding on air performance so far this year, 2018 has been ground-breaking on digital as well. As a matter of fact, MCR created 14 web radios: 11 for M80 and 3 for Smooth FM. These are streaming radios that segment the most relevant clusters (both in genre and decades) for these FM formats. Such radios are not based on algorithms but rather on carefully playlists cherry picked by each format's team, both with a vast experience. This offer is available also through apps, and provides an invaluable extension of the FM products, thus increasing contact and brand awareness among listeners and advertisers, while proving that the Group's radios are already fully immersed in the digital transformation process.

Finally, Radio Comercial was distinguished as "Rádio do Ano" ("Radio of the Year"), by Meios & Publicidade.

On financial grounds, **advertising revenues** improved 4% YoY (6% in 4Q), while other operating revenues grew 25% to € 0.9 million (+3% in 4Q), driven mostly by events and spots production.

Operating efficiency continued, with **Opex** flat vs 2017. The YoY variation for 4Q was +12%.

EBITDA soared 14% to € 7.4 million, with a 38.1% margin (stable YoY at € 2.9 million in 4Q, with a margin of 50.9%).

5. Others



€ thousand	2018	2017	Var %	Q4 2018	Q4 2017	Var %
Operating revenue	16,685	15,980	4%	4,709	4,320	9%
Advertising	3,754	3,161	19%	1,224	988	24%
Other revenues	12,930	12,819	1%	3,485	3,332	5%
Operating Expenses, ex D&A	16,017	15,531	3%	4,219	4,219	0%
EBITDA	668	449	49%	490	102	382%
EBITDA margin	4.0%	2.8%	1.2pp	10.4%	2.4%	8.0pp
Depreciation and amortisation	477	575	(17%)	100	145	(31%)
Operating income (EBIT)	190	(126)	N/A	390	(43)	N/A

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. On a YtD basis, the overall digital

projects had a relevant growth in visits, page views and videos of 14%, 15% and 39%, respectively.

On financial grounds, **advertising** increased by 19% YoY (+24% in 4Q), whilst **other revenues** were up 1% (+5% in 4Q).

The accumulated EBITDA was € 0.7 million, comparing with a € 0.4 million in 2017.



6. Capex

€ thousand	2018	2017	% Var	Q4 2018 PF	Q4 2017	% Var
Capex	6,126	4,040	52%	3,403	1,900	79%
Television	3,789	1,677	126%	1,941	362	437%
Audiovisual Production	1,547	1,817	(15%)	907	1,237	(27%)
Radio	373	341	9%	274	213	28%
Others	417	205	104%	281	88	218%

During 2018, Media Capital registered a capex of € 6.1 million, 52% above the previous year, with the main contribution coming from the TV

segment, especially in the second half of the year, as a result of renovation of materials and studio equipment.



7. Cash Flow

€ thousand	2018	2017	Var %	Q4 2018	Q4 2017	Var %
Receipts	226,048	221,465	2%	60,909	65,226	(7%)
Payments	(191,079)	(191,946)	0%	(50,453)	(48,698)	(4%)
Cash flows op. activities (1)	34,969	29,519	18%	10,456	16,528	(37%)
Receipts	1,286	1,294	(1%)	0	1,286	(100%)
Payments	(4,381)	(6,418)	32%	(1,695)	(1,469)	(15%)
Cash flows inv. activities (2)	(3,095)	(5,124)	40%	(1,695)	(183)	(829%)
Receipts	176,258	137,765	28%	25,259	23,475	8%
Payments	(208,045)	(163,098)	(28%)	(34,256)	(39,895)	14%
Cash flows fin. activities (3)	(31,787)	(25,333)	(25%)	(8,996)	(16,420)	45%
Cash at the beginning of the period	294	1,235	(76%)	617	369	67%
Variation of cash (4) = (1) + (2) + (3)	87	(938)	N/A	(235)	(74)	(218%)
Effect of FX differences	0	(3)	N/A	1	(0)	N/A
Cash at the end of the period	382	294	30%	382	294	30%

Cash flow from operating activities was € 35.0 million, which positively compares with € 29.5 million in the previous year. The variation chiefly comes from the television segment.

Cash flow from investing activities was € -3.1 million (€ -5.1 million in 2017). Cash flow related with tangible and intangible assets was € -4.4 million, comparing with € -6.4 million registered a year ago.

Cash flow from financing activities reached € -31.8 million (€ -25.3 million in 2017), reflecting the movements in operating and investing activities, the dividend paid out (€ 18.6 million) and the change in cash and equivalents.



8. Net Debt

€ thousands	Dec 18	Dec 17	Abs Var	% Var
Group financial debt	86,044	95,557	(9,513)	(10%)
Bank loans / Commercial paper / Bonds	84,533	94,765	(10,232)	(11%)
Other debt	1,511	792	719	91%
Cash & equivalents	382	294	88	30%
Net debt	85,661	95,262	(9,601)	(10%)

Net debt decreased € 9.6 million vs the end of 2017, standing at € 85.7 million at the end of 2018, despite the € 18.6 million dividend paid out in 3Q.

Media Capital maintains a comfortable capital structure.

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018 AND 2017
(Amounts stated in Euro thousand)

	<u>2018</u>	<u>2017</u>
<u>OPERATING REVENUES:</u>		
Services rendered	132,800	126,911
Other operating revenue	49,009	38,552
Total operating revenue	<u>181,809</u>	<u>165,463</u>
<u>OPERATING EXPENSES:</u>		
Cost of programs broadcasted and goods sold	(21,067)	(19,443)
Subcontrats and third party supplies	(78,326)	(63,789)
Payroll expenses	(41,540)	(41,678)
Depreciation and amortization	(6,632)	(7,903)
Provisions and impairment losses	(510)	(395)
Other operating expenses	(120)	(81)
Total operating expenses	<u>(148,196)</u>	<u>(133,289)</u>
Net operating profit	<u>33,613</u>	<u>32,174</u>
<u>FINANCIAL EXPENSES:</u>		
Financial expense	(3,166)	(4,576)
Financial income	209	94
Finance costs, net	(2,957)	(4,482)
Gains (losses) on associated companies, net	-	(0)
Profit before tax	<u>30,656</u>	<u>27,692</u>
Income tax expense	(9,082)	(7,905)
Consolidated net profit for continued operations	<u>21,573</u>	<u>19,787</u>
Attributable to:		
Equity holders of the parent	21,573	19,787
<u>Earnings per share (Euros)</u>		
Basic	0.2553	0.2341
Diluted	<u>0.2553</u>	<u>0.2341</u>

GRUPO MEDIACAPITAL, S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2018 AND 2017

(Amounts stated in Euro thousand)

ASSETS	2018	2017
NON-CURRENT ASSETS:		
Goodwill	149,374	149,374
Intangible assets	9,826	10,663
Tangible fixed assets	16,026	15,166
Assets held for sale	5	5
Transmission rights and TV programs	51,890	50,971
Other non-current assets	2,410	3,937
Deferred income tax assets	2,161	2,388
	<u>231,693</u>	<u>232,504</u>
CURRENT ASSETS:		
Transmission rights and TV programs	27,392	30,219
Trade and other account receivable	30,700	33,629
Current tax assets	288	340
Other current assets	3,436	4,258
Cash and cash equivalents	382	294
	<u>62,197</u>	<u>68,741</u>
TOTAL ASSETS	<u><u>293,891</u></u>	<u><u>301,244</u></u>
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	89,584	89,584
Reserves	32,362	32,071
Profit for the period	21,573	19,787
Equity attributable to controlling interests	<u>143,519</u>	<u>141,442</u>
Total Equity	<u>143,519</u>	<u>141,442</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	46,115	61,233
Provisions	5,762	5,798
Deferred income tax liabilities	1,091	1,159
	<u>52,968</u>	<u>68,190</u>
CURRENT LIABILITIES:		
Borrowings	39,929	34,324
Trade and other payables	32,930	31,370
Current tax liabilities	-	5
Other current liabilities	24,544	25,914
	<u>97,403</u>	<u>91,613</u>
Total liabilities	<u>150,371</u>	<u>159,803</u>
TOTAL EQUITY AND LIABILITIES	<u><u>293,891</u></u>	<u><u>301,244</u></u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 AND 2017
(Amounts stated in Euro thousand)

	<u>2018</u>	<u>2017</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	226,048	221,465
Cash paid to suppliers	(108,475)	(108,926)
Cash paid to employees	(39,860)	(40,765)
Cash generated from operations	<u>77,713</u>	<u>71,774</u>
Cash received/(paid) relating to income tax	(83)	309
Other cash received/(paid) relating to operating activities	(42,661)	(42,564)
Net cash from operating activities (1)	<u>34,969</u>	<u>29,519</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	1,286	1,286
Disposal of fixed tangible and intangible assets	0	8
Interest and similar income	0	-
	<u>1,286</u>	<u>1,294</u>
Payments resulting from:		
Business concentrations	-	-
Acquisition of tangible assets	(3,909)	(5,854)
Acquisition of intangible assets	(471)	(564)
	<u>(4,381)</u>	<u>(6,418)</u>
Net cash from /(used in) investing activities (2)	<u>(3,095)</u>	<u>(5,124)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	176,258	137,765
	<u>176,258</u>	<u>137,765</u>
Cash paid relating to:		
Borrowings	(186,205)	(141,400)
Leases	(363)	(398)
Interest and other similar expenses	(2,735)	(3,397)
Dividends	(18,593)	(17,748)
Other financial expenses	(150)	(155)
	<u>(208,045)</u>	<u>(163,098)</u>
Net cash from/(used in) financing activities (3)	<u>(31,787)</u>	<u>(25,333)</u>
Cash and equivalents at the beginning of the year	294	1,235
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	87	(938)
Exchange rate effect	0	(3)
Cash and equivalents at the end of the year	382	294