Media Capital

Full Year 2008 Results

GRUPO MÉDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhano, n.º 40, Barcarena, Oeiras
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

FULL YEAR 2008 RESULTS

For the full year of 2008 Grupo Media Capital reports an EBITDA of € 52.7, up 14% year on year

- In 2008 Media Capital reports consolidated operating revenues of € 287.4 million, a 29% increase over the comparable period

- Total advertising revenues were up 4% to € 172.3 million, with gains in all relevant segments: TV up 5%, Radio up 3%, and IOL's network of sites up 10%.

- Operating Income (EBIT) improves 12% year on year to € 38.5 million.

- For the fourth year in a row, TVI led both all day and prime time audiences in 2008, with FTA shares of 36.0% and 41.3% respectively.

- Consolidated Net Profit added up to € 19.8 million. On a comparable basis excluding the impact of discontinued operations (sale of Outdoor advertising business in December 2007), net profit would have been up 53%.

- Media Capital announced the acquisition of Plural Entertainment España SL in the month of May, for a total amount of € 50 million. With this operation Media Capital has taken a significant step towards its strategy of focusing in audiovisual content production and in developing its activities and revenue sources.

- In September 2008, Media Capital announced the sale of its subsidiaries in the press business, for a total amount of € 8.75 million.

Queluz de Baixo, February 12, 2009

Grupo Media Capital

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Relevant notes for 2008:

- In March 2008 Grupo Media Capital SGPS, SA (Media Capital), formed Media Capital Produções SGPS, SA, the holding company that holds the share capital of Plural Entertainment España, Plural Entertainment Portugal and of subsidiaries in the audiovisual content production business.

- In May 2008, Media Capital acquired the total shares representing the share capital of Plural Entertainment España SL (Plural). Following this operation and given the relevance of both the assets & liabilities, and the total costs and income generated by Plural, and to be fully consolidated into Grupo Media Capital, from that date onwards, the Group has reviewed its reporting segments. As of the second quarter of 2008, a new business segment is reported, under the designation "Audiovisual Production". This new business segment includes Plural Entertainment España and its subsidiaries, as well as the audiovisual contents production and related activities carried out by Plural Entertainment Portugal and other subsidiaries in the audiovisual content production business, which were previously included in the "Television" segment.

  All analysis and comparisons presented in this document, unless otherwise stated, are performed on a year on year restated comparable basis considering the information contained in the previous paragraph.

- On December 19 2008, NBP – Produção em Vídeo, SA, changed its registered company name to Plural Entertainment Portugal, SA.

- The activity of Publipartner – Projectos de Media e Publicidade, has as of the 4th quarter of 2008, been included under the Television segment. The decision to include this company's activity under this segment derives from the fact that most of its activities result from trading with TVI and from the use of its advertising space.

  As in previous reporting segment changes, all data, analysis and comparisons presented in this document, are performed on a year on year restated comparable basis.

- In September 2008, Media Capital's Board of Directors approved the sale of MCE – Média Capital Edições and Edições Expansão Económica Lda., companies that developed the group's magazine editing and publishing business. For consolidation purposes, the sale of these companies took effect on 31 July.

1. Analysis of consolidated income statement

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Total operating revenue	**287.371**	**222.355**	**29%**	**81.927**	**65.755**	**25%**
Television	168.376	160.257	5%	42.824	43.519	-2%
Audiovisual Production	92.908	39.452	135%	33.332	9.454	253%
Entertainment	38.557	23.958	61%	13.188	11.732	12%
Radio	14.079	13.918	1%	3.830	3.748	2%
Others	(26.549)	(15.231)	74%	(11.247)	(2.699)	317%
Total operating expenses	**234.669**	**176.261**	**33%**	**66.911**	**52.546**	**27%**
EBITDA	**52.702**	**46.094**	**14%**	**15.016**	**13.209**	**14%**
EBITDA margin	**18,3%**	**20,7%**	**-2,4pp**	**18,3%**	**20,1%**	**-1,8pp**
Television	44.721	44.549	0%	10.868	9.440	15%
Audiovisual Production	8.803	2.237	294%	4.444	-201	n.a.
Entertainment	1.801	1.531	18%	753	793	-5%
Radio	(1.648)	(1.062)	55%	(150)	(761)	-80%
Others	(975)	(1.160)	-16%	(900)	3.938	n.a.
Depreciation and amortisation	14.177	11.727	21%	4.061	3.035	34%
Operating income (EBIT)	**38.525**	**34.367**	**12%**	**10.955**	**10.173**	**8%**
Financial expenses, net	8.527	8.837	-4%	3.462	1.907	81%
Profit / (Loss) before inc. tax/ min.	**29.998**	**25.530**	**18%**	**7.493**	**8.266**	**-9%**
Income tax	(9.578)	(13.081)	-27%	(2.922)	(6.420)	-54%
Profit / (Loss) from continued operations	**20.420**	**12.450**	**64%**	**4.572**	**1.846**	**148%**
Profit / (Loss) from disc. operations	**945**	**17.871**	**-95%**	**0**	**17.231**	**-100%**
Minority interests	(1.534)	(86)	n.m.	(680)	230	n.a.
Net profit / (loss) for the period	**19.832**	**30.235**	**-34%**	**3.892**	**19.306**	**-80%**

For the period ended December 31, 2008, Grupo Media Capital reports **consolidated revenues** of de € 287.4 millions, an increase of 29% over the same period last year, and an **EBITDA** of € 52.7 million, up 14% year on year.

Operating income (EBIT) was up 12% to € 38.5 million, whereas **net profit** decreased 34%, impacted by the gain in the sale of the Outdoor advertising division late in 2007. On a comparable basis excluding the impact of discontinued operations, net profit would have been up 53%.

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Operating revenue	**287.371**	**222.355**	**29%**	**81.927**	**65.755**	**25%**
Advertising	172.300	165.217	4%	42.985	44.825	-4%
Audiovisual Production	42.595	714	n.m.	16.796	83	n.m.
Other revenues	72.476	56.424	28%	22.146	20.847	6%

Under total consolidated revenues, **advertising revenues** gained 4% year on year, backed by increases of 5% in the TV segment and 3% in the Radio business. As for the Other segment, the 26% year on year reduction in advertising is directly related with the sale of the press business (which was consolidated until the end of July), as the internet activity continued its growth path, with a 10% improvement in the IOL sites network.

Consolidated **Audiovisual Production revenues** include for the most part, the revenues of Plural España and the impact of its consolidation as of May, as most of Plural Portugal's revenues are still intra-group (sales of local fiction to TVI). Total revenues presented in the Audiovisual

Production reporting segment differ from those here presented as the former include all intra-group sales.

As for consolidated **Other revenues**, they were also up significantly to € 72.5 million, mostly due the impact of CLMC's (Video & Cinema) distribution business, consolidated as of September of 2007, although we point out that on a comparable basis (full year in both 2007 and 2008) revenues in this business activity were up 33%.

Consolidated **Operating costs** were up 33% over the previous year, also reflecting the impact of the activities consolidated in 2007 and 2008, CLMC and Plural España. The increase in costs also includes the rise in programming costs in TVI, mostly due to the broadcasting of the UEFA Euro 2008.

Net financial expenses decreased by 4% over the comparable period, reflecting lower interest costs. Costs with the interest rate swap contract were also down in 2008, despite the losses booked in the fourth quarter, given the steep decline in interest rates towards the end of the year.

Income Tax charges were down 27%, due to the 2007 year end reversal of deferred tax assets in the amount of € 2.8 million, along with an amount of € 1.0 million resulting from additional collections regarding costs incurred and booked in previous years.

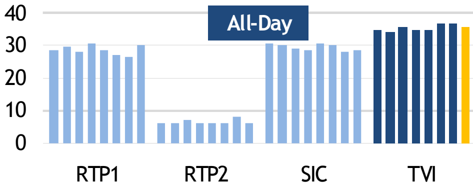
As referred in previous quarters, the amount of €0.9 million, booked under profit from discontinued operations, corresponds to a final adjustment, booked in the 1st quarter of the year, to the total amount paid for the sale of the Outdoor advertising business, according to the terms and conditions set out in the Sale Agreement.

Consolidated **Net Profit** added up to **€ 19.8 million**, down 34% year on year, with the performance in net profit from continued operations offset by the impact of discontinued operations, which included the gain with the sale of Outdoor advertising business.

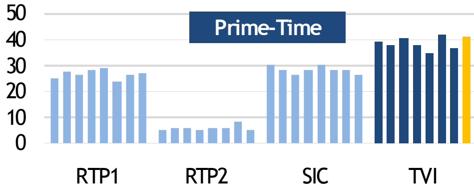
2. Television

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Operating revenue	**168.376**	**160.257**	**5%**	**42.824**	**43.519**	**-2%**
Advertising	153.090	146.001	5%	39.169	39.740	-1%
Other revenues	15.286	14.256	7%	3.654	3.780	-3%
Operating Expenses	**123.655**	**115.709**	**7%**	**31.955**	**34.080**	**-6%**
EBITDA	**44.721**	**44.549**	**0%**	**10.868**	**9.440**	**15%**
EBITDA margin	26,6%	27,8%	-1,2pp	25,4%	21,7%	3,7pp
Depreciation and amortisation	5.190	5.097	2%	1.315	1.261	4%
Operating income (EBIT)	**39.531**	**39.452**	**0%**	**9.553**	**8.178**	**17%**

As stated under the Relevant Notes header, the Television segment includes as of the fourth quarter, the activity of Publipartner, a marketing management group company aimed at developing 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 fall slightly below the figures reported in previous quarters.



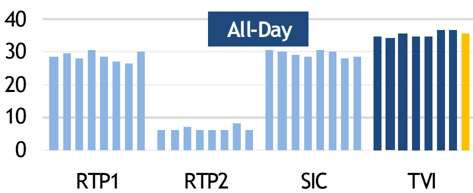
All-Day	2001	2002	2003	2004	2005	2006	2007	2008
RTP1	21,9	23,6	27,1	28,3	27,5	28,5	29,8	28,1
RTP2	6,1	6,0	5,7	5,1	5,8	6,2	6,2	6,6
SIC	37,1	35,3	34,6	33,6	31,7	30,4	29,7	29,3
TVI	**34,8**	**35,1**	**32,5**	**33,1**	**34,9**	**34,8**	**34,3**	**36,0**



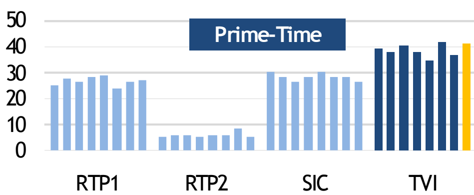
Prime-Time	2001	2002	2003	2004	2005	2006	2007	2008
RTP1	19,3	21,4	24,7	26,1	25,1	25,2	28,0	25,1
RTP2	4,5	5,4	5,7	4,6	5,1	5,5	5,5	5,7
SIC	33,7	32,1	32,8	32,1	31,4	30,1	28,6	27,9
TVI	**42,5**	**41,1**	**36,8**	**37,2**	**38,4**	**39,2**	**37,9**	**41,3**

Source: Marktest; Full Year evolution

In **2008**, TVI celebrated its **best ever audience shares** results, reaching a daily average of 6.3 million viewers. TVI led FTA audiences for the 4th year running both in **all day with 36.0%**, and in **prime time with 41.3%**, leading both timeslots in every month of 2008. Along with the improvement in prime time, TVI also improved its audiences both in the late night and afternoon timeslots. In the 4th quarter TVI's shares averaged 35.9% in all day and 41.5% in prime time.



All-Day	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08
RTP1	28,5	29,5	27,9	30,7	28,8	26,8	26,7	29,9
RTP2	6,2	6,0	7,3	6,1	6,1	6,3	8,3	6,0
SIC	30,4	30,3	28,9	28,6	30,5	30,3	28,1	28,3
TVI	**34,8**	**34,2**	**35,9**	**34,6**	**34,6**	**36,6**	**37,0**	**35,9**



Prime-Time	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08
RTP1	25,2	27,9	26,4	28,3	26,0	23,9	23,7	26,9
RTP2	5,5	5,7	6,0	5,5	5,4	5,9	6,3	5,1
SIC	30,1	28,5	26,7	28,3	30,1	28,4	26,4	26,5
TVI	**39,2**	**37,8**	**40,9**	**37,9**	**38,5**	**41,7**	**43,6**	**41,5**

Source: Marktest; Quarterly evolution

Throughout the year, TVI planned a grid aimed both at leading audiences and profitability, with a strong and varied programming offer that remained strongly grounded on local fiction programming. Local fiction took up nearly 40% of broadcast time, followed by entertainment with 21% and information and news with 20%.

Local fiction remained a clear favourite among Portuguese viewers, with several programs achieving a remarkable success in 2008. We highlight the premiere of **"Equador"**, the largest TV production ever in Portugal, shot in four different continents. Based on the novel by Miguel Sousa Tavares, this 26 episodes series has reached an average audience of 1.3 million viewers, translating into a leading audience share of 37.1%, performing even better in the relevant commercial targets like ABC1, ages 25-54, with a share of 40.2%.

"Casos da Vida", a series based on true facts and broadcasted on Sunday evenings, remains very successful, with average share of 47.8% in the 35 episodes broadcasted in 2008.

Prime time soap opera **"A Outra"**, which debuted in March, also led its timeslot in 2008, averaging 1.4 million and average share of 51.0%, while **"Feitiço de Amor"**, still currently on air, also achieved similar audiences in 2008, with 1.4 average viewers and a share of 47.9%. November brought the premiere of the new prime time soap opera **"Flor do Mar"**, whose episodes broadcasted up to the end of the year reached an average audience share of 42.8%.

In access to prime time, youth long series **"Morangos com Açúcar – The Summer edition"** ended its fifth season in September with an average share of 40.6%, while the episodes of successor **"Morangos com Açúcar VI"** broadcasted until year end maintained a strong performance, averaging 35% audience shares.

Still in the programming for younger viewers, TVI premiered the youth series "Campeões e Detectives - Objectivo Golo" reaching an average share of 44.9% in its main target, the 4-14 age group.

In information programming, lunchtime news program **"Jornal da Uma"** reached an average audience share of 28.5%, while prime time news by "**Jornal Nacional**" remained as one of the most watched news information programs, with a daily reach 1 million viewers and a share of 31.7%.

In **sports** the obvious highlight of the year was the exclusive FTA broadcast of the UEFA Euro 2008 football championship and the related programming set up by TVI. 20 matches were aired in June, with the national side matches always gathering more than 2 million viewers and average shares above 76%, and the totality of the matches reaching an average of 1.5 million viewers and an average share of 56.7%. Still in sports, TVI secured the rights to the Portuguese Cup in football, with the four matches broadcasted in 4Q reaching 1.8 million viewers on average to an average share of 52.4%.

In 2008, the Television segment posted a 5% growth rate in total revenues, with **advertising revenues** growing in line with that figure, benefiting from the UEFA Euro 2008 broadcast. With this performance, TVI clearly outperformed the FTA advertising market, which for the same period, and according with the Group's estimates, should have experienced a decline of approximately 1%. In the 4^{th} quarter TVI's advertising revenues were down 1%, which compares to an estimated market drop between 8 to 9%.

Other revenues were up 7% year on year, with the drop in the 4^{th} quarter resulting mostly from lower call TV, merchandising and Publipartner revenues, falling short of the increase in broadcasting rights revenue.

Operating costs had a 7% increase over the comparable period, mostly related with higher programming costs with the broadcast of the UEFA Euro 2008 and associated programming. In the last quarter, operating costs were down 6%, benefiting from the fact that the management fees for 2007 were booked in full in the final quarter of that year. We recall that management fees are charged to the different business units in order to remunerate the services rendered to those units by the holding company. Excluding the management fee impact operating costs would have been up 4% in the 4^{th} quarter, with programming costs up 2% due to increases in local fiction and entertainment programs costs.

Television **EBITDA** for 2008 was € 44.7 million, just slightly above that of the previous year, with **EBITDA margin** reaching 26.6%. In 4Q, EBITDA improved 15% to € 10.9 million, with an EBITDA margin of 25.4%. Excluding the impact of management fees, 4Q EBITDA would have fallen from € 14.2 million to € 12.3 million.

3. Audiovisual Production

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Operating revenue	**92.908**	**39.452**	**135%**	**33.332**	**9.454**	**253%**
Advertising	1.347	0	n.a.	(15)	0	n.a.
Audiovisual production	83.743	35.431	136%	28.485	8.251	245%
Other revenues	7.818	4.021	94%	4.862	1.202	304%
Operating Expenses	**84.104**	**37.216**	**126%**	**28.888**	**9.654**	**199%**
EBITDA	**8.803**	**2.237**	**294%**	**4.444**	**(201)**	**n.a.**
EBITDA margin	9,5%	5,7%	3,8pp	13,3%	-2,1%	15,5pp
Depreciation and amortisation	5.081	1.378	269%	1.799	358	403%
Operating income (EBIT)	**3.722**	**858**	**334%**	**2.646**	**(559)**	**n.a.**

The "Audiovisual Production" business segment was reported for the first time in the second quarter of 2008, following the acquisition of Plural Entertainment España in May 2008. This segment comprises the audiovisual contents production and related activities carried out by the Plural Portugal and related companies, previously included in the "Television" segment, as well as the activity of Plural España and its subsidiaries..

Revenues for the segment totalled € 92.9 million and EBITDA stood at € 8.8 million, corresponding to an EBITDA margin of 9.5%. Revenues in the 4Q were of € 33.3 million, with EBITDA reaching € 4.4 million, a margin of 13.3%.

On a pro-forma basis, considering 100% of Plural in both years, operating revenues would have increased by 17% in 2008 and 16% in the last quarter, displaying a strong performance despite the economic downturn. Backing revenue growth, were the increase in production revenues in Spain, including clients like Sogecable, Antena 3, La Sexta and the local TV's in Asturias, Canarias and Aragon, along with the increase in production in Portugal, with 4 permanent daily timeslots with series and soap operas, adding up to nearly 900 hours of production, and the revenues from the technical facilities and equipment lease to the production of the series "Equador".

Still on a comparable basis (full year and excluding management fees), EBITDA for the segment would have been up 10% for the full year and 11% in the last quarter.

4. Entertainment

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Operating revenue	**38.557**	**23.958**	**61%**	**13.188**	**11.732**	**12%**
Music & Event production	15.620	15.244	2%	5.078	4.017	26%
Cinema & Video	22.937	8.714	163%	8.109	7.715	5%
Operating Expenses	**36.756**	**22.428**	**64%**	**12.435**	**10.939**	**14%**
EBITDA	**1.801**	**1.531**	**18%**	**753**	**793**	**-5%**
EBITDA margin	4,7%	6,4%	-1,7pp	5,7%	6,8%	-1,0pp
Depreciation and amortisation	190	103	85%	62	38	65%
Operating income (EBIT)	**1.611**	**1.428**	**13%**	**691**	**755**	**-9%**

The Entertainment comprises 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.

The increase in **operating revenues**, 61% year on year, reflects as mentioned over the previous quarters, the considerable impact of the cinema and video activities consolidation as of September 2007.

In the **Music & Events** business, revenues for the full year were up 2%, benefiting from a very strong final quarter in **CD music sales** which were up 37% in this period supported by a very strong launch line-up. The recovery in sales in the final quarter allowed to make-up for most of the lost ground in previous quarters, with CD sales down 7% in total over the previous year. Still this drop in revenues once again accompanied the trend in the Portuguese and most international markets, where physical format sales continue to experience significant declines.

The joint Farol Música / Warner Music catalogue maintained the **leading position in the recorded music market** in Portugal for the 4th year in a row, having produced and / or edited a significant number of hits, including 24 top 10 CD's, 5 of which making it to the top of the charts and remaining there for a total of 21 weeks.

Most of the decrease has however been offset by the diversifying of music related revenue sources, mainly from the artists booking and management activity, which registered a revenue growth of more than 20% in 2008.

In the **Cinema & Video** business, both the movie and video distribution activities experienced strong growth in revenues. On a comparable basis (including full year in both 2007 and 2008), movie distribution was up 29% year on year gaining from a more extensive independent production launch program. The video distribution business was, and again on a comparable basis, up 33% over the comparable period, which included the significant contribution of the Warner Home Video catalogue distribution agreement signed in September of 2007, and the sale of DVDs in partnerships entered into with several press titles.

The variance in **Operating costs**, as in previous quarters, also reflects the impact of the consolidation of the cinema and video business, and the increase in variable costs accompanying the increase in DVD sales, with costs in the Music & Events business remaining broadly in line with the variance in revenues.

Consolidated **EBITDA** for the Entertainment segment was of € 1.8 million for the full year, up 18% and with businesses registering slight improvements over the previous year (Cinema & Video on a comparable basis).

5. Radio

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Operating revenue	**14.079**	**13.918**	**1%**	**3.830**	**3.748**	**2%**
Advertising	13.309	12.878	3%	3.640	3.480	5%
Other revenues	770	1.039	-26%	191	268	-29%
Operating Expenses	**15.727**	**14.980**	**5%**	**3.980**	**4.509**	**-12%**
EBITDA	**(1.648)**	**(1.062)**	**55%**	**(150)**	**(761)**	**-80%**
EBITDA margin	-11,7%	-7,6%	-4,1pp	-3,9%	-20,3%	16,4pp
Depreciation and amortisation	2.230	2.169	3%	564	586	-4%
Operating income (EBIT)	**(3.877)**	**(3.231)**	**20%**	**(713)**	**(1.347)**	**-47%**

In the 4th **quarter of 2008**, Media Capital Radios (MCR) reached an **audience share of 22.0%**, falling just slightly below the previous quarter and up 0.7 pp over the comparable period.

For the full year MCR radios saw its average audience share grow from 21.1% to 22.2%, and its audience reach (number of listeners) up from 13.6% to 14.9%, representing nearly 100.000 new listeners in 2008, and has once again placed 4 of its radio stations in the audience's top 10.

We highlight Radio Comercial, the Group's leading radio station, which claimed nearly 50.000 new listeners in 2008, and M80 that by reaching 40.000 new listeners, as established a solid presence in the top 10 of Portuguese radios.

Audience Share (%)	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08
Comercial	11,8	9,5	10,8	11,1	11,4	11,1	9,2	12,1
Cidade FM	6,0	6,7	5,7	5,2	5,8	5,7	6,9	4,8
RCP	3,0	1,9	1,4	1,8	1,4	2,0	2,2	1,4
M80	-	-	1,1	1,8	1,7	2,1	2,3	2,5
Outras MC	2,3	1,7	1,7	1,4	1,6	1,9	1,6	1,2
MC Rádios	**23,1**	**19,8**	**20,7**	**21,3**	**21,9**	**22,8**	**22,2**	**22,0**

Audience Reach (%)	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08
Comercial	7,2	6,2	6,7	6,9	7,7	7,4	6,4	7,6
Cidade FM	4,7	4,6	4,1	4,3	4,7	4,6	4,9	4,1
RCP	2,2	1,4	1,0	1,3	1,1	1,4	1,4	1,0
M80	-	-	0,7	1,1	1,1	1,4	1,6	1,5
Outras MC	0,6	0,9	0,6	0,3	0,5	0,6	0,3	0,2
MC Rádios	**14,7**	**13,1**	**13,1**	**13,9**	**15,1**	**15,4**	**14,6**	**14,4**
Mercado Rádio	**55,8**	**54,6**	**53,4**	**54,6**	**56,8**	**56,5**	**53,9**	**52,8**

MCR's online format, **Cotonete**, led online radio audiences yet again in 2008, with a monthly average of 1.2 million unique users, up 34% year on year, and a monthly average of 5.2 million page views, up 18%.

MCR's total **advertising revenues** were up 3% over the comparable period, an outstanding performance within a radio advertising market that according to the available data and most recent estimates, has dropped between 7 to 8% in 2008, with the downward trend steepening in the second half of the year. Among the group's radios we point out the performances of Cidade

FM, M80 and Romântica FM. In the 4th quarter, ad revenues were up 5% over the comparable period.

Total **operating expenses** increased by 5%, again mostly due to increases in editorial activity and staff that occurred throughout the year of 2007, following the change of format in RCP, from a musical format into a generalist and news & entertainment based format, and in marketing costs in both Radio Comercial and Radio Clube Português. In the last quarter operating expenses were down 12%, due to the 2007 year end accrual of additional payroll costs for the staff hired throughout that year, and also due to the fact that management fees for 2007 were booked in full in the 4th quarter of that year.

The Radio segment reports a **consolidated EBITDA** of € -1.6 million, which compares to the € -1.1 million achieved in the previous year.

6. Others

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Operating revenue	**(26.549)**	**(15.231)**	**74%**	**(11.247)**	**(2.699)**	**317%**
Advertising	6.666	9.017	-26%	1.025	2.547	-60%
Subscription & newstand revenues	3.228	6.445	-50%	0	1.744	-100%
Other revenues	20.439	19.805	3%	4.782	10.720	-55%
Consolidation adjustments	(56.881)	(50.497)	13%	(17.054)	(17.711)	-4%
Operating Expenses	**(25.573)**	**(14.071)**	**82%**	**(10.347)**	**(6.637)**	**56%**
Other expenses	31.023	36.913	-16%	6.542	11.760	-44%
Consolidation adjustments	(56.597)	(50.984)	11%	(16.889)	(18.397)	-8%
EBITDA	**(975)**	**(1.160)**	**-16%**	**(900)**	**3.938**	**n.a.**
Depreciation and amortisation	1.487	2.981	-50%	321	792	-59%
Operating income (EBIT)	**(2.462)**	**(4.141)**	**-41%**	**(1.221)**	**3.145**	**n.a.**

Internet operations, shared services, central holding costs and consolidation adjustments are included in this segment. The figures presented also comprise the magazine publishing business up until the end of the month of July.

In September 2008, the Board of Directors approved the sale of the companies that developed the group's magazine publishing business – including the custom publishing activity – including tiltles like society magazine Lux or the monthlies LuxWoman and Maxmen.

Advertising revenues in group's Internet sites network IOL, maintained its growth trend in 2008 with a year on year increase of 10%. This increase was however insufficient to make up for the impact of the sale of the magazine business, with total advertising revenues for the segment dropping 26%.

The IOL internet sites network reached its best audiences ever in 2008, with a monthly average reaching over 106 million page views, up 17% over the previous year monthly average. We also point out the performances of its editorial sites **Mais Futebol** (sports) and **Agência Financeira** (economy and finance) with significant increases in its Unique Users and Page Views, both gaining over 40% in their audiences over the previous year.

Subscriptions and newsstand revenues were down 9% on a comparable basis up until the end of July.

Other revenues were up 3% in 2008, mostly due to the capital gain in the sale of the magazine business, which was in part offset by the impact of the sale of the group's narrowband internet service provider business, late in 2007. The decline in revenues in the 4th quarter is also a direct result of the sale of both these businesses.

The variance in **Operating Costs** is also directly related with sale of the magazine and internet service provider businesses.

In the **consolidation adjustments** heading we point out that the greater part of these adjustments are due to the sale of audiovisual contents produced by Plural (Audiovisual segment) to TVI (TV segment).

The Others segment reports an **EBITDA** of € -1.0 million, improving 16% over the previous years benefiting from the aforementioned capital gain.

7. Cash flow

€ thousand	2008	2007	Var %	4Q 08	4Q 07	Var %
Operating activities						
Receipts	349.038	314.568	11%	133.539	90.511	48%
Payments	(317.569)	(274.162)	16%	(112.297)	(72.099)	56%
Cash flows op. activities (1)	**31.469**	**40.405**	**-22%**	**21.242**	**18.412**	**15%**
Investing activities						
Receipts	169.456	41.463	309%	38.285	41.264	-7%
Payments	(151.833)	(97.560)	56%	(68.155)	(87.632)	-22%
Cash flows inv. activities (2)	**17.624**	**(56.097)**	**n.a.**	**(29.870)**	**(46.368)**	**-36%**
Financing activities						
Receipts	140.120	158.178	-11%	45.407	55.607	-18%
Payments	(187.057)	(146.081)	28%	(34.380)	(26.252)	31%
Cash flows fin. activities (3)	**(46.937)**	**12.097**	**n.a.**	**11.027**	**29.355**	**-62%**
Variation of cash (4) = (1) + (2) + (3)	2.155	(3.595)	n.a.	2.399	1.398	72%
Cash at the begining of the period	5.017	8.611	-42%	4.772	3.618	32%
Cash at the end of the period	**7.172**	**5.017**	**43%**	**7.172**	**5.017**	**43%**

The **Cash flow from operating activities** was down 22% in 2008. The increase in both operating receipts and operating payments is mostly due to the consolidation of Plural España and its subsidiaries. The consolidation of Plural has offset the impact of the sale of the Outdoor business in 2007. Payments are also affected the payment in 2008 of corporate tax and also by the upfront corporate tax down payments already settled in 2008.

Cash flows from investing activities were up from a negative € 56.1 million to a positive € 17.6 million, due in part to the repayment in the last quarter of € 23 million from a financial application under a loan to Grupo Prisa that totalled € 71 million. Excluding the impact of this loan, the cash flow from investing activities would have decreased to a negative € 30.6 million due to the payment of the 1st instalment of Plural Entertainment's acquisition for an amount of € 13 million, and also due to capex payments related to the TVI24 cable news channel project and other operational investments.

The negative € 47 million **cash flow from financing activities** is explained almost in full by the € 61 million payment of dividends to shareholders.

8. Financial Debt

€ thousands	Dec 08	Dec 07	Change	Var %
Group financial debt	**130.076**	**102.748**	**27.328**	**27%**
Bank loans / Commercial paper	125.359	100.243	25.115	25%
Other debt	4.717	2.504	2.213	88%
Cash & equivalents	**7.172**	**5.017**	**2.155**	**43%**
Net debt	**122.904**	**97.731**	**25.173**	**26%**

Media Capital total net debt was up € 25.2 million to € 122.9 million for the full year of 2008, and up from € 97.7 million at the year end of 2007.

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

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007

(Amounts stated in Euro thousand)

ASSETS	31.12.2008	31.12.2007
NON-CURRENT ASSETS:		
Goodwill	176.547	160.399
Intangible assets	10.964	9.550
Tangible assets	39.135	33.160
Investments in associates	-	259
Assets held for sale	8.905	8.924
Transmission rights and TV programs	47.046	42.098
Other non-current assets	4.143	6.024
Deferred income tax assets	3.653	1.930
	290.393	262.344
CURRENT ASSETS:		
Transmission rights and TV programs	8.842	9.505
Inventories	4.535	3.917
Trade and other account receivable	81.503	46.424
Other current assets	55.679	85.663
Cash and cash equivalents	7.172	5.017
Derivative financial instruments	-	66
	157.731	150.592
TOTAL ASSETS	448.124	412.936

EQUITY, MINORITY INTEREST AND LIABILITIES	31.12.2008	31.12.2007
EQUITY:		
Share capital	89.584	7.606
Share premium	-	81.709
Reserves	22.333	24.748
Retained earnings	-	28.594
Profit for the period	19.831	30.235
Equity attributable to equity holders	131.748	172.892
Equity attributable to minority interest	5.807	548
Total Equity	137.555	173.440
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	112.597	100.645
Provisions for other risks and charges	7.308	7.252
Other non-current liabilities	30.682	7.187
Deferred income tax liabilities	23	57
	150.610	115.141
CURRENT LIABILITIES:		
Borrowings	15.659	1.535
Trade and other payables	80.786	72.803
Other current liabilities	62.053	50.017
Derivative financial instruments	1.461	-
	159.959	124.355
Total liabilities	310.569	239.496
TOTAL EQUITY AND LIABILITIES	448.124	412.936

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2008

AND 31 DECEMBER 2007

(Amounts stated in Euro thousand)

	31.12.2008	31.12.2007
CONTINUED OPERATIONS		
OPERATING REVENUES:		
Advertising revenues	129.315	165.217
Subscriptions and newsstand revenue	3.227	6.445
Other operating revenue	154.829	50.693
Total operating revenue	287.371	222.355
OPERATING EXPENSES:		
Broadcasting costs and cost of good sold	(43.560)	(33.285)
Subcontrats and third party supplies	(116.942)	(85.725)
Payroll expenses	(68.748)	(53.461)
Depreciation and amortization	(14.177)	(11.727)
Provisions and impariment losses	(1.693)	(1.208)
Other operating expenses	(3.726)	(2.582)
Total operating expenses	(248.846)	(187.988)
Net operating profit	38.525	34.367
FINANCIAL EXPENSES:		
Financial expenses, net	(7.962)	(8.411)
Losses on associated companies, net	(565)	(426)
	(8.527)	(8.837)
Profit before tax	29.998	25.530
Income tax expense	(9.578)	(13.080)
Consolidated net profit for continued operations	20.420	12.450
Result for discontinued operations	945	17.871
Profit result for the period	21.365	30.321
Attributable to:		
Equity holders of the parent	19.831	30.235
Minority interest	1.534	86

GRUPO MEDIA CAPITAL, SGPS, S.A.

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2008 AND 2007

(Amounts stated in Euro thousand)

	31.12.2008	31.12.2007
OPERATING ACTIVITIES:		
Collections from clients	349.038	314.568
Payments to suppliers	(186.661)	(172.461)
Payments to employees	(65.637)	(52.727)
Cash flow from operations	96.740	89.380
Other payments relating to operating activities, net	(65.271)	(48.975)
Cash flows from operating activities (1)	31.469	40.405
INVESTING ACTIVITIES:		
Receipts resulting from:		
Financial investments	1.000	40.003
Derivative financial instruments	-	1.220
Fixed assets	245	77
Dividends	-	122
Investments subsidies	-	41
Loan to affiliated companies	168.211	-
	169.456	41.463
Payments resulting from:		
Financial investments	(13.603)	(17.547)
Fixed assets	(14.164)	(9.013)
Intangible assets	(4.066)	-
Loans to affiliated companies	(120.000)	(71.000)
	(151.833)	(97.560)
Cash flows from investing activities (2)	17.623	(56.097)
FINANCIAL ACTIVITIES:		
Receipts resulting from:		
Loans obtained	138.777	157.701
Interest and similar income	1.343	477
	140.120	158.178
Payments resulting from:		
Loans repaid	(118.135)	(138.872)
Leases	(1.275)	(1.339)
Interest and related expenses	(6.098)	(5.359)
Dividends	(61.000)	-
Other financial expenses	(549)	(511)
	(187.057)	(146.081)
Cash flows from financing activities (3)	(46.937)	12.097
Variation of cash and equivalents (4) = (1) + (2) + (3)	2.155	(3.595)
Cash and equivalents at the begining of the year	5.017	8.611
Cash and equivalents at the end of the year	7.172	5.016