GRUPO MEDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua das Amoreiras, n.º 105, Lisboa
Matriculada na Conservatória do Registo Comercial de Lisboa sob o n.º 1891
Pessoa Colectiva n.º 502 816 481
Capital Social: 7.448.832,72 euros

Q1 2005 RESULTS

§ Media Capital's consolidated revenue increased 14% in Q1 2005 year-on-year.

§ Advertising revenues increased 13% year-on-year: TV up 12%, Radio up 28%, Outdoors down 3% and Others up 69%.

§ TVI maintained its leadership in share of advertising market.

§ Consolidated EBITDA increased 60% to €7.1 million.

§ EBITDA margin went up 4.2 p.p. to 14.7% in Q1 2005.

§ Consolidated EBIT increased 192% to €4.3 million.

§ Net result improved €4.7 million from Q1 2004 to €1.3 million.

§ Numbers for 2005 are prepared under IAS/IFRS accounting standards, and Q1 2004 has been restated applying consistent accounting principles.

Lisbon, 4th of May, 2005

Grupo Media Capital

Susana Gomes da Costa
Investor Relations Officer

1. Analysis of consolidated income statement

For the period ending March 31st, 2005, Media Capital Group reported **consolidated revenues** of €48.3 million, a 14% year-on-year increase and **EBITDA (net of all provisions)** of €7.1 million, up 60% from Q1 2004.

Operating income (EBIT) went up from €1.5 million last year to €4.3 million in Q1 2005, an increase of 192%. **Net result** improved €4.7 million from negative €3.4 million to positive €1.3 million in Q1 2005.

The strong growth in consolidated revenues was due to a 13% growth in advertising with TV up 12%, Radios up 28 %, Outdoors down 3% and Other up 69%. Such growth has been based in four main aspects, namely the favourable trend in the advertising market underpinned by improved economic growth expectations, an enhanced commercial strategy, the continued reduction in agency commissions and the contribution of the electoral campaign airtime revenues.

The 76% increase in newsstand revenues and 9% growth in other non-advertising revenues also contributed to overall revenue growth.

(€ thousands)	Q1 05	Q1 04	Var %	Q1 04 PGAAP
Total operating revenue	**48,291**	**42,304**	**14%**	**45,387**
Television	33,193	28,038	18%	30,879
Radio	3,307	2,687	23%	2,742
Outdoors	3,438	3,553	-3%	3,620
Others	8,353	8,025	4%	8,145
Total operating expenses	41,173	37,865	9%	39,410
EBITDA	**7,118**	**4,439**	**60%**	**5,976**
EBITDA margin	**14.7%**	**10.5%**	**4.2%**	**13.2%**
Television	7,903	5,095	55%	6,375
Radio broadcasting	285	126	127%	150
Outdoors	(321)	129	N/A	188
Others	(749)	(911)	18%	(737)
Depreciation and amortisation	2,828	2,969	-5%	3,538
Amortisation of goodwill	0	0	N/A	2,479
Operating income (EBIT)	**4,290**	**1,470**	**192%**	**(41)**
Financial expenses, net	2,686	5,198	-48%	5,914
Extraord. (income)/expenses, net	0	0	N/A	65
Profit / (Loss) before inc. tax/ min. interests	**1,604**	**(3,728)**	**N/A**	**(6,019)**
Income tax for the period	(759)	568	N/A	550
Minority interests	477	(240)	N/A	(240)
Net profit / (loss) for the period	**1,322**	**(3,399)**	**N/A**	**(5,710)**

Operating expenses were up 9%, following higher non-advertising sales in the TV segment (€1.1 million higher costs), higher programming costs (€0.7 million) mainly related with the Superliga football matches, €0.3 million of payroll in TV segment (including certain one-off indemnity costs), higher marketing costs in Radios (€0.1 million) mainly due to timing differences in the marketing strategy and rental costs (€0.1 million) from radio retransmission agreements in order to increase coverage. Concession costs in Outdoors increased €0.3 million due to renegotiation and extension of contracts in the public transportation network and also due to timing differences in some of these concession costs.

The success of the promotions in Press led to higher costs related to complementary product sales (€1.5 million) and the associated marketing campaigns (€0.6 million) which in turn were partially offset by cost reductions in the Internet business including a decrease of €2.1 million in interconnection costs in line with the anticipated gradual reduction in this activity.

Depreciation and amortisation decreased 5%.

Financial expenses were down 48% mainly due to a 65% decrease (€2.6 million) in interest and other related expenses, following the reduction in total debt post-IPO from €218 million in March 2004 to €125 million in March 2005.

Income tax (mostly non cash) was booked due to the adjustments to the positive pre-tax gains. The effective tax rate is higher than the nominal rate (27,5%) because certain financial costs at the holding are not tax deductible under Portuguese tax regulations and also due to the autonomous taxation that is considered for certain cost items.

2. Television

(€ thousands)	Q1 05	Q1 04	Var %	Q1 04 PGAAP
Operating revenue	**33,193**	**28,038**	**18%**	**30,879**
Advertising	28,059	25,028	12%	26,210
Variation of production	0	0	N/A	1,659
Other revenues	5,134	3,011	71%	3,011
Operating Expenses	**25,290**	**22,943**	**10%**	**24,503**
EBITDA	**7,903**	**5,095**	**55%**	**6,375**
EBITDA margin	23.8%	18.2%		20.6%
Depreciation and amortisation	1,630	1,674	-3%	1,674
Operating income (EBIT)	**6,273**	**3,421**	**83%**	**3,842**

TV segment includes TV broadcasting, TV production and non-advertising TV related activities.

In Q1 2005, and based on data from Marktest, the audiences of the FTA television were relatively balanced, mainly in prime time, although with TVI showing a decrease when compared to the same period in 2004. It should also be mentioned that the difference in TVI's share in prime time relative to Q1 2004 was largely compensated by increases in other important time slots like the lunch period (between 12:00 and 15:00) and also in access to prime time period (between 18:00 and 20:00).

Audiences (%)	RTP1	a2:	SIC	**TVI**
All day				
Q1 04	28.8	4.4	33.4	**33.3**
Q1 05	28.4	5.4	34.3	**31.8**
Prime time				
Q1 04	27.6	4.2	30.4	**37.7**
Q1 05	26.6	5.0	34.7	**33.7**

Source: Marktest

The second edition of “Quinta das Celebridades” (reality show based on “the Farm” format) started on the 20th of March. This program has once again attracted the regular attention of more than 1 million Portuguese viewers, who follow the daily life in the most famous Portuguese farm. The compact daily broadcasts of the “Quinta das Celebridades” have had audience shares above 35%, and the live Sunday show has a share of over 40%, clearly the leader in that period of the day. Among the regular programs, those with the most relevant contribution in Q1 were the transmissions of the Superliga soccer games, the humor of “Batanetes” and “Prédio do Vasco” and the Portuguese fiction that continues to obtain good performances, including the soap operas and series like “Inspector Max”.

Advertising revenues in TVI grew 12% year-on-year in Q1 2005 despite the decrease in audience shares. This growth was achieved due to the growth of the advertising market and lower agency commissions, through higher occupancy rates and better pricing conditions. The electoral campaign that took place in February also had a positive contribution to the revenue increase in Q1. TVI maintained its leadership in terms of advertising market share in the period.

Other revenues have showed a good performance, increasing 71% in the period, mainly due to higher CD sales (which represent the bulk of the other TV revenues) and call-TV. The agreement signed with Warner Music in November 2004 has allowed CD sales to increase almost three-fold in the quarter.

Operating expenses in the TV segment were up 10% or €2.4 million in the period, of which:

- Costs associated with non-advertising revenues were up €1.1 million;
- Total programming costs increased €0.7 million year-on-year mainly due to the costs with Superliga games;
- €0.3 million from increase in payroll, including annual salary increase (€0.1 million), higher accrual for bonus and commissions (€0.1 million) and indemnity costs (€0.1 million).

Consolidated EBITDA of the TV segment grew 55% year-on-year with EBITDA margins increasing from 18.2% to 23.8%.

Consolidated EBIT of the TV segment grew 83% year-on-year, reaching €6.3 million in Q1 2005.

3. Radio

(€ thousands)	Q1 05	Q1 04	Var %	Q1 04 PGAAP
Operating revenue	**3,307**	**2,687**	**23%**	**2,742**
Advertising	3,281	2,564	28%	2,619
Other revenues	26	124	-79%	124
Operating Expenses	**3,022**	**2,562**	**18%**	**2,593**
EBITDA	**285**	**126**	**127%**	**150**
EBITDA margin	8.6%	4.7%		5.5%
Depreciation and amortisation	315	319	-1%	319
Operating income (EBIT)	**(30)**	**(194)**	**84%**	**(472)**

Media Capital Radios (MCR) combined audience share decreased 1.0 pp. from 24.4% in Q1 2004 to 23.4% in Q1 2005, in a period where political instability favoured audiences in the "news" radio stations. Compared with last quarter of 2004 combined audience share increased 1.8 pp. from 21.6%.

MCR benefited from the positive trend in its audience share in recent quarters and was able to increase its advertising revenues above the market.

MCR's total **advertising revenues** were up 28% vs. Q1 2004, following higher occupancy rates and improved pricing conditions, in line with aforementioned trend in the Group's radios audience shares.

Total operating expenses were up 18% mainly due to the anticipation of some marketing costs (€0.1 million) and to the increment in retransmission agreements related costs (€0.1 million) supporting the Group's strategy of increasing its existing coverage.

Consolidated EBITDA of Media Capital's radio operation more than doubled year-on-year, thanks to a significantly stronger market position. The EBITDA margin was up by 3.9 p.p. to 8.6%.

Consolidated EBIT showed an 84% improvement on last year and was almost at breakeven.

4. Outdoor

(€ thousands)	Q1 05	Q1 04	Var %	Q1 04 PGAAP
Operating revenue	**3,438**	**3,553**	**-3%**	**3,620**
Advertising	3,434	3,553	-3%	3,620
Other revenues	4	0	N/A	0
Operating Expenses	**3,759**	**3,424**	**10%**	**3,432**
EBITDA	**(321)**	**129**	**N/A**	**188**
EBITDA margin	-9.3%	3.6%		5.2%
Depreciation and amortisation	278	256	8%	261
Operating income (EBIT)	**(599)**	**(127)**	**-372%**	**(399)**

Media Capital Outdoor (MCO) total **advertising revenue** was down 3% from Q1 2004. This performance achieved by MCO was partially driven by a slowdown in the outdoor advertising market in this period mainly caused by the electoral campaign of January and February. Contrary to other segments, Outdoor loose out during election campaigns, due the fact that political parties are especially active in outdoor advertising and are allowed to put up their own promotional networks leading to reductions in occupancy rates as advertisers tend to hold back on their outdoor advertising investments.

MCO TV (Television network in subway stations) was launched in January 2005 and shown to be harder to market than anticipated. Being a totally new media product without proven effectiveness its take off pace has been below the Group's initial expectations. However the Group is confident in this product's potential and expects that its contribution will be very positive as it gains visibility and overcomes the initial advertiser's reserves inherent to all new products.

Operating costs increased 10% mainly due to the renegotiation and extension of long-term agreements in the public transportation network (€0.1 million), timing differences in anticipated concessions costs (€0.1 million) and MCO TV's non-existent in Q1 2004 (€0.1 million).

Consolidated EBITDA loss in MCO of €0.3 million and **Consolidated EBIT** declined by €0.5 million year-on-year.

5. Others

(€ thousands)	Q1 05	Q1 04	Var %	Q1 04 PGAAP
Operating revenue	**8,353**	**8,025**	**4%**	**8,145**
Advertising	1,207	715	69%	719
Subscriptions and newsstand	2,381	1,358	75%	1,474
Other revenues	4,764	5,953	-20%	5,953
Operating Expenses	**9,101**	**8,937**	**2%**	**8,882**
EBITDA	**(749)**	**(911)**	**18%**	**(737)**
Depreciation and amortisation	605	719	-16%	1,283
Operating income (EBIT)	**(1,354)**	**(1,630)**	**17%**	**(3,012)**

Internet operations, magazine publishing and certain central costs, are included in this segment.

Advertising revenues were up 69% in Q1 2005, reflecting the good performance in the flagship magazine Lux (closing the gap from the previous increase in circulation and the release of those figures to the market) whose audiences climbed from 3.4% in Q1 2004 to 4.1% in Q1 2005. Lux Woman was up from 2.1% in Q1 2004 to 2.9% in Q1 2005. This outstanding performance allowed Lux Woman to climb to the top spot in audiences in its segment. Maxmen climbed from 3.7% in Q1 2004 to 4.8% in Q1 2005 increasing its segment leadership. The bulk of advertising revenues come from press, although the Internet business has increased its contribution.

Subscriptions and newsstand revenues were up by 75%, mainly as a result of the launch of the successful Maxmen comic books, a 36% increase in circulation of Maxmen, a 34% increase in circulation of Lux Woman and the launch in November 2004 of the new magazine "Fotochoque".

Other revenues declined 20% mainly due to the expected fall in active users and minutes in the Internet Service Provider business following the closure of the broadband internet operation. In Q1 2005, the other revenues line contains complementary product sales from the Group's magazine operations, with the good performance in these sales offsetting part of the decline in Internet revenues.

Operating Costs were up 2% in Q1 2005, with the costs related to the sale of magazine associated products, new magazines, increase in circulation and higher accrual for bonuses along with costs related to the analysis of business investment opportunities (including the abandoned acquisition of Lusomundo Media), being partially offset by the decrease in the variable costs of the *Internet Service Provider* operation.

EBITDA improved 18% year-on-year, mainly as a result of improved margins in the *Internet Service Provider* business, following the renegotiation of contracts with the communication infrastructure suppliers, as well as the good performance in the Press division.

Consolidated EBIT of the segment improved 17% year-on-year.

6. Cash movements

(€ thousand)	Q1 05	Q1 04	Var %	Q1 04 PGAAP
Operating activities				
Receipts	58,472	53,297	10%	54,606
Payments	(55,225)	(50,354)	10%	(50,355)
Cash flows op. activities (1)	**3,247**	**2,943**	**10%**	**4,251**
Investing activities				
Receipts	1	2,503	-100%	2,503
Payments	(5,166)	(9,858)	-48%	(9,858)
Cash flows inv. activities (2)	**(5,165)**	**(7,355)**	**30%**	**(7,355)**
Financing activities				
Receipts	2,535	4,311	-41%	4,311
Payments	(2,868)	(4,819)	-40%	(6,127)
Cash flows fin. activities (3)	**(333)**	**(508)**	**34%**	**(1,816)**
Variation of cash (4) = (1) + (2) + (3)	(2,251)	(4,920)		(4,920)
Cash at the begining of the period	5,329	9,055		9,055
Cash at the end of the period	**3,078**	**4,135**		**4,136**

Cash flow from operating activities increased €0.3 million in Q1 2005, reaching €3.2 million against €2.9 million last year. The 10% improvement in operating receipts derives from a growth of 14% in operational revenues partially offset by some delay in collections, which will be recovered in next periods. The variance in operational payments is mainly related with the variance in the year's operational costs and in part to the recovery in payments due from the previous year.

Cash flows from investing activities amounted to €5.2 million in Q1 2005. The payments are explained by €1.9 million in payments of financial investments (referring to the radio expansion projects, TCS and other acquisitions made in prior periods), €2.6 million of tangible capex (including payments from 2004 year end purchases) and €0.5 million of intangible capex mainly referring to acquisitions made in prior periods.

Cash flow from financing activities in Q1 2005 resulted mainly from €1.7 million of debt increase, €0.7 million of interest paid and other payments related to financial charges (€1.3 million) including mainly swaps and banking fees and commissions.

7. Debt

(€ thousands)	Mar-05	Dec-04	Change	Var %	Dec 04 PGAAP
Total Group debt	**124,532**	**122,877**	**1,655**	**1%**	**128,437**
Senior facility	114,198	111,351	2,847	3%	116,853
Other debt	10,334	11,526	-1,192	-10%	11,584

Media Capital debt was basically unchanged in the period with investments financed by cash flow and cash on hand.

8. Guidance for 2005

Media Capital is not changing its guidance under IAS/IFRS accounting standards.

Advertising Market (var %)		**4 – 6 %**
Television Market		=
Radio Market		>
Outdoor Market		<
Advertsing revenues (var%)		
Group	-----------	8 – 10 %
TV	-----------	4 – 6 %
Radio	-----------	17 – 19 %
Outdoor	-----------	25 – 28 %
Other	-----------	8 – 10 %
EBITDA margins		
Group	-----------	22 – 24 %
TV	-----------	30 – 33 %
Radio	-----------	21 – 24 %
Outdoor	-----------	19 – 22 %
Other	-----------	~ break even
Other financials		
Total Debt	-----------	2.5 – 3.0 x EBITDA
Maintenance capex	-----------	3.5 – 4.0% x Rev.
Growth / Investment Capex	-----------	0.5 – 1.0 % x Rev.
Cost of Debt	-----------	5 – 6 %

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2005 (IFRS)
and 31 MARCH 2004 (IFRS and PGAAP)

(Amounts stated in Euro thousand)

	March 2005 (IFRS)	March 2004 (IFRS)	Transition impacts	March 2004 (PGAAP)
Advertising revenue	35,982	31,860	(1,308)	33,168
Subscriptions and newsstand revenue	2,381	1,358	(117)	1,475
Other operating revenue	9,928	9,086	(1,658)	10,744
Total operating revenue	48,291	42,304	(3,083)	45,387
Cost of goods sold	8,466	5,302	(1,658)	6,960
Subcontracts and third party supplies	20,286	21,286	37	21,249
Payroll expenses	11,558	10,255	8	10,247
Depreciation	2,828	2,969	(570)	3,539
Amortisation of goodwill	-	-	(2,479)	2,479
Provisions	84	153	(72)	225
Other operating expenses	779	868	139	729
	44,001	40,833	(4,595)	45,428
				-
Net operating profit (loss)	4,290	1,471	1,512	(41)
Financial expenses, net	2,686	5,198	(716)	5,914
Extraordinary (income) / expenses, net	-	-	(65)	65
	2,686	5,198	(781)	5,979
Profit (loss) before income tax	1,604	(3,727)	2,293	(6,020)
Income tax expenses	759	(568)	(18)	(550)
Profit (loss) for the year	845	(3,159)	2,311	(5,470)
Attributable to:				
Equity holders of the Company	1,322	(3,399)	2,311	(5,710)
Minority interest	(477)	240	-	240
	845	(3,159)	2,311	(5,470)

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2005 (IFRS)
AND 31 DECEMBER 2004 (IFRS and PGAAP)

(Amounts stated in Euro thousand)

	March 2005 (IFRS)	December 2004 (IFRS)	Transition impacts	December 2004 (PGAAP)
ASSETS				
Non-Current Assets				
Property, plant and equipment	35,565	37,040	-	37,040
Intangible assets	9,839	10,093	(11,950)	22,043
Goodwill	174,199	168,913	12,019	156,894
Transmission rights and TV programs	50,249	47,994	47,994	-
Deferred income tax assets	19,811	20,718	20,718	-
Investments in associates	1,026	5,463	(1,663)	7,126
Other non-current assets	5,954	5,271	2,270	3,001
	296,643	295,492	69,388	226,104
Current Assets				
Inventories	1,265	1,184	-	1,184
Trade and other receivables	43,562	41,209	(68,715)	109,924
Derivative financial instruments	-	24	24	-
Cash and cash equivalents	3,078	5,329	-	5,329
	47,905	47,746	(68,691)	116,437
Total Assets	344,548	343,238	697	342,541
EQUITY				
Share Capital	7,449	7,449	-	7,449
Share premium	187,724	187,724	(10,205)	197,929
Other reserves	9,308	9,308	438	8,870
Retained earnings	(95,175)	(104,627)	-	(104,627)
Profit for the period	1,322	9,452	15,254	(5,802)
Equity attributable to equity holders	110,628	109,306	5,487	103,819
Minority interests	2,695	3,173	-	3,173
Total Equity	113,323	112,479	5,487	106,992
LIABILITIES				
Non-Current Liabilities				
Borrowings	104,884	102,078	(6,818)	108,896
Derivative financial instruments	2,009	2,201	2,201	-
Deferred income tax liabilities	1,944	2,092	2,092	-
Provisions for other risks and charges	6,556	6,723	-	6,723
Other non-current liabilities	9,902	10,618	2,395	8,223
	125,295	123,712	(130)	123,842
Current Liabilities				
Trade and other payables	42,380	42,820	(5,578)	48,398
Public entities	7,984	11,716	-	11,716
Borrowings	16,396	17,218	1,463	15,755
Other current liabilities	39,170	35,293	(545)	35,838
	105,930	107,047	(4,660)	111,707
Total Liabilities	231,225	230,759	(4,790)	235,549
Total Equity and Liabilities	344,548	343,238	697	342,541

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2005 (IFRS)
and 31 MARCH 2004 (IFRS and PGAAP)

(Amounts stated in Euro thousand)

	March 2005 (IFRS)	March 2004 (IFRS)	Transition impacts	March 2004 (PGAAP)
Collections from clients	58,472	53,297	(1,308)	54,605
Payments to suppliers	(32,898)	(28,973)	-	(28,973)
Payments to employees	(10,698)	(10,331)	-	(10,331)
Cash flow from operations	14,876	13,993	(1,308)	15,301
Other payments relating to operating activities, net	(11,629)	(11,050)	(401)	(10,649)
Cash flow before extraordinary items	3,247	2,943	(1,709)	4,652
Payments relating to other operating items	-	-	401	(401)
Cash flows from operating activities (1)	3,247	2,943	(1,308)	4,251
INVESTING ACTIVITIES:				
Receipts resulting from:				
Fixed assets	1	2,429	-	2,429
Subsidies for investments	-	74	-	74
	1	2,503	-	2,503
Payments resulting from:				
Financial investments	(1,949)	(7,218)	-	(7,218)
Fixed assets	(2,573)	(2,189)	-	(2,189)
Intangible assets	(494)	(451)	-	(451)
Loans to affiliated companies	(150)	-	-	-
	(5,166)	(9,858)	-	(9,858)
Cash flows from investing activities (2)	(5,165)	(7,355)	-	(7,355)
FINANCING ACTIVITIES:				
Receipts resulting from:				
Loans obtained	2,500	3,963	-	3,963
Interest and similar income	35	348	-	348
	2,535	4,311	-	4,311
Payments resulting from:				
Loans repaid	(886)	(2,138)	-	(2,138)
Interest and related expenses	(726)	(1,493)	911	(2,404)
Other financial expenses	(1,256)	(1,188)	397	(1,585)
	(2,868)	(4,819)	1,308	(6,127)
Cash flows from financing activities (3)	(333)	(508)	1,308	(1,816)
Variation of cash and equivalents (4) = (1) + (2) + (3)	(2,251)	(4,920)	-	(4,920)
Cash and equivalents at the begining of the year	5,329	9,055	-	9,055
Cash and equivalents at the end of the year	3,078	4,135	-	4,135