









Full year results - 2012

Grupo Media Capital, SGPS, S.A.

NOTE:

Free translation for information purposes only. In the event of discrepancies, the Portuguese language version prevails

 Media Capital	<ul style="list-style-type: none"> • Media Capital – The Portuguese media group with the highest rating (AAA) in Corporate Governance – study conducted by A.E.M. and the Portuguese Catholic University
	<ul style="list-style-type: none"> • 8 years of leadership in audiences; • Launch of new thematic channels: TVI Ficção and +TVI (the latter in 2013); • Secret Story 3 Channel with outstanding performance on a multiplatform basis; • TVI with a strong lead in online among TV channels, with 862,000,000 pageviews in 2012 (64% share); • TVI 24 with its best year ever.
	<ul style="list-style-type: none"> • “Morangos com Açúcar - O Filme” with 238.000 spectators and second most watched Portuguese motion picture during 2012; • Novela "Remédio Santo" nominated for an International Emmy; • Over 1,500 hours of production.
	<ul style="list-style-type: none"> • Rádio Comercial makes history in 2012 as it reached leadership for the first time ever; • Rádio Comercial also leader on Facebook in the media segment, with over 650.000 fans; • m80 – #1 radio among radios without a national network.
	<ul style="list-style-type: none"> • Grupo Media Capital with a record of 6.2 million of unique monthly browsers in 2012 (+9% vs 2011).
	<ul style="list-style-type: none"> • National Surf Championship – Liga Meo Pro Surf; • Meo Spot Summer Sessions – Major Summer event in Algarve.

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FULL YEAR RESULTS 2012

Media Capital's consolidated EBITDA reached € 41.2 million (+44% vs 2011)

- The EBITDA margin was 22.3%, therefore improving by 9.6pp, as a result of a strong decrease in operating costs (-27%).
- In the fourth quarter, the opex reduction (38%) surpassed greatly the fall observed in operating revenues (9%), therefore allowing for an increase in EBITDA, which came from € 1.4 million to € 17.5 million, with a margin of 33.6%. Excluding from the 2011 figures the goodwill impairment booked at that time (€ 9.8 million), the EBITDA would still have soared 57% whereas the opex would have fallen by 25%.
- According with data from Marktest/Kantar Media, **TVI** kept yet again the leadership in TV audience, with an average all-day share of 26.7% and 30.1% in prime-time. TVI continues to bet on more and better contents, having launched the channels TVI Ficção, S. Story 3 (in TVI Direct), as well as +TVI (this one in 2013). In 2012 the TV segment posted an EBITDA of 35.1 million (with a margin of 24.8%), +2% vs. 2011. In the fourth quarter, the EBITDA rose by 27% (corresponding to a margin of 36.2%).
- **Audiovisual Production** activity achieved an EBITDA margin of 7.1%, with an EBITDA of € 3.7 million. The technical services line of business improved its international presence, with services provided in France, Spain, Poland and Ukraine. Plural's performance places it in the top tier of Iberia.
- **Radio's** EBITDA amounted to € 3.0 million in 2012, with a margin of 21.3%. After reaching in Q2 and for the first time ever, the #1 position, in Q3 and Q4, Rádio Comercial further enhanced its lead, with an audience of 15.4% in the last three months of the year (almost 1.3 million listeners), and a YoY growth of 43%. The aggregate of the Group's radio stations reached, yet again, the highest audience figure ever in 2012 (21.5% vs. 18.7% in 2011), which allowed MCR to also improve its markets share in the adverting market.
- In the **Digital** area, the year of 2012 was particularly fertile in innovations. We highlight, among other: (i) the rebranding (from MCM to MCD); (ii) the partnership with Microsoft – availability of both TVI and TVI24 in MSN's portal; (iii) the IOL portal; (iv) IOL Push – a new service with the most important news of the day; (v) the new sites TVI24, Secret Story 3 and Agência Financeira. MCD reinforced its offer throughout a multitude of platforms and devices.

Queluz de Baixo, 26 February 2013



1. Consolidated P&L

€ thousand	2012	2011	% Var	Q4 2012	Q4 2011	% Var
Total operating revenue	184,319	224,356	-18%	52,184	57,081	-9%
Television	141,672	151,433	-6%	40,597	41,487	-2%
Audiovisual Production	52,745	80,977	-35%	12,648	19,114	-34%
Radio	14,288	14,501	-1%	4,346	3,548	22%
Entertainment	5,704	11,771	-52%	1,739	1,575	10%
Digital & Others	15,086	17,032	-11%	3,495	4,305	-19%
Consolidation Adjustments	(45,176)	(51,358)	12%	(10,640)	(12,949)	18%
Total operating expenses ex-D&A	143,130	195,716	-27%	34,642	55,672	-38%
EBITDA	41,189	28,640	44%	17,542	1,409	1145%
EBITDA Margin	22.3%	12.8%	9.6pp	33.6%	2.5%	31.1pp
Television	35,106	34,584	2%	14,716	11,629	27%
Audiovisual Production	3,719	(4,941)	N/A	736	(9,297)	N/A
Radio	3,049	2,240	36%	1,702	549	210%
Entertainment	270	(1,257)	N/A	174	(687)	N/A
Digital & Others	(83)	(998)	92%	220	(836)	N/A
Consolidation Adjustments	(873)	(987)	12%	(6)	52	N/A
Depreciation and amortisation	11,496	11,800	-3%	2,903	3,010	-4%
Operating income (EBIT)	29,692	16,840	76%	14,639	(1,601)	N/A
Financial Results	(9,685)	(6,458)	-50%	(2,754)	(2,008)	-37%
Profit / (Loss) before inc. tax/ no contrl. Int.	20,007	10,382	93%	11,885	(3,609)	N/A
Income Tax	(8,068)	(8,421)	4%	(5,400)	(4,198)	-29%
Profit / (Loss) from continued operations	11,939	1,961	509%	6,485	(7,807)	N/A
No Controlling Interests	0	(796)	100%	0	(154)	100%
Net profit / (loss) for the period	11,939	1,165	925%	6,485	(7,961)	N/A

In the year 2012, Media Capital recorded total **consolidated operating revenues** of € 184.3 millions. In Q4, the corresponding figure amounted to € 52.2 million.

Consolidated EBITDA improved 44% towards € 41.2 million, with the margin increasing 9.6pp to 22.3%, due to a strong reduction of operating costs. Even excluding from 2011 the goodwill impairment booked in Q4'11 (€ 9,750 thousand), the EBITDA variation would still have been positive by 7%. Additionally, excluding from both years the staff curtailment costs (€ 0.9 million in 2012 and € 3.7 million in 2011), the EBITDA would have gone from € 42.0 million in 2011 to € 42.1 in 2012.

In the fourth quarter, the EBITDA reached € 17.5 million, i.e. € 16.1 million above the comparable period, while the EBITDA margin rose from 2.5% to 33.6%. Adjusting the last quarter of 2011 with the aforementioned goodwill impairment, the improvement would nonetheless be quite relevant (+57%, with the margin going up from 19.5% to 33.6%).

Consolidated operating income (EBIT) was € 29.7 million (€ 14.6 million in Q4), whereas **net profit** reached € 11.9 million (€ 6.5 million in Q4), despite the higher interest costs faced in 2012.



€ thousand	2012	2011	% Var	Q4 2012	Q4 2011	% Var
Operating revenue	184,319	224,356	-18%	52,184	57,081	-9%
Advertising	110,866	137,076	-19%	30,411	37,373	-19%
Other revenues	73,453	87,280	-16%	21,774	19,708	10%

Concerning operating revenues, **advertising** was down 19% (also -19% YoY in Q4), mostly due to the weight and performance of the TV segment, fell by 22% (-24% YoY in Q4). On the contrary, in Radio there was an increase (+2% for the full year and +23% YoY in the quarter), while the Digital and Others segment stood 8% below the previous year (flat YoY in Q4). As far as the **advertising market** is concerned, it is estimated a fall of 18%, when referring to the scope of agencies and before volume rebates.

Consolidated **other revenues** were 16% below when compared with the previous year (+10% YoY in Q4), with the impact coming mostly from the Audiovisual Production and Entertainment segments, which was not offset the good performance of the TV segment.

In what regards **consolidated operating costs**, these came out 23% lower than those observed in 9M11 (-38% YoY in the Q4), as a result of (i) the goodwill impairment booked in 2011 in the amount of € 9,750 thousand; (ii)

the lower activity in Audiovisual Production and Entertainment; as well as (iii) the important efficiency gains achieved all across the organisation. Excluding the impact of the goodwill impairment, the opex would still have showed a good execution, with a decrease of 23% in 2012 and of 25% YoY in the last quarter.

Net financial results went from € -6.5 million to € - 9.7 million. The main factor behind such evolution was an exogenous one, and refers to the increase in funding costs, via the increase in spreads, in tandem with what was the tendency observed in the financial markets. In the quarter, the figure went from € -2.0 million to € -2.8 million.

Consolidated net profit reached € 11.9 million, which compares with € 1.2 million in 2011, as a consequence of the operating and financial performance, as well as the aforementioned goodwill imparity registered in Q4'11. In the quarter, net profit was € 6.5 million, vs. € -8.0 million in 4Q'11.

2. Television

€ thousand	2012	2011	Var %	Q4 2012	Q4 2011	Var %
Operating revenue	141,672	151,433	-6%	40,597	41,487	-2%
Advertising	94,505	121,429	-22%	25,340	33,145	-24%
Other revenues	47,167	30,004	57%	15,257	8,342	83%
Operating Expenses, ex D&A	106,566	116,849	-9%	25,881	29,858	-13%
EBITDA	35,106	34,584	2%	14,716	11,629	27%
EBITDA margin	24.8%	22.8%	1.9pp	36.2%	28.0%	8.2pp
Depreciation and amortisation	5,489	6,028	-9%	1,333	1,497	-11%
Operating income (EBIT)	29,616	28,556	4%	13,382	10,131	32%

The Television segment includes TVI as well as Publipartner, the Group's marketing management company created to develop advertising related revenue.

According to Markttest/Kantar Media, TVI continued to lead FTA audience shares in Portugal, both in all day and in prime time, registering an average audience of 26.7% throughout 2012, the eight consecutive year leading all day audiences.

The second and third positions among generalist channels obtained shares of 21.8% and 18.6%.

TVI also lead audiences in prime time (as it has been doing so since 2001), with a 30.1% share, 5.6pp above the second position which registered 24.5% share. The third position obtained 16.7% share.

Thematic cable channels obtained 29.6% and 25.6% shares, in all day and in prime time.



Leading from January to December, both in all day and in prime time, TVI registered an average of over 1 million daily viewers in prime time, reaching a wide variety of targets.

Along 2012, TVI's total audience was of 4.8 million daily contacts (3.4 million in prime time).

It is worth mentioning that TVI was the only generalist channel improving its audience share during 2012, whilst total TV consumption showed a slight decrease 1pp, to 77%).

2012	All-Day (%)	Prime-Time (%)
RTP1	18.6	16.7
RTP2	3.4	3.1
SIC	21.8	24.4
TVI	26.7	30.1
Cable/Other	29.6	25.6

Source: Marktest / Kantar Media

Calculated using average monthly figures

In 2012, TVI once again met audience's needs and preferences, offering relevant, actual and quality contents in both local and international drama, news, sports and entertainment.

Local Drama maintained its status as one of TVI's programming pillars, with leading audiences in prime time, reaching multiple targets.

In 2012, the novelas "**Anjo Meu**" (31.8% share) and "**Remédio Santo**" – nominated for an Emmy in the category "Melhor Novela" –, came to an end, both registering excellent results and reaching more than 930 thousand and 980 thousand daily viewers.

As for premieres in prime time, "**Doce Tentação**" (January) and "**Louco Amor**" (May), achieved shares of 33.3% and 31.8%, respectively.

In the pre prime time, the juvenile series "**Morangos com Açúcar**" ended in September after nine consecutive seasons and over 2000 episodes. Replacing it, "**Doida por Ti**", a product that reaches a more transversal audience, achieved an average audience of 712 thousand viewers and 23.1% share since its launch in October.

All together, these drama products registered 32.4% and an average of 990 thousand daily viewers in prime time.

Regarding **News**, 2012 is especially relevant once TVI's news programs achieved leadership for the first time in February in the main time

slots. Both "**Jornal da Uma**" (at lunch time) and "**Jornal das 8**" (8pm) achieved leading shares of 28.5% (+ 3pp vs 2011) and 27.1% respectively, that correspond to 577 thousand viewers for "Jornal da Uma" and 981 thousand viewers for "Jornal das 8", which frequently surpassed 1 million viewers along the years.

These results reflect the audience's recognition regarding TVI's reinforced value proposal occurred in 2011.

"**Repórter TVI**" was once again a reference in investigative journalism. Its 35 transmissions recorded during the year reached an average audience of 1.2 million individuals and a share of 30.5%.

In **Sports**, the 17 matches of the Portuguese Football League obtained an average of 1.425 million viewers (40.2% in share). Also important was the **EURO 2012** with TVI broadcasting 6 matches that achieved an average share of 44.3% (53% in Male target) corresponding to 1.4 million viewers.

The six matches of the "**Champions League**", broadcasted in exclusive in FTA in Portugal by TVI, obtained an average share of 39.4%. At the end of the year, the four matches of "**Taça da Liga**" broadcasted by TVI obtained 31.3% share (over 1 million viewers).

In **Entertainment**, TVI maintained a strong adherence from the viewers, offering not only its regular daily programs that guaranteed high loyalty levels from Monday to Friday, but also

diversified contents that assured leadership peaks, namely during the weekends.

The large entertainment formats were on the spotlight throughout the year. In the first half of 2012, **"A Tua Cara Não me é Estranha"**, adapted from a successful international format, registered record audiences on its three series, emitted from January to July, registering shares of 51,1%, 50,5% and 46,4% (from the 1st to the 3rd series) and an average of 1.5 million viewers.

Premiered in September, the third edition of **"Casa dos Segredos – Secret Story III"** obtained 55.9% share on its first broadcast (over 1.7 million spectators) and rapidly became a success on the internet and on social networks, reaching 2.3 million pageviews, over 500 thousand followers on Facebook, more than 1 million videos and more than 1.3 million visits on its app. Its set of emission (from September to December) obtained an average audience of 1.3 million spectators and 42.9% share, with the maximum peak happening on Sunday Galas.

The daily talk show **"Você na TV"**, continues to lead on its timeslot with a share of 30.7% and more than 330 thousand loyal viewers.

On weekday's afternoons, **"A Tarde É Sua"**, presented by Fátima Lopes, reached an average audience of 261 thousand viewers (21.3% share).

During 2012, TVI reinforced its entertainment weekend offer, airing the major traditional events throughout the country. More than 30 emissions of **"Somos Portugal"** were broadcasted live on Sundays afternoon, with an audience share of 30.5% and over 720 thousand regular spectators.



In 2012, TVI24 registered its best year ever since its launch in 2009, reaching 1.4% share in all day and registering a notable presence in prime time, with a similar share.

The channel's results improved remarkably from September, when TVI24 achieved a total daily audience of over 1 million viewers and presented a new programming grid, which includes new sports contents (related to the Champions League), the premier of "Governo

Sombra" and the reinforce of reference debate programs such as "Olhos nos Olhos", "Nem Mais Nem Menos", "Prolongamento" and "Mais Futebol", as well as a stronger emphasis in news along the day. In December TVI24 registered its best result, with a share of 4.6%.

In the digital arena, the value proposal by TVI24 also had positive developments, by assuming itself as the country's main multimedia screen. On top of having the site tvi24.pt registering record audience figures, its video contents and apps for several platforms and devices also posted unmatched record figures.



TVI launched its international channel on May 2010. The best of TVI and TVI24's contents are available (cable and satellite) in Andorra, Luxembourg, Angola, Mozambique and Cape Verde. Reaching Portuguese speaking audiences abroad, it is distributed in collaboration with some of the major Portuguese content distributors abroad (Zap, Visabeira, Star Times and CV Multimédia). It actually covers approximately 400 thousand homes.



In order to maximize and complement its contents exposure, TVI launched "Secret Story 3" in TVI Direct, an interactive channel that transmits all that happens in Casa dos Segredos 24hrs/day and offers exclusive contents related to the program. This channel is a result of a partnership with MEO.

Premiered on September 16, SS3 on TVI Direct obtained a daily share of 1.6%, corresponding to an average of 17 thousand viewers and total contact of 500 thousand individuals (data refers only to pay-tv channels) only in one distributor.



TVI Ficção combines the best of local drama (produced by Plural) with the new interactive tools available in MEO (pay-tv operator), in order to increase interaction with the audience

and offer exclusive contents to MEO subscribers, such as anticipated visioning of episodes, possibility to choose the end of a novela that is being transmitted in TVI, bios, exclusive interviews, talk shows or backstage videos. TVI Ficção's programming grid allows viewers to view (and review) the most successful local drama contents and to get a better knowledge of those who are part of the everyday life of Portuguese viewers.

Launched in the 15th October, in HD and exclusively in MEO, TVI Ficção already achieved 0.5% share.

FINAL NOTE ON AUDIENCES

In line with what it has been communicating to the market, TVI bases its audience information on the data provided by Marktest/Kantar Media.

Nevertheless, on behalf of transparency and information consistency, the macro indicators resulting from audience measurements by "Gfk Services SA" (provided by CAEM – Comissão de Análise e Estudo de Meios) are presented below. Some of the methodological assumptions used by GFK/CAEM are questionable and are currently being analysed by the different operators in the Portuguese television and advertising market. GFK/CAEM's data is only available as of March 1st 2012.

According to GFK/CAEM TVI is as well audience leader in Portuguese television, with an audience share of 24.2% in all day and 28.2% in prime time, as it can be depicted in the following chart:

MAR-DEC 2012	All-Day (%)	Prime-Time (%)
RTP1	13.9	12.3
RTP2	3.4	3.1
SIC	21.7	25.4
TVI	24.2	28.2
Cable Matched	25.2	21.1
Other	11.6	9.9

Source: CAEM/GfK Services

FINANCIAL PERFORMANCE

In what regards **financial performance**, and in spite of the difficult economic environment, operating revenues in the TV segment fell only by 6% (-2% YoY in Q4'12).

Advertising revenues were down 22%. Media Capital estimates the free-to-air (FTA) advertising market to have fallen by 20% in the same period. In the quarter, the segment's advertising revenues fell by 24%, which compares with an estimated variation of -21% for the FTA market.

Other operating revenues were up 57%. We highlight the performance achieved by multimedia services, as well as the booking of the capital gain resulting from the sale of RETI (transmission operator), which materialised in the second quarter. From October to December, this stream of revenues expanded by 83% if compared with the last year.

In 2012, **operating costs** fell by 9% YoY, driven by a strict sense of cost control. Always keeping in mind the need to have the best contents, TVI cut down its programming costs, especially in what regards international programming (series and, above all, motion pictures), as well as local contents (drama and entertainment) and news, notwithstanding the adverse effects concerning FX differences and the impact of the EURO 2012. In the quarter, opex was down 13% YoY.

It is worth mentioning that a significant portion of TVI's programming costs – local drama – derives from in-house Group productions (Plural), therefore retaining the respective added value.

The combined evolution of revenues and costs resulted in an **EBITDA** of € 35.1 million, which compares with € 34.6 millions in 2011 (+2%), with the margin going from 22.8% to 24.8%. In the quarter, EBITDA was € 14.7 million (+27%), with the margin improving 8pp to 36.2% on a YoY comparison.



3. Audiovisual Production

€ thousand	2012	2011	Var %	Q4 2012	Q4 2011	Var %
Operating revenue	52,745	80,977	-35%	12,648	19,114	-34%
Advertising	0	0	0%	0	0	0%
Other revenues	52,745	80,977	-35%	12,648	19,114	-34%
Operating Expenses, ex D&A	49,026	85,918	-43%	11,912	28,411	-58%
EBITDA	3,719	(4,941)	N/A	736	(9,297)	N/A
EBITDA margin	7.1%	-6.1%	13.2pp	5.8%	-48.6%	54.5pp
Depreciation and amortisation	3,825	3,147	22%	1,026	828	24%
Operating income (EBIT)	(106)	(8,088)	99%	(290)	(10,125)	97%

Variations observed in this segment are the result not only of the ordinary activity of its companies but also of the change observed in the segments' consolidation perimeter and of a goodwill impairment registered in Q4'12, amounting € 9,750 thousand.

Regarding the consolidation perimeter, as of January 1st 2012, the stake in Factoría went from 51% to 15%, resulting in the deconsolidation of both Factoría and its participated company CHIP. They are now considered associated companies. Also recall that Socater and Productora Canaria de Programas (owned 40% each) which are also associated companies and, thus, out of Grupo Media Capital's consolidated accounts.

The Audiovisual production segment reached total **operating revenues** of € 52.7 million, decreasing by 35% (-24% if adjusted for changes in the consolidation perimeter). In the quarter, the YoY decrease of revenues was 34%.

In Portugal, operating revenues decreased by 9%, due to lower TV production revenues. This occurred despite the important improvement of production services and technical support activities, which continued to gain track on international grounds. In Q4'12, the YoY top line variation of the overall activity in Portugal was also negative.

One important fact to highlight in Portugal is the movie "Morangos com Açúcar – o Filme", which was (and still continues to be) a success (238 thousand viewers), being the Portuguese movie with the best première ever and the 2nd most watched Portuguese movie in 2012. In addition, the novela "Remédio Santo" was nominated for an International Emmy award in the category "Best Telenovela".

In what regards Spain, operating revenues were also down. Apart from the aforementioned deconsolidation impact, there was a reduction of the production volume to domestic clients, also associated to the absence, in 2012, of revenues with the cinema activity (in 2011 subsidies were booked). In Q4'12, the evolution followed the same trend.

Notwithstanding the change in the consolidation perimeter and its reduction in the production activity, **EBITDA** improved from € -4.9 million to € 3.7 million. Please note that Q4'11 figures were negatively impacted by the € 9,750 thousand goodwill imparity.

Both financial and content performances clearly position Plural as the biggest content producer in Portugal and one of the largest in Iberia.



4. Radio

€ thousand	2012	2011	Var %	Q4 2012	Q4 2011	Var %
Operating revenue	14,288	14,501	-1%	4,346	3,548	22%
Advertising	13,489	13,286	2%	4,146	3,367	23%
Other revenues	799	1,215	-34%	200	181	10%
Operating Expenses, ex D&A	11,239	12,261	-8%	2,644	2,999	-12%
EBITDA	3,049	2,240	36%	1,702	549	210%
EBITDA margin	21.3%	15.4%	5.9pp	39.2%	15.5%	23.7pp
Depreciation and amortisation	1,627	1,984	-18%	411	536	-23%
Operating income (EBIT)	1,422	256	456%	1,291	13	9703%

The data on radio audiences, measured through Bareme, kept showing an outstanding performance for MCR's radio formats.

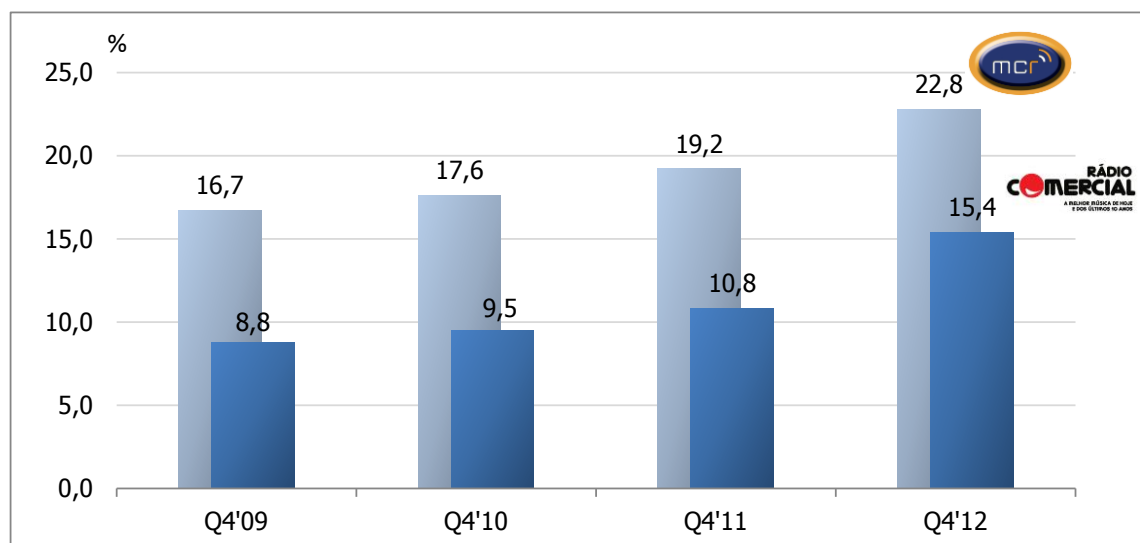
The formats explored by MCR had an **aggregate audience share of 31.0%** in 2012. In terms of **audience reach (AAV)**, a more interesting metric as it reflects radio consumption, the data was equally encouraging (21.5% vs. 18.7% in 2011), mainly due to the performance of Rádio Comercial. In an unprecedented growth of audience, and just after reaching for the first time ever the #1 audience ranking in the second quarter, Rádio Comercial further reinforced its leadership in the next quarters, increasing its AAV by 43% in 2012, thus reaching an average of 1.3 million

listeners. Also, audience gains are especially relevant in the most critical commercial targets.

In turn, m80 kept its excellent evolution, having posted an average AAV of 4.2%. Among the four most listened to radio stations in Portugal, m80 stands out as it is the only one that does not have a nationwide coverage.

MCR's radios partnered with the main **musical events** throughout the country, associating their brands to the main Portuguese and International artists as well as to the major music festivals during summer, such as Spirit of the Dance, EDP Cool Jazz, among others.

Audience Reach (%)



Source: Marktest. Note: The quarterly evolution for the aggregate of MC Radios is not fully comparable, given the changes made in the radio formats.

MCR's **advertising revenues** were up 2% on a YoY comparison (+23% YoY in Q4'12). MCR once again improved its market share among advertisers, as the radio advertising market

should have fallen by approximately 12% in 2012.

Other operating revenues fell by 34% (+10% YoY in Q4'12), mostly as a result of non-recurring revenues registered in 2011 and, to a less extent, to lower revenues from content licensing.

Total **operating costs** decreased by 8% in 2012, due to a constant optimisation of MCR's

cost structure. In Q4'12, the YoY decrease was even higher (-12%).

As a consequence, **EBITDA** for this segment was € 3.0 million (+36% vs 2011), with a margin of 21.3%. In Q4'12, EBITDA was € 1.7 million (39.2% margin), despite of the negative evolution of the advertising market.



5. Entertainment

€ thousand	2012	2011	Var %	Q4 2012	Q4 2011	Var %
Operating revenue	5,704	11,771	-52%	1,739	1,575	10%
Music & Events	4,726	4,296	10%	1,329	1,166	14%
Cinema & Video	977	7,474	-87%	410	409	0%
Operating Expenses, ex D&A	5,434	13,028	-58%	1,565	2,263	-31%
EBITDA	270	(1,257)	N/A	174	(687)	N/A
EBITDA margin	4.7%	-10.7%	15.4pp	10.0%	-43.6%	53.6pp
Depreciation and amortisation	85	123	-31%	21	28	-26%
Operating income (EBIT)	185	(1,380)	N/A	153	(715)	N/A

The entertainment segment 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 by 52%, with the Music & Events activity up 10% (+14% YoY in Q4'12), whereas Cinema & Video was down (-87%, with 0% YoY variation in the quarter). Regarding the latter, commercial actions were taken in order to achieve return maximization of the existing rights.

In the **Music & Events** business, given the structural fall in the physical market (no final data available, but estimated at a relevant two digit fall), CDs net sales were down by 9% (-1% YoY in Q4'12). As regards other revenues,

it is worth highlighting the increase in revenues from the events activity (namely the National Surf Championship – Liga Meo Pro Surf, Meo Spot Summer Sessions, José Cid's show and m80's party celebrating its fifth year of existence).

On aggregate, the remaining revenues (which include publishing, new media and other rights) stood below last year's figure.

The segment's **opex** was strongly down (-58%), mostly due to the reduction in top line. In the quarter, the YoY variation was -31%.

EBITDA was thus positive (€ 0.3 million), comparing with the € -1.3 million obtained in 2011. In Q4'12, EBITDA reached € 0.2 million (-0.7 million in Q4'11).

6. Digital and Others



€ thousand	2012	2011	Var %	Q4 2012	Q4 2011	Var %
Operating revenue	15,086	17,032	-11%	3,495	4,305	-19%
Advertising	3,167	3,457	-8%	964	967	0%
Other revenues	11,919	13,575	-12%	2,531	3,339	-24%
Operating Expenses, ex D&A	15,169	18,031	-16%	3,275	5,141	-36%
EBITDA	(83)	(998)	92%	220	(836)	N/A
EBITDA margin	-0.5%	-5.9%	5.3pp	6.3%	-19.4%	25.7pp
Depreciation and amortisation	469	519	-10%	112	121	-7%
Operating income (EBIT)	(551)	(1,518)	64%	108	(957)	N/A

Digital operations, shared services and the holding are included in this segment.

During Q2'12 MCD underwent a rebranding (to MCD), which aimed at reflecting and reinforcing its mission and positioning as the Group's digital transformation agent.

In spite of the increasingly competitive environment in the Portuguese Digital market (which stems from the presence of leading multinational players and from a growing penetration of social media), MCD increased the quality of the audiences observed in its network of sites. In this sense, it achieved significant growth in key performance indicators, such as pageviews (22% growth) and visits (+10%).

MCD made great efforts to innovate and improve its digital contents, already available in multiple platforms (Apple, Nokia, Android, Windows 8 and Samsung) and devices (smartphones, tablets and smart tvs), having so far developed over 20 apps to several of the Group's brands.

Some of the key projects during 2012, were:

- Champions League – TVI's websites and Maisfutebol followed all about the competition and transmitted live games and programs in both tv.pt and the apps for *iphone*, *ipad*, *android* and *nokia Windows phone*;
- Partnership with Microsoft, to make TVI and TVI24's main video contents (in entertainment, news and sports) available in MSN portal, which is already a success;
- Renewal of IOL - new features, new design, new image and more content;
- IOL Push – service that provides the best news selection of the day and aims at being a reference in digital news in Portugal;

- MaisFotos – website exclusively dedicated to sports photography worldwide;
- Renewal of AB Motor – new design and new features for this auto, motor and boat buying and selling website;
- Partnership with the newspaper Público - TVI and TVI24's videos are now available at Público.pt;
- Ao Vivo – along with the start of the new football season, Maisfutebol launches this new service, based on real-time technology;
- New apps for smart TV;
- Launch of a new widget which aggregates news and videos of particular subject – the first version was used with the Euro2012 event;
- App TVI24 for Windows 8;
- New website TVI24;
- New website Agência Financeira;
- In September, resulting from a partnership with TVI, MCD launched "Secret Story 3" website, which rapidly became a success, registering average monthly audiences of 14 million visits, thus allowing TVI's portfolio of sites to maintain its leadership and to end 2012 with a 24% growth (vs 2011);
- TVI24 reporter's website.

In the period under analysis, MCD opted for a new approach and new solutions for the commercialization of its sites and contents:

- TV/Site/Facebook – Full integration between TV, sites and facebook;
- Intro – advertising format of great impact which appears before the homepage of the various sites;
- Video in background – placing a video running in the background of the sites.

Advertising revenues of the segment decreased by 8% (no YoY variation). The growth registered in several of the projects

(namely the sites TVI, Planeo and MaisFutebol), was not enough to offset the absence of the revenue stream with MySpace partnership, which ended last year, more specifically in the third quarter.

The 12% reduction in **other operating revenues** in 2012 (-24% YoY in Q4) is justified by the intra-group variations vs. the

the comparable periods, which in turn was due to the reduction in **operating costs**.

EBITDA was negative by € 0.1 million, comparing with € -1.0 million in 2011. In the quarterly evolution, the value stood at € 0.2 million (vs. € -0.8 million in Q4'11).



7. Consolidation Adjustments

€ thousand	2012	2011	Var %	Q4 2012	Q4 2011	Var %
Operating revenue	(45,176)	(51,358)	12%	(10,640)	(12,949)	18%
Advertising	(295)	(1,096)	73%	(39)	(105)	63%
Other revenues	(44,881)	(50,262)	11%	(10,600)	(12,843)	17%
Operating Expenses, ex D&A	(44,303)	(50,371)	12%	(10,634)	(13,001)	18%
EBITDA	(873)	(987)	N/A	(6)	52	N/A
EBITDA margin	1.9%	1.9%	0.0pp	0.1%	-0.4%	0.5pp
Depreciation and amortisation	0	0	0%	0	0	0%
Operating income (EBIT)	(873)	(987)	N/A	(6)	52	N/A

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	2012	2011	Var %	Q4 2012	Q4 2011	Var %
Receipts	215,548	283,606	-24%	59,060	79,395	-26%
Payments	(200,182)	(268,848)	26%	(44,584)	(63,999)	30%
Cash flows op. activities (1)	15,366	14,757	4%	14,475	15,396	-6%
Receipts	17,270	14,057	23%	14,745	12,085	22%
Payments	(15,365)	(29,681)	48%	(10,168)	(20,161)	50%
Cash flows inv. activities (2)	1,904	-15,625	N/A	4,577	-8,075	N/A
Receipts	177,944	291,803	-39%	22,711	108,934	-79%
Payments	(196,232)	(302,702)	35%	(33,142)	(112,843)	71%
Cash flows fin. activities (3)	-18,288	-10,899	-68%	-10,431	-3,909	-167%
Cash at the beginning of the period	11,813	23,579	-50%	2,178	8,402	-74%
Variation of cash (4) = (1) + (2) + (3)	(1,018)	(11,766)	91%	8,621	3,412	153%
Effect of FX variations	(4)	0	0%	(9)	(1)	-718%
Cash at the end of the period	10,790	11,813	-9%	10,790	11,813	-9%

The cash flow from operating activities reached € 15.4 million, thus increasing 4% vs 2011. This variation results from cost reductions and an improved management of the working capital management, albeit the reduction of revenues.

Cash flow from investing activities was positive by € 1.9 millions (- € 15.6 million in 2011). The cash outflow related with tangible and intangible was € -2.7 millions, which compares with € -7.8 millions in 2011, thus demonstrating the Group's effort in maximizing

cash flow, in this case through a strong capex contention.

Cash flow from financing activities came out at € -18.3 millions, resulting from debt reduction, as well as the dividend distribution during this period, amounting to € 5.8 million.



9. Financial Net Debt

€ thousands	Dec 12	Dec 11	Abs Var	% Var
Group financial debt	113,375	117,744	(4,369)	-4%
Bank loans / Commercial paper	110,235	113,924	(3,689)	-3%
Other debt	3,140	3,820	(680)	-18%
Cash & equivalents	10,790	11,813	(1,022)	-9%
Net debt	102,584	105,932	(3,347)	-3%

At the end of December, Media Capital saw its **gross financial debt** reduced by 4% vs. the end of last year.

As regards **total net financial debt**, it reduced by 3% (-€ 3.3 million) when compared with the end of December 2011, reaching € 102.6 million on 31 December. It is worth mentioning that the financial debt figure

includes leasings, in a global amount of € 3.1 million at the end of the period under analysis.

Financial debt **adjusted for the loans** to Promotora de Informaciones, S.A. **reached € 99.1 million** at the end of the period, comparing with € 89.3 million at the end of 2011, thus putting Media Capital in a comfortable capital structure.

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012 AND 2011
(Amounts stated in Euro thousand)

	<u>2012</u>	<u>2011</u>
<u>OPERATING REVENUES:</u>		
Services rendered	133,190	187,679
Sales	2,294	5,714
Other operating revenue	48,835	30,963
Total operating revenue	<u>184,319</u>	<u>224,356</u>
<u>OPERATING EXPENSES:</u>		
Cost of programs broadcasted and goods sold	(22,374)	(25,869)
Subcontrats and third party supplies	(68,224)	(91,418)
Payroll expenses	(52,821)	(68,075)
Depreciation and amortization	(11,496)	(11,800)
Provisions and impairment losses	800	(10,279)
Other operating expenses	(511)	(75)
Total operating expenses	<u>(154,626)</u>	<u>(207,516)</u>
Net operating profit	<u>29,692</u>	<u>16,840</u>
<u>FINANCIAL EXPENSES:</u>		
Financial expense	(9,834)	(7,398)
Financial income	208	900
Finance costs, net	(9,626)	(6,498)
Gains (losses) on associated companies, net	(60)	40
Profit before tax	<u>20,007</u>	<u>10,382</u>
Income tax expense	(8,068)	(8,421)
Consolidated net profit for continued operations	<u>11,939</u>	<u>1,961</u>
Attributable to:		
Equity holders of the parent	11,939	1,165
Non-controlling interests	-	796
	<u>11,939</u>	<u>1,961</u>
Earnings per share (Euros)		
Basic	0.1413	0.0138
Diluted	<u>0.1413</u>	<u>0.0138</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2012 AND 2011

(Amounts stated in Euro thousand)

ASSETS	2012	2011
NON-CURRENT ASSETS:		
Goodwill	153,568	157,363
Intangible assets	18,486	18,652
Tangible fixed assets	21,616	28,996
Investments in associates	1,592	1,354
Assets held for sale	8	8
Transmission rights and TV programs	50,407	55,915
Other non-current assets	4,758	2,328
Deferred income tax assets	4,669	5,360
	<u>255,103</u>	<u>269,975</u>
CURRENT ASSETS:		
Transmission rights and TV programs	29,500	20,516
Inventories	187	326
Trade and other account receivable	40,908	49,309
Current tax assets	141	158
Other current assets	14,653	25,304
Cash and cash equivalents	10,790	11,813
	<u>96,179</u>	<u>107,427</u>
TOTAL ASSETS	<u><u>351,282</u></u>	<u><u>377,401</u></u>
<hr/> EQUITY AND LIABILITIES <hr/>		
EQUITY:		
Share capital	89,584	89,584
Reserves	24,569	29,183
Profit for the period	11,939	1,165
Equity attributable to controlling interests	<u>126,092</u>	<u>119,932</u>
Equity attributable to non-controlling interests	-	1,791
Total Equity	<u>126,092</u>	<u>121,723</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	86,319	81,657
Provisions	7,727	6,831
Deferred income tax liabilities	1,598	1,599
	<u>95,644</u>	<u>90,086</u>
CURRENT LIABILITIES:		
Borrowings	27,056	34,905
Trade and other payables	53,071	62,763
Current tax liabilities	6,373	1,588
Other current liabilities	43,046	65,154
Derivative financial instruments	-	1,183
	<u>129,546</u>	<u>165,592</u>
Total liabilities	<u>225,190</u>	<u>255,678</u>
TOTAL EQUITY AND LIABILITIES	<u><u>351,282</u></u>	<u><u>377,401</u></u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 AND 2011

(Amounts stated in Euro thousand)

	<u>2012</u>	<u>2011</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	215,548	283,606
Cash paid to suppliers	(111,702)	(151,418)
Cash paid to employees	(54,669)	(68,930)
Cash generated from operations	<u>49,177</u>	<u>63,257</u>
Cash received/(paid) relating to income tax	1,188	-
Other cash received/(paid) relating to operating activities	(34,999)	(48,500)
Net cash from operating activities (1)	<u>15,366</u>	<u>14,757</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	1,512	-
Disposal of fixed tangible assets	86	372
Disposal of intangible assets	-	590
Investment subsidies	-	27
Dividends	302	297
Interest and similar income	226	611
Loans granted	<u>15,144</u>	<u>12,159</u>
	<u>17,270</u>	<u>14,057</u>
Payments resulting from:		
Business concentrations	(10,332)	(11,912)
Acquisition of tangible assets	(2,667)	(7,595)
Acquisition of intangible assets	(11)	(159)
Loans granted	<u>(2,356)</u>	<u>(10,016)</u>
	<u>(15,365)</u>	<u>(29,681)</u>
Net cash from /(used in) investing activities (2)	<u>1,904</u>	<u>(15,625)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	177,944	291,578
Other financing activities	-	225
	<u>177,944</u>	<u>291,803</u>
Cash paid relating to:		
Borrowings	(179,195)	(286,997)
Leases	(1,763)	(2,029)
Interest and other similar expenses	(6,354)	(4,826)
Dividends	(5,815)	(6,832)
Other financial expenses	<u>(3,106)</u>	<u>(2,018)</u>
	<u>(196,232)</u>	<u>(302,702)</u>
Net cash from/(used in) financing activities (3)	<u>(18,288)</u>	<u>(10,899)</u>
Cash and equivalents at the beginning of the period	11,813	23,579
	-	-
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(1,018)	(11,766)
Exchange rate effect	(4)	-
	-	-
Cash and equivalents at the end of the period	<u>10,790</u>	<u>11,813</u>