Full-Year Results
2011

Grupo Media Capital, SGPS, S.A.

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

- **Seven years of leadership**
- **FTA transmission rights of the Champions League in Portugal (seasons 2012-2015)**

- **TVI 24 – First news programming proposal for multiplatform screens**

- **Improving audience share and advertising market share**
- **Second most listened to radio station in Portugal**
- **Leader in the Greater Lisbon region**

- **179 million monthly pageviews**
- **Innovation and quality, with 11 active apps**
- **Tvi24.pt is the #1 tv website in Portugal**

- **New studios in "Cidade dos Sonhos" (Quinta dos Melos)**
- **3400 hours of production**
- **Award for "Best Producing Company" (Meios & Publicidade)**

- **The biggest event in Algarve during summer: *Spot Summer Sessions***
- **10 platinum and 10 gold records attributed to Farol Música**

Media Capital's brands and contents have a strong presence on the internet and on social networks

- **TVI as the online leader amongst TV players, with 75.3 million page views in december**
- **Secret Story: over 465 thousand facebook fans**
- **Morangos com Açúcar: over 195 thousand fans on facebook**
- **Rádio Comercial: over 400 thousand fans on facebook**
- **Grupo Media Capital with more than 5.6 million monthly unique browsers in 2011 (+13% vs 2010)**

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FULL-YEAR RESULTS 2011

Grupo Media Capital presents an EBITDA margin of 18.7%, adjusted for staff curtailment cost and goodwill impairments

- Operating revenues reached € 224.4 million (10% below the comparable period)
- **Advertising revenues** reached € 137.1 million, corresponding to an 8% decrease.
- **TVI** led audience shares yet again by a strong lead, with FTA shares of 34.5% in all-day and 38.1% in prime-time. Excluding the staff curtailment costs effect, the segment obtained an adjusted EBITDA margin of 23.9% (28.8% in 2010).
- **Audiovisual Production** activity saw a 12% reduction in its operating revenues. Adjusted EBITDA margin decreased 2.6pp to 7.4%.
- In **Radio**, advertising revenues increased 4%, with a clear outperformance versus the market. EBITDA margin was 17.7% (before staff curtailment costs), whereas adjusted EBITDA was € 2.6 million. Following the tendency of previous quarters, in Q4'11 the Group's radios reached their highest aggregate audience level ever (19.2%).
- In the **Entertainment** segment, EBITDA was € -0.5 million (excluding staff curtailment costs), thus revealing a substantial increase against the previous year.
- In **Internet**, IOL and MCM's network of sites continue to grow in volume indicators, registering an average of 179 million monthly pageviews during 2011 (159 million in 2010). Along the year, MCM made a strong bet on digital content for a multitude of platforms and devices.

Queluz de Baixo, 14th February 2012

1. Consolidated Income Statement

€ thousand	2011	2010	% Var	Q4 2011	Q4 2010	% Var
Total operating revenue	**224,370**	**249,008**	**-10%**	**57,095**	**76,187**	**-25%**
Television	151,433	158,574	-5%	41,487	47,884	-13%
Audiovisual Production	80,977	91,714	-12%	19,114	27,947	-32%
Entertainment	11,771	17,489	-33%	1,575	4,449	-65%
Radio	14,501	13,874	5%	3,548	4,242	-16%
Others	17,046	15,316	11%	4,319	3,306	31%
Cons. Adjustments	(51,358)	(47,960)	-7%	(12,949)	(11,641)	-11%
Total operating expenses ex-D&A	**195,730**	**209,527**	**-7%**	**55,686**	**63,768**	**-13%**
EBITDA	**28,640**	**39,480**	**-27%**	**1,409**	**12,419**	**-89%**
EBITDA Margin	**12.8%**	**15.9%**	**-3.1pp**	**2.5%**	**16.3%**	**-13.8pp**
Television	34,584	45,195	-23%	11,629	18,182	-36%
Audiovisual Production	(4,941)	8,444	N/A	(9,297)	3,768	N/A
Entertainment	(1,257)	(8,024)	84%	(687)	(5,349)	87%
Radio	2,240	(2,472)	N/A	549	(2,159)	N/A
Others	(998)	(2,784)	64%	(836)	(1,949)	57%
Cons. Adjustments	(987)	(879)	-12%	52	(74)	N/A
Staff curtailment costs	3,656	1,699	115%	2,240	674	232%
Goodwill Imparity	9,750	5,367	82%	9,750	5,367	82%
Opex, ex D&A, curtailments & goodwill	**182,325**	**202,462**	**-10%**	**43,696**	**57,728**	**-24%**
EBITDA adj. for staff curtail. and goodwill	**42,045**	**46,546**	**-10%**	**13,399**	**18,460**	**-27%**
Adjusted EBITDA margin	**18.7%**	**18.7%**	**0.0pp**	**23.5%**	**24.2%**	**-0.8pp**
Depreciation and amortisation	11,800	12,174	-3%	3,010	3,120	-4%
Operating income (EBIT)	**16,840**	**27,306**	**-38%**	**(1,601)**	**9,299**	**N/A**
Financial results	(6,458)	(5,109)	-26%	(2,008)	(1,231)	-63%
Profit / (Loss) before inc. tax/ no contrl. Int.	**10,382**	**22,197**	**-53%**	**(3,609)**	**8,067**	**N/A**
Income tax	(8,421)	(8,624)	2%	(4,198)	(5,122)	18%
Profit / (Loss) from continued operations	**1,961**	**13,573**	**-86%**	**(7,807)**	**2,946**	**N/A**
No Controlling interests	(796)	(1,173)	32%	(154)	(235)	35%
Net profit / (loss) for the period	**1,165**	**12,400**	**-91%**	**(7,961)**	**2,710**	**N/A**

In 2011, Media Capital Results are penalized by two non-recurring situations:

1) *First, the staff curtailment costs registered in various Group segments, which are a result of a management effort that aims to adapt the different business structures to the current macroeconomic framework, which is expected to remain sluggish in the medium term;*

2) *Second, following (i) the economic activity downturn and (ii) the increased country risk, the management considered to be prudent to review the future cash generation estimates of the Audiovisual Production activity, as well as the applicable discount rate used to assess these estimates. As a result, an impairment of goodwill was recognised, in the amount of € 9.8 millions. It is important to note that this movement, in its nature an accounting one, has an impact only in the income statement and balance sheet. It has no repercussion whatsoever in cash generation and does not cause any operational effect, and therefore it will have no impact in the Group's activity.*

In 2011 Media Capital reports **consolidated revenues** of € 224.4 million, down 10% over 2011. In Q4'11 the YoY variation was -25%.

Consolidated EBITDA, adjusted for staff curtailment costs and goodwill impairment, decreased 10% to € 42.0 million, with a margin of 18.7%. In the quarter, adjusted EBITDA reached € 13.4 million, 27% below the comparable period, with a margin of 23.5%.

EBIT decreased by 38%, towards € 16.8 million, whereas **net profit** was € 1.2 million (€ -8.0 million in Q4'11), penalized by goodwill impairment, higher financial costs and a higher effective tax rate.

€ thousand	2011	2010	% Var	Q4 2011	Q4 2010	% Var
Operating revenue	**224,370**	**249,008**	**-10%**	**57,095**	**76,187**	**-25%**
Advertising	137,076	149,617	-8%	37,373	44,464	-16%
Other revenues	87,294	99,391	-12%	19,722	31,723	-38%

Concerning operating revenues, **advertising** was down 8%, due to the weight of the TV segment, with a -10% performance. In Radio, the variation was a positive one (+4%), while the Others segment registered a favourable 5% increase. On quarterly terms, Q4'11 observed a 16% decrease (-18% in TV, -11% in Radio and +18% in the Others segment).

As far as the **advertising market** is concerned, the available information points towards an overall 12% downturn for 2011, with Media Capital improving its market share, especially in FTA Television and Radio.

Consolidated **other revenues** were down by 12%, with the increase in Television, Radio and Other being offset by the decrease in the Audiovisual Production and Entertainment segments. In Q4'11, the decrease was 38% over the comparable period.

In what regards **consolidated operating costs**, and excluding staff curtailment costs and goodwill impairments, these were down 10%, as a result of (i) the lower activity in the Audiovisual Production and Entertainment segments; (ii) efficiency gains across the organisation and (iii) the restructuring cost in the Entertainment segment in 2010. In Q4'11, consolidated operating costs were down by 24%.

In 2011, **net financial results** went from € -5.1 million to € -6.5 million. The interest rate swap had a contribution of € -0.2 million vs. € -1.1 million in 2010. Net financial results in Q4'11 reached € -2.0 million (€ -1.2 million in Q4'10), due to higher interest costs.

Consolidated net profit was € 1.2 million, which compares to € 12.4 million in 2010, whilst Q4'11 registered € -8.0 million vs. € 2.7 million in 4Q'10.

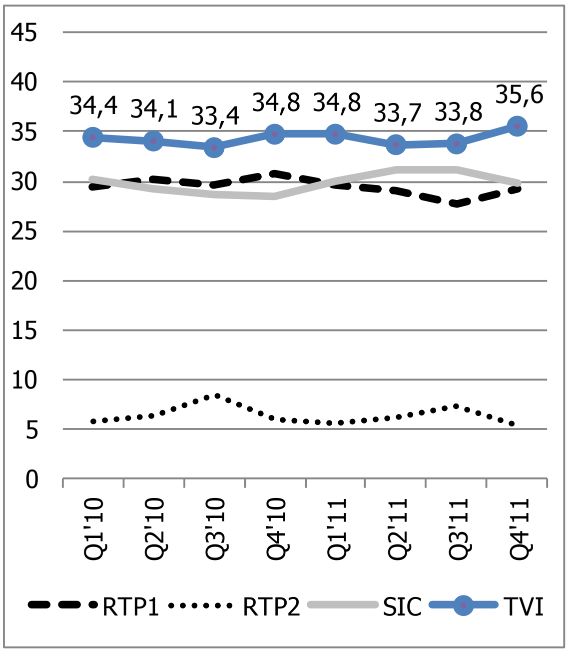
2. Television

€ thousand	2011	2010	Var %	Q4 2011	Q4 2010	Var %
Operating revenue	**151,433**	**158,574**	**-5%**	**41,487**	**47,884**	**-13%**
Advertising	121,429	134,913	-10%	33,145	40,411	-18%
Other revenues	30,004	23,661	27%	8,342	7,473	12%
Operating Expenses, ex D&A	**116,849**	**113,379**	**3%**	**29,858**	**29,702**	**1%**
EBITDA	**34,584**	**45,195**	**-23%**	**11,629**	**18,182**	**-36%**
EBITDA margin	22.8%	28.5%	-5.7pp	28.0%	38.0%	-9.9pp
Staff curtailment costs	1,557	464	236%	1,037	415	150%
Operating Expenses, ex D&A and curtailments	115,292	112,915	2%	28,821	29,286	-2%
EBITDA adjusted for staff curtailment costs	**36,141**	**45,658**	**-21%**	**12,666**	**18,597**	**-32%**
Adjusted EBITDA margin	23.9%	28.8%	-4.9pp	30.5%	38.8%	-8.3pp
Depreciation and amortisation	6,028	6,076	-1%	1,497	1,542	-3%
Operating income (EBIT)	**28,556**	**39,119**	**-27%**	**10,131**	**16,640**	**-39%**

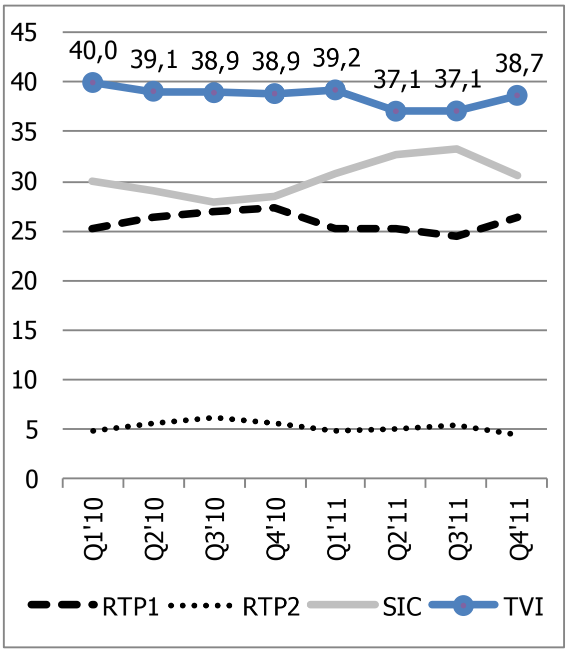
The Television segment includes the activities of both TVI and Publipartner, the latter being a marketing management group company created to develop advertising related revenue sources. As a significant part of Publipartner's activity is directly related to TVI and the use of its advertising inventory,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

Quarterly audience share (FTA Channels, %)

All-Day



Prime-Time (20h-24h)



Source: Marktest

TVI ranked once again number one in FTA audience shares in Portugal leading in all-day with a share of 34.5%. This was the seventh year in a row of the channel's leadership in all-day audiences. The second position among the generalist channels achieved a share of 30.5%, and the third position achieved 29% for the same metric.

Continuing the results obtained since 2001, TVI was also the number one tv station chosen by for Portuguese viewers in prime-time, running from 8pm to 12am, recording a share of 38.1%

in total individuals, which was 6.4 percentage points above that of the next player, which had a 31.7% share.

The overall consumption distribution for FTA and pay-tv channels (i.e. covering the entire TV market in Portugal), TVI maintains a clear advantage, with a share of 25.7% for all-day and 29.6% for prime-time.

In 2011, TVI was watched every day by over 5 million individuals (average daily coverage from a population of 9.5 million) and in prime-time TVI programming attracted a daily average of 3.5 million individuals.

Also during 2011, TVI firmly kept its bet on in-house Portuguese drama, with the transmission in prime-time of a transversal offer and, in the access to prime-time, the transmission of the youth series **"Morangos Com Açúcar"**. In the first half of the year, the soaps **"Espírito Indomável"**, **"Mar de Paixão"** and **"Sedução"** have reached the end, all of them with average figures of remarkable success in 2010 and 2011 – the aggregate figures for these soaps episodes registered audience shares of 45.6%, 44.6% e 41.3% respectively.

As for the 2011 debuts, **"Anjo Meu"** (March) was the first. It achieved, throughout the year, a share of 43.2% (997 thousand regular viewers). In the Housewives segment, this product achieved 45.2% of share.

In the second quarter (May), TVI premiered **"Remédio Santo"**, which registered an average share of 42.3% (over 1 million viewers per episode) in total individuals and 44% in Housewives.

For the ninth year in a row, and throughout 2011, TVI regularly broadcasted the youth series **"Morangos Com Açúcar"**. In its target audience, 4 to 24 year olds, the three seasons transmitted in 2011 (end of season VIII, summer season and beginning of season IX) reached an audience share of 60.8% (280 thousand individuals per day). It is now the longest broadcasted drama concept in the history of Portuguese television.

Globally, these fiction products obtained an audience of 900 thousand individuals per day and an average total audience of 1.5 millions. The reference share for this group was 41.4% in total individuals and 40.7% in Housewives.
Still on local drama, TVI diversified its programming with three miniseries produced by Plural Entertainment: **"O Amor é um Sonho"**, **"Redenção"** and **"O Dom"**. Airing on Saturday nights, these series registered an average of 640 mil viewers and a share of 39.3% in total individuals.

All together (soaps, juvenile series and short-term series), these drama products added 818 hours of programming.

In **news**, the major highlight refers to the reinforced value proposal offered by TVI, which in a short period has already generated a quite positive reaction in ratings and audience. The main daily news program, **"Jornal das 8"**, registered an excellent performance along the year, with a share of 31.4% and an average of 850 thousand spectators (total daily audience over 2 million individuals) leading regularly on Sundays (with Marcelo Rebelo de Sousa), with an average audience over 1 million viewers. At lunch time, **"Jornal da Uma"** has maintained a relevant position, assuring regularly the second place among the information services in its hourly range: for the whole year, it registered a share of 29.4% and a total share above one million viewers.

In the investigative journalism, the annual performance of **"Repórter TVI**" is highlighted as it stands as the main reference in audience for this informative format: the 39 transmissions recorded during the year reached an average audience of 1.2 million individuals and a share of 38.7%.

Globally, TVI broadcasted over 1700 hours of information programmes during 2011.

Regarding **sports**, the 30 matches of the 2010/2011 season of the Liga Portuguesa de Futebol (Portuguese football league) broadcasted in 2010 and 2011, posted an average audience of 1.1 million viewers (43.2% share for the total market). The 13 matches of the 2011/2012 season broadcasted in 2011 reached an audience of 1.2 million viewers (47.3% share), thus improving vs the previous season.

In October, TVI granted the broadcasting rights in FTA in Portugal of the **Champions League (CL)**, for the season 2012/2015. This agreement includes the final and the European Super league. Furthermore, TVI and TVI24 will also air special programs dedicated to these competitions, in a multiplatform basis.

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 daily talk show **"Você na TV"**, presented by Cristina Ferreira and Manuel Luís Goucha, continues to lead on its timeslot with a share of over 38.2% and more than 300 thousand loyal viewers, of which 57% in the Housewife target, over the year.

On weekday's afternoons, Fátima Lopes presented **"A Tarde É Sua"** leading its timeslot with a share of 33.4% (250 thousand viewers, of which 68% are female). Also in the week afternoons, TVI premiered in October **"Dá Cá Mais 5!"** presented by Leonor Poeiras.

TVI made an extensive coverage of two of the most relevant events of the European royalty, in a mixture of entertainment and actuality.

In the summer of 2011, TVI aired some of the major **traditional events** throughout the country. The nine emissions registered an average audience of over 480 thousand viewers and a share of 36.8%. Also during summer TVI aired **"Canta Comigo"**, led by Rita Pereira, which registered 908 thousand viewers and an audience share of 39.1% during six Sunday nights.

Between February and April, Sunday nights were filled with another successful edition of **"Uma Canção para Ti"**, presented by Cristina Ferreira and Manuel Luís Goucha, searching for the new and future talents of the Portuguese singing. The first nine emissions achieved an audience of over one million consumers, leading to a leading share of 44.1% in total individuals.

Cristina Ferreira and Manuel Luís Goucha also presented **"Uma Canção para Ti"**, an entertainment musical format aired on Sunday nights from February to April. The first nine emissions achieved an audience of over one million consumers, leading with a share of 44.1% in total individuals.

Between May and July, the ten emissions of the reality-doc **"Perdidos na Tribo: Famosos"** surpassed the average of 1.2 million viewers with an audience share of 41.8%.

In H2 2011, the second edition of the reality show **"Casa dos Segredos"** (one of the big phenomenon of the year) registered a total of 240 airing hours, during three months and a half. The average audience share for this set of emissions was 44%, with the higher figures happening during the weekend extras (49%) and the maximum peak on Sunday Galas.

Three spin-offs from this show were also aired, two of which still in 2011, with a remarkable success: "Especial Natal" and "Amigo Oculto" (shares of 39.4% e 43.3%, respectively).

TVI maintained its partnership with MEO, to broadcast the daily life in "Casa dos Segredos", 24hrs a day through the interactive channel TVI Direct, achieving excellent audiences and allowing it to stand as one of the most watched channels on cable. It included an innovative interactive application, with access to additional content on the reality-show and a multi-camera option, which provided a more interactive and dynamic experience.

As for **foreign drama**, mainly series and cinema, TVI also accomplished significant audiences. For a total of approximately 420 films aired, the weekend afternoon registered a share of 30.9%. TVI also broadcasted quality and reference series such as "Dr. House", "Hawaii Five-0", "The Pillars of the Earth" and "True Lies".

TVI24

Along its third year of broadcasts, but especially during the second half of 2011, TVI24 maintained its growth in relevance among Portuguese viewers, obtaining a daily contact of over 700 thousand spectators and an all day share of 16.5% (19.8% in prime-time), amongst Portuguese news channels.

TVI INTERNACIONAL

Since the launch of TVI Internacional in May 2010, the best of TVI and TVI24 programming is available in Angola, Mozambique, Cape Verde and Andorra, reaching not only Portuguese speaking audiences, but also Portuguese communities abroad.

At the end of 2011, TVI Internacional had more than 100 thousand subscribers.

FINANCIAL PERFORMANCE

In terms of **financial performance**, due to the adverse economic environment, the Television's segment total operating revenues decreased by 5%. **Advertising revenues** were down by 10%. Media Capital estimates that the FTA advertising market should have decreased by circa 12%, thus representing an increase in TVI's advertising share. In Q4'11, advertising revenues were down by 18% (vs Q4'10), a figure similar to that of the market.

Other revenues in the Television segment rose 27% (11% YoY in Q4'11), representing 20% of total operating revenues (15% in 2010), with such performance partially offsetting the reduction registered in advertising. The main contribution to this evolution comes from the tremendous growth seen in multimedia services.

Operating costs before staff curtailment costs were up 2% vs 2010. However, excluding the impact from the growth of other revenues as well as intra-group transactions related to management fees, the evolution would have been slight decrease. Programming costs rose 1% during 2011, deriving from (i) the acquisition by TVI of the Superliga football rights (which did not happen in the previous season); (ii) the coverage of the presidential and general elections, (iii) entertainment formats and (iv) national drama contents. This evolution was partially offset but a cut in the remaining parts of the programming grid, especially in international drama.

It should be noted that a key component of the schedule costs – national drama – is from in-house Group productions (via Plural), which therefore retains added value from it.

The combination of the revenue and cost performance resulted in an **EBITDA** (before staff curtailment costs) of € 36.1 million, which compares to € 45.7 million in 2010, with the margin going from 28.8% to 23.9%. In Q4'11 adjusted EBITDA fell 32% to € 12.7 million, with the margin decreasing from 38.8% to 30.6%.

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3. Audiovisual Production

€ thousand	2011	2010	Var %	Q4 2011	Q4 2010	Var %
Operating revenue	**80,977**	**91,714**	**-12%**	**19,114**	**27,947**	**-32%**
Advertising	0	0	0%	0	0	0%
Other revenues	80,977	91,714	-12%	19,114	27,947	-32%
Operating Expenses, ex D&A	**85,918**	**83,270**	**3%**	**28,411**	**24,179**	**18%**
EBITDA	**(4,941)**	**8,444**	**N/A**	**(9,297)**	**3,768**	**N/A**
EBITDA margin	-6.1%	9.2%	-15.3pp	-48.6%	13.5%	-62.1pp
Staff curtailment costs	1,149	707	62%	498	101	393%
Goodwill Imparity	9,750	0	0%	9,750	0	0%
Opex, ex D&A, curtailments & goodwill	75,019	82,563	-9%	18,162	24,078	-25%
EBITDA adj. for staff curtail. and goodwill	**5,958**	**9,151**	**-35%**	**951**	**3,869**	**-75%**
Adjusted EBITDA margin	7.4%	10.0%	-2.6pp	5.0%	13.8%	-8.9pp
Depreciation and amortisation	3,147	2,983	5%	828	827	0%
Operating income (EBIT)	**(8,088)**	**5,461**	**N/A**	**(10,125)**	**2,941**	**N/A**

The audiovisual production segment achieved total operating revenues of € 81 million, decreasing 12%. In Q4'11, the variation was -32%, towards a value of € 19.1 million.

Regarding **operating revenues**, the activity in Spain showed a reduction, mainly in terms of production to generalist and autonomic TV's, as well as management for the latter. Also, the deconsolidation of the participation in Productora Canaria de Programas and in Socater, had a relevant impact in the reduction of operating revenues, especially in Q4'11, alongside with the strong figures registered in the cinema activity in the homologous quarter.

As for the operations in Portugal, overall operating revenues increased 10% YoY, due to higher revenues from television productions, production services, technical support and scenarios, that compensated the revenue reduction in other areas. The strong increase in operation revenues during Q4'11 is also justified by the same reasons given above.

The lower overall activity led a 35% decrease in **EBITDA** (adjusted for staff curtailment costs and goodwill impairments), thus reducing it to € 6.0 million, whilst its margin went down by 2.6pp to 7.4%. In Q4'11, the 75% reduction in EBITDA and the contraction of the margin to 5%, find justification in the same arguments.

4. Entertainment

€ thousand	2011	2010	Var %	Q4 2011	Q4 2010	Var %
Operating revenue	**11,771**	**17,489**	**-33%**	**1,575**	**4,449**	**-65%**
Music & Events	4,296	7,579	-43%	1,166	2,202	-47%
Cinema & Video	7,474	9,910	-25%	409	2,247	-82%
Operating Expenses, ex D&A	**13,028**	**25,513**	**-49%**	**2,263**	**9,798**	**-77%**
EBITDA	**(1,257)**	**(8,024)**	**84%**	**(687)**	**(5,349)**	**87%**
EBITDA margin	-10.7%	-45.9%	35.2pp	-43.6%	-120.2%	76.6pp
Staff curtailment costs	779	82	847%	545	20	2616%
Operating Expenses, ex D&A and curtailments	12,249	25,430	-52%	1,718	9,778	-82%
EBITDA adjusted for staff curtailment costs	**(479)**	**(7,941)**	**94%**	**(142)**	**(5,329)**	**97%**
Adjusted EBITDA margin	-4.1%	-45.4%	41.3pp	-9.0%	-119.8%	110.8pp
Depreciation and amortisation	123	157	-22%	28	41	-32%
Operating income (EBIT)	**(1,380)**	**(8,181)**	**83%**	**(715)**	**(5,390)**	**87%**

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 – Multimédia.

Operating revenues for 2011 fell 33%, 43% in the case of Music & Events and 25% in Cinema & Video. In Q4'11, the aggregate revenues was down 65% (-47% in Music & Events and -82% in Cinema & Video).

In the **Music & Events** business, following the structural fall in the physical market (no final data available, but estimated at a relevant two digit fall), CD sales fell 59%, mainly due to product devolutions. It is worth highlighting the increase of other revenues, due to the growth in events, namely "Meo Spot Summer Sessions".

In **Cinema**, the market saw a YoY decrease of 5.2% in the number of spectators and of 2.9% in box office revenues.

CLMC obtained a market share of 9.2% in value (13.3% in 2010) and of 9% in the number spectators (13.1% in 2010). This evolution is mainly due to the reduction of premiered movies (15 in 2011 vs 23 2010) as the distribution contract with 20th Century Fox came to an end.

In 2011, CLMC's main titles were "Rio" (the 9th most watched movie, with more than 400 thousand spectators), "X-Men: The Beginning", "Black Swan", "Planet o the Apes: The Origin", "Water to Elephants" and "127 Hours". As for the independents catalogue, the main titles were "One Day", and the Oscar nominees "Jane Eyre" and "Biutiful".

In **Video**, the market maintained an accentuated decrease for the 4th consecutive year, falling 23% in value, 15% in units sold and 9% in the average unit price. This tendency results partially from the technological evolution and from the adverse economic environment.

As of the end of the distribution agreement of the 20th Century Fox movie catalogue in May 2011, CLMC decided to cease its retail operations, having developed commercial actions to maximise the return on the existing stock.

It is also worth mentioning the positive contribution to the overall YoY evolution of both new distributions channels and newsstands.

As a result of the aforementioned, CLMC's activity was reduced to minimum levels, with a marginal exploration of the independents catalogue movie rights.

Operating costs of the Entertainment segment fell 52% (excluding staff curtailment costs), as a result of (i) the decrease in sales; (ii) the non-recurring items in the video business; and (iii) the adaptation of the business unit's structure to minimum activity levels.

Consolidated **EBITDA** (before staff curtailment costs) for this segment was of € -0.5 million, which compares favourably to € -7.9 million in 2010. In Q4'11, the YoY improvement is also noteworthy, with adjusted EBITDA coming from € -5.3 million to € -0.7 million.

5. Radio

€ thousand	2011	2010	Var %	Q4 2011	Q4 2010	Var %
Operating revenue	**14,501**	**13,874**	**5%**	**3,548**	**4,242**	**-16%**
Advertising	13,286	12,747	4%	3,367	3,775	-11%
Other revenues	1,215	1,127	8%	181	467	-61%
Operating Expenses, ex D&A	**12,261**	**16,347**	**-25%**	**2,999**	**6,402**	**-53%**
EBITDA	**2,240**	**(2,472)**	**N/A**	**549**	**(2,159)**	**N/A**
EBITDA margin	15.4%	-17.8%	33.3pp	15.5%	-50.9%	66.4pp
Staff curtailment costs	323	824	-61%	2	81	-97%
Goodwill Imparity	0	3,000	-100%	0	3,000	-100%
Opex, ex D&A, curtailments & goodwill	11,938	12,523	-5%	2,997	3,321	-10%
EBITDA adj. for staff curtail. and goodwill	**2,563**	**1,351**	**90%**	**551**	**922**	**-40%**
Adjusted EBITDA margin	17.7%	9.7%	7.9pp	15.5%	21.7%	-6.2pp
Depreciation and amortisation	1,984	2,281	-13%	536	559	-4%
Operating income (EBIT)	**256**	**(4,753)**	**N/A**	**13**	**(2,718)**	**N/A**

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 29.1%** in Q4'11, with Radio Comercial reducing once again its difference towards the number one player to the lowest value in 10 years time.

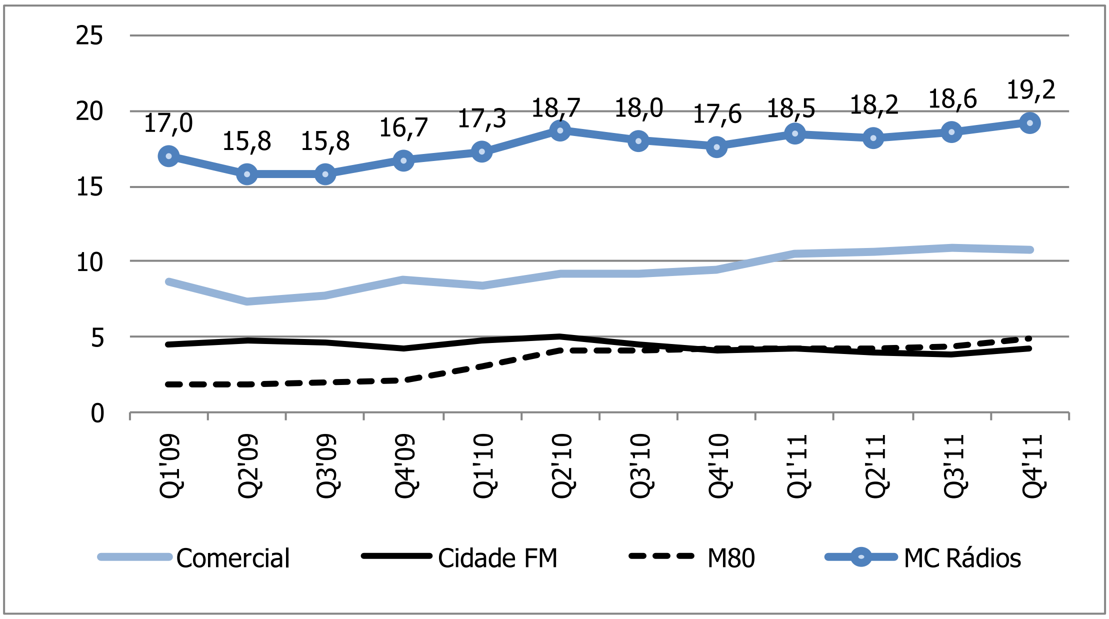
In terms of **audience reach** (AAV), a more interesting metric as it reflects radio consumption, the data was equally encouraging, with MCR going from 17.6% in Q4'10 to **19.2% in Q4'11.**

Radio consumption as a whole increased by 2.3pp in Q4'11 (vs Q4'10). Radio Comercial stands out in this indicator as, after posting an AAV of 10.7% in H1'11, it managed to improve in both Q3'11 and Q4'11 with 10.9% and 10.8% respectively. As for m80, it continued its growth path reaching an AAV of 4.9% in Q4'11, its best performance ever, and comparing with 4.2% on a YoY basis. It is worth mentioning that of the 5 most listened to radios in Portugal, m80 is the only one with no national network coverage.

Following its structure and portfolio reorganisation, MCR launched Vodafone Fm in January 2011, shortly after in November it launched Star Fm. In September MCR launched its most recent music project, Smooth Fm.

MCR will keep on betting in the development of new and innovative formats and projects, which create and add value to shareholders, such as the association and creation of partnerships with the most relevant music festivals and events during the summer season and with "Meo Spot Summer Sessions".

Audience Reach (%)



Source: Marktest. 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** increased 4% when comparing to 2010 (-11% in Q4'11). MCR estimates to have once again improved its market share among advertisers.

Total **cost expenses** (excluding € 3 million of goodwill impairment registered in Q4'10 and the staff curtailment costs in both years) decreased 8% (-12% in Q4'11) as a result of (i) the reorganisation costs in 2010 and (ii) a constant optimisation of MCR's cost structure. It is worth highlighting that this favourable evolution is achieved despite the launch of new radio formats.

As a consequence, **EBITDA** (before staff curtailment costs and goodwill impairments) for this segment registered a significant increase, going from of € 1.4 million in 2010 to € 2.6 million in 2011, with a 17.7% margin. In Q4'11, EBITDA went from € 0.9 million to € 0.6 million as a consequence of (i) lower advertising revenues and (ii) other non-recurrent operating profits in 2010, which offset the reduction in operating costs.

Regarding the radio's presence on the internet, the MCR online performance improved in 2011 by 32% YoY in terms of page views. Cotonete, the leading site for online music, posted monthly average page views of 4.6 million.

6. Other

€ thousand	2011	2010	Var %	Q4 2011	Q4 2010	Var %
Operating revenue	**17,046**	**15,316**	**11%**	**4,319**	**3,306**	**31%**
Advertising	3,457	3,301	5%	967	821	18%
Other revenues	13,589	12,015	13%	3,353	2,486	35%
Operating Expenses, ex D&A	**18,045**	**18,100**	**0%**	**5,155**	**5,255**	**-2%**
EBITDA	**(998)**	**(2,784)**	**64%**	**(836)**	**(1,949)**	**57%**
EBITDA margin	-5.9%	-18.2%	12.3pp	-19.4%	-58.9%	39.6pp
Staff curtailment costs	(152)	(378)	60%	157	57	176%
Goodwill Imparity	0	2,367	-100%	0	2,367	-100%
Opex, ex D&A, curtailments & goodwill	18,197	16,112	13%	4,999	2,832	77%
EBITDA adj. for staff curtail. and goodwill	**(1,150)**	**(796)**	**-45%**	**(679)**	**474**	**N/A**
Adjusted EBITDA margin	-6.7%	-5.2%	-1.6pp	-15.7%	14.3%	-30.1pp
Depreciation and amortisation	519	677	-23%	121	152	-20%
Operating income (EBIT)	**(1,518)**	**(3,461)**	**56%**	**(957)**	**(2,101)**	**54%**

Internet operations, shared services, central holding costs and consolidation adjustments are included in this segment.

In 2011, the presence of global competitors in the Portuguese market has increased, as well as the use of social networks. Despite this intensification of the competitive environment, MCM – through efforts to increase traffic, improved the quality of the audiences on its websites network while enhancing advertising revenues. It has registered a significant boost in its audiences, according to page views and unique browsers indicators.

During 2011, MCM made great efforts to innovate and improve its digital contents, already available in multiple platforms (Apple, Nokia and Android) and devices (smartphones and tablets), 365 days per year, at any time of the day and in any place, on the device and format that better suits consumers' needs.

As a result, MCM's network of websites registered a substantial increase of more than 20%, going from an average of 159 million monthly page views in 2010 to 179 million in 2011 (214 million in Q4'11).

Advertising revenues rose 5% in Q4'11, on a YoY comparison. TVI and TVI24 both had very positive performances.

Intra-group transactions justify not only the variation of **other revenues** but also the 13% increase in **operating costs** (excluding staff curtailment costs and goodwill impairment), when comparing to 2010, mostly due to intra-group transactions.

EBITDA for this segment (adjusted for staff curtailment costs and goodwill impairments) was negative by € 1.2 million, which compares with € -0.8 million in 2010. It is worth mentioning that, in 2010, operating costs were affected in € 2.4 million by goodwill impairments of the stake held in CLMC. In Q4'11, adjusted EBITDA was € -0.7 million.

7. Consolidation Adjustments

€ thousand	2011	2010	Var %	Q4 2011	Q4 2010	Var %
Operating revenue	**(51,358)**	**(47,960)**	**-7%**	**(12,949)**	**(11,641)**	**-11%**
Advertising	(1,096)	(1,345)	19%	(105)	(543)	81%
Other revenues	(50,262)	(46,615)	-8%	(12,843)	(11,099)	-16%
Operating Expenses, ex D&A	**(50,371)**	**(47,081)**	**-7%**	**(13,001)**	**(11,568)**	**-12%**
EBITDA	**(987)**	**(879)**	**N/A**	**52**	**(74)**	**N/A**
EBITDA margin	1.9%	1.8%	0.1pp	-0.4%	0.6%	-1.0pp
Depreciation and amortisation	0	0	0%	0	0	0%
Operating income (EBIT)	**(987)**	**(879)**	**N/A**	**52**	**(74)**	**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	2011	2010	Var %	Q4 2011	Q4 2010	Var %
Receipts	283,606	311,721	-9%	79,395	103,222	-23%
Payments	(268,848)	(285,984)	6%	(64,000)	(72,439)	12%
Cash flows op. activities (1)	**14,757**	**25,736**	**-43%**	**15,395**	**30,783**	**-50%**
Receipts	14,057	44,971	-69%	12,085	8,161	48%
Payments	(29,681)	(30,406)	2%	(20,161)	(4,221)	-378%
Cash flows inv. activities (2)	**-15,625**	**14,565**	**N/A**	**-8,075**	**3,941**	**N/A**
Receipts	291,803	147,109	98%	108,934	53,548	103%
Payments	(302,702)	(184,388)	-64%	(112,843)	(69,362)	-63%
Cash flows fin. activities (3)	**-10,899**	**-37,279**	**71%**	**-3,909**	**-15,814**	**75%**
Variation of cash (4) = (1) + (2) + (3)	(11,766)	3,022	N/A	3,410	18,910	-82%
Cash at the begining of the period	23,579	20,556	15%	8,402	4,669	80%
Cash at the end of the period	**11,813**	**23,579**	**-50%**	**11,813**	**23,579**	**-50%**

The reduction of the **cash flow from operating activities** to € 13.6 million (€ 25.7 million in 2010) results mostly from lower activity in the Television segment.

C**ash flow from investing activities** went from € 14.6 million to € -14.0 million. The cash outflow related with tangible and intangible was € -7.8 million, thus better than the € -9.7 million observed in 2010. The remaining movements are chiefly justified by reimbursements of loans provided by the Group.

Cash flow from financing activities came in at € -11.3 million, resulting directly from the operational and investing cash flows and the payment of dividend in the global amount of € 7.3 million.

9. Debt

€ thousands	Dec 11	Dec 10	Abs Var	% Var
Group financial debt	**117,744**	**113,729**	**4,015**	**4%**
Bank loans / Commercial paper	113,924	109,543	4,381	4%
Other debt	3,820	4,186	(366)	-9%
Cash & equivalents	**11,813**	**23,579**	**(11,766)**	**-50%**
Net debt	**105,932**	**90,150**	**15,781**	**18%**

As a result of the movements described above, Media Capital's **total financial net debt** was up 18% or € 15.8 million vs. the end of the previous year, totalling € 105.9 million at the end of 2011. It is worth mentioning the financial debt figure includes the fair value of the derivatives, as well as leasing, in a global amount of € 3.8 million at the end of the period under analysis.

Financial debt **adjusted for the loans** to Promotora de Informaciones, S.A. **reached € 89.3 million** at the end of 2011, which compares with € 73.1 million at the end of 2010, thus putting Media Capital in a comfortable capital structure.