GRUPO MEDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhano, n.º 40, Barcarena, Oeiras
Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)
Pessoa Colectiva n.º 502 816 481
Capital Social: 7.512.282,2 euros

H1 2005 RESULTS

- Media Capital's consolidated revenue increased 7% in H1 2005 year-on-year.
- Advertising revenues were up 6% year-on-year in H1: TV up 9%, Radio up 10%, Outdoors down 18% and Others up 21%.
- In Q2 advertising revenues increased 1%, despite tough comparables with very strong market in Q2 2004 driven by Euro 2004: TV up 6%, Radios down 2%, Outdoors down 26% and Others down 2%.
- TVI led prime time and all day audiences in H1 with audience shares of 35.8% and 33.5% respectively and increased its leadership in advertising market share.
- H1 consolidated EBITDA increased 11% to €22.7 million. In Q2 EBITDA decreased 3% to €15.6 million.
- EBITDA margin went up 0.7 p.p. to 20.5% in H1 2005, and down 1.2 p.p. to 25.0% in Q2.
- Net profit in H1 increased 113% over last year to €8.7 million.

Numbers for 2005 are prepared according to IAS/IFRS accounting standards, and H1 2004 has been restated applying consistent accounting principles.

Lisbon, 26th of July, 2005

Grupo Media Capital

Susana Gomes da Costa
Investor Relations Officer

1. Analysis of consolidated income statement

For the period ending June 30th, 2005, Media Capital Group reported **consolidated revenues** of €110.6 million, a 7% yoy increase and **EBITDA (net of all provisions)** of €22.7 million, up 11% from H1 2004.

Operating income (EBIT) went up from €13.5 million in H1 2004 to €17.0 million in H1 2005, an increase of 27%. **Net result** improved €4.6 million to €8.7 million in H1 2005, an increase of 113% over the same period of last year.

The increase in consolidated revenues was due to a 6% growth in advertising with TV up 9%, Radios up 10 %, Outdoors down 18% and Other up 21%.

The performance was obtained on the improvement of audience performance in the TV segment, with TVI taking overall leadership in prime time and all day audience shares, leading to expanded advertising market share leadership.

The 54% increase in newsstand revenues and 3% growth in other non-advertising revenues also contributed to overall revenue growth.

(€ thousands)	H1 05	H1 04	Var %	H1 04 PGAAP	Q2 05	Q2 04	Var %	Q2 04 PGAAP
Total operating revenue	**110,631**	**103,817**	**7%**	**108,952**	**62,340**	**61,513**	**1%**	**63,565**
Television	78,048	69,458	12%	74,275	44,855	41,420	8%	43,396
Radio	7,456	6,846	9%	6,975	4,149	4,159	0%	4,233
Outdoors	8,527	10,385	-18%	10,563	5,089	6,832	-26%	6,943
Others	16,600	17,128	-3%	17,138	8,247	9,102	-9%	8,993
Total operating expenses	87,931	83,282	6%	86,416	46,758	45,417	3%	47,006
EBITDA	**22,700**	**20,535**	**11%**	**22,535**	**15,582**	**16,096**	**-3%**	**16,559**
EBITDA margin	**20.5%**	**19.8%**	**0.7 p.p.**	**20.7%**	**25.0%**	**26.2%**	**-1.2 p.p.**	**26.1%**
Television	23,690	19,798	20%	21,188	15,787	14,703	7%	14,812
Radio broadcasting	972	945	3%	976	687	820	-16%	826
Outdoors	570	1,985	-71%	2,187	891	1,855	-52%	1,998
Others	(2,532)	(2,193)	-15%	(1,814)	(1,784)	(1,282)	-39%	(1,077)
Depreciation and amortisation	5,663	6,394	-11%	8,038	2,835	3,425	-17%	4,500
Goodwill	0	679	-100%	5,220	0	679	-100%	2,741
Operating income (EBIT)	**17,037**	**13,462**	**27%**	**9,277**	**12,746**	**11,991**	**6%**	**9,318**
Financial expenses, net	4,310	5,570	-23%	11,164	1,623	372	337%	5,250
Extraord. (income)/expenses, net	0	0	N/A	26	0	0	N/A	(38)
Profit / (Loss) before inc. tax/ min. interes	**12,727**	**7,892**	**61%**	**(1,913)**	**11,123**	**11,619**	**-4%**	**4,107**
Income tax for the period	(4,230)	(3,151)	-34%	(2,330)	(3,471)	(3,719)	-7%	(2,880)
Minority interests	250	(642)	N/A	(642)	(228)	(402)	-43%	(402)
Net profit / (loss) for the period	**8,747**	**4,099**	**113%**	**(4,885)**	**7,424**	**7,498**	**-1%**	**825**

Operating expenses were up 6%, mainly following higher non-advertising sales in the TV segment (€2.0 million higher costs), higher programming costs (€2.3 million) mainly related with the Superliga football matches and reality shows ("The Farm"), and €0.9 million cost associated with the new the stock option plan for 2005 (for which the Board of Directors contracted an equity swap over own shares which at June 30th had a positive fair value of €1.6 million booked under financial income).

Depreciation and amortisation decreased 11%, due to lower amortization in various activities.

Financial expenses were down 23%, with H1 2005 including €2.6 million of net interest expenses, €1.2 million on refinancing fees and commissions, €0.6 in expenses with interest rate swap transactions and €1.4 million in other financial expenses offset by the financial income of €1.6 million from the aforementioned equity swap.

In H1 2004 figures are not directly comparable with the same period of 2005, as they include a number of one-off adjustments that were booked mostly in Q2 2004 following the IFRS transition process, mainly due to the IPO.

Income tax (mostly non cash) was booked due to the increase in 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)	H1 05	H1 04	Var %	H1 04 PGAAP	Q2 05	Q2 04	Var %	Q2 04 PGAAP
Operating revenue	**78,048**	**69,458**	**12%**	**74,275**	**44,855**	**41,420**	**8%**	**43,396**
Advertising	67,867	62,519	9%	64,015	39,808	37,492	6%	37,805
Variation of production	0	0	N/A	3,311	0	0	N/A	1,653
Other revenues	10,181	6,939	47%	6,949	5,047	3,928	28%	3,938
Operating Expenses	**54,358**	**49,660**	**9%**	**53,087**	**29,068**	**26,717**	**9%**	**28,584**
EBITDA	**23,690**	**19,798**	**20%**	**21,188**	**15,787**	**14,703**	**7%**	**14,812**
EBITDA margin	30.4%	28.5%	1.8 p.p.	28.5%	35.2%	35.5%	-0.3 p.p.	34.1%
Depreciation and amortisation	3,250	3,249	0%	3,249	1,620	1,574	3%	1,574
Goodwill	0	0	N/A	1,718	0	0	N/A	859
Operating income (EBIT)	**20,440**	**16,549**	**24%**	**16,221**	**14,167**	**13,128**	**8%**	**12,379**

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

In H1 2005, and based on data from Marktest, TVI led both prime time and all day with audiences of 35.8% and 33.5% respectively. The overall leadership was a result of good performances in important time slots, leading not only in prime time but also in the access to prime time period (6-8pm)) and late night (12pm-2h30am) in H1 2005.

Audiences (%)	RTP1	a2:	SIC	**TVI**
All day				
Q2 04	30.0	4.8	33.6	**31.6**
Q2 05	26.9	5.6	32.3	**35.2**
H1 04	29.4	4.6	33.5	**32.5**
H1 05	27.7	5.5	33.3	**33.5**
Prime time				
Q2 04	28.6	4.3	32.4	**34.7**
Q2 05	25.4	5.0	31.7	**38.0**
H1 04	28.1	4.3	31.4	**36.3**
H1 05	26.0	5.0	33.2	**35.8**

Source: Marktest

The second edition of “Quinta das Celebridades” (reality show based on “the Farm” format) has once again attracted the regular attention of more than 1 million Portuguese viewers, who followed 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 of those with the most relevant contribution in H1, we highlight the good performance of in-house productions of Portuguese fiction, with two main programs, the soaps “Morangos com Açúcar” and “Ninguém como Tu”, achieving outstanding audience shares, with average shares above 40% in this last quarter. There were also several new programs with encouraging initial results, as well as the important contribution of the transmissions of the Superliga soccer games.

Advertising revenues in TVI grew 9% year-on-year in H1 2005. This growth was achieved by outperforming the advertising market growth, through strong audiences, an enhanced commercial strategy, the increase in occupancy rates and lower agency commissions. TVI expanded its leadership in terms of advertising market share in the period.

Other revenues increased 47% in the period, mainly due to higher CD sales (which have the most relevant contribution to other TV revenues) and call-TV revenues. The good performance of the Farol music label and the agreement signed with Warner Music in November 2004 has allowed CD sales to more than two-fold in the quarter. Other revenues contribution to total TV revenues increased from 10% in H1 2004 to 13% in H1 2005.

Operating expenses in the TV segment were up 9% or €4.7 million in H1, of which:

- Costs associated with non-advertising revenues were up €2.0 million;
- Total programming costs increased €2.3 million year-on-year mainly due to the costs with Superliga games and “The Farm” reality show;
- €1.0 million from increase in payroll, including the stock option plan (€0.6 million) and salaries and bonus increase (€0.3 million);
- €0.3 million in provisions reduction.

Consolidated EBITDA of the TV segment was up 20% year-on-year with EBITDA margin increasing from 28.5% to 30.4%.

Consolidated EBIT of the TV segment increased 24% year-on-year, reaching €20.4 million in H1 2005.

3. Radio

(€ thousands)	H1 05	H1 04	Var %	H1 04 PGAAP	Q2 05	Q2 04	Var %	Q2 04 PGAAP
Operating revenue	**7,456**	**6,846**	**9%**	**6,975**	**4,149**	**4,159**	**0%**	**4,233**
Advertising	7,261	6,625	10%	6,754	3,980	4,061	-2%	4,135
Other revenues	195	221	-12%	221	169	97	74%	97
Operating Expenses	**6,484**	**5,901**	**10%**	**5,999**	**3,462**	**3,339**	**4%**	3,407
EBITDA	**972**	**945**	**3%**	**976**	**687**	**820**	**-16%**	**826**
EBITDA margin	13.0%	13.8%	-0.8 p.p.	14.0%	16.6%	19.7%	-3.2 p.p.	19.5%
Depreciation and amortisation	622	1,183	-47%	1,183	306	863	-65%	863
Goodwill	0	0	N/A	604	0	0	N/A	302
Operating income (EBIT)	**350**	**(238)**	**N/A**	**(811)**	**380**	**(44)**	**N/A**	**(340)**

Media Capital Radios (MCR) combined audience share of 23.2% in Q2 2005 was nearly unchanged from Q1 2005 (23.4%) with gains in RCP offsetting the decrease in Radio Comercial.

MCR's total **advertising revenues** were up 10% vs. H1 2004, following stable occupancy rates and improved pricing conditions. In Q2 advertising revenues were down 2% influenced by the contraction in the Radio adverting market due to difficult comparisons from last year.

Total operating expenses were up 10% mainly due to the increase in retransmission related costs (€0.3 million) supporting the Group's strategy of increasing its existing coverage and increased payroll costs of €0.2 million including €0.1 million from the stock option plan.

Consolidated EBITDA in the Radio segment was up 3% in H1 2005. EBITDA margin was down by 0.8 p.p. to 13.0%.

Consolidated EBIT improved €0.6 million to €0.4 million in H1 2005.

4. Outdoor

(€ thousands)	H1 05	H1 04	Var %	H1 04 PGAAP	Q2 05	Q2 04	Var %	Q2 04 PGAAP
Operating revenue	**8,527**	**10,385**	**-18%**	**10,563**	**5,089**	**6,832**	**-26%**	**6,943**
Advertising	8,504	10,373	-18%	10,550	5,070	6,819	-26%	6,930
Other revenues	23	13	82%	13	19	13	50%	13
Operating Expenses	**7,957**	**8,401**	**-5%**	**8,377**	**4,198**	**4,977**	**-16%**	**4,945**
EBITDA	**570**	**1,985**	**-71%**	**2,187**	**891**	**1,855**	**-52%**	**1,998**
EBITDA margin	6.7%	19.1%	-12.4 p.p.	20.7%	17.5%	27.2%	-9.6 p.p.	28.8%
Depreciation and amortisation	582	527	10%	537	305	271	12%	276
Goodwill	0	0	N/A	758	0	0	N/A	433
Operating income (EBIT)	**(12)**	**1,458**	**N/A**	**891**	**587**	**1,584**	**-63%**	**1,289**

Media Capital Outdoor (MCO) total **advertising revenue** was down 18% from H1 2004. The performance by MCO was driven by a reduction in the outdoor advertising market in this period mainly caused by the Euro 2004 impact and by the electoral campaigns that will last throughout the year (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). The Q2 2005 reduction of 26% reflects the market adjustment to "normal" figures, after a growth of 63% in Q2 2004 due to the Euro 2004 impact, as this segment was the one which benefited mostly from this event.

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 the expectations for its future contribution to the Group's results remain intact.

Operating costs were down 5% mainly due to lower (€0.4 million) fixing, maintenance and production costs.

Consolidated EBITDA in MCO was down €1.4 million to €0.6 million and **Consolidated EBIT** near break even.

5. Others

(€ thousands)	H1 05	H1 04	Var %	H1 04 PGAAP	Q2 05	Q2 04	Var %	Q2 04 PGAAP
Operating revenue	**16,600**	**17,128**	**-3%**	**17,138**	**8,247**	**9,102**	**-9%**	**8,993**
Advertising	2,649	2,186	21%	2,196	1,442	1,471	-2%	1,478
Subscriptions and newsstand	4,584	2,977	54%	2,977	2,202	1,619	36%	1,503
Other revenues	9,367	11,965	-22%	11,965	4,603	6,012	-23%	6,012
Operating Expenses	**19,132**	**19,321**	**-1%**	**18,953**	**10,031**	**10,384**	**-3%**	**10,071**
EBITDA	**(2,532)**	**(2,193)**	**-15%**	**(1,814)**	**(1,784)**	**(1,282)**	**-39%**	**(1,077)**
Depreciation and amortisation	1,209	1,436	-16%	3,069	604	717	-16%	1,786
Goodwill	0	679	-100%	2,139	0	679	-100%	1,147
Operating income (EBIT)	**(3,741)**	**(4,308)**	**13%**	**(7,022)**	**(2,388)**	**(2,678)**	**11%**	**(4,010)**

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

Advertising revenues were up 21% in H1 2005, reflecting the good performance in the flagship magazine Lux. Q2 2005 advertising revenues reduction of 2% mainly due to the reduction in Internet advertising revenues.

As for audiences Lux Woman was up from 2.4% to 2.8% in Q2 yoy, with Maxmen going from 3.3% in Q2 2004 to 5.2% in Q2 2005, further increasing its leadership in its segment despite the entrance of a new competitor, and the audience for Lux magazine was unchanged at 3.9%.

Subscriptions and newsstand revenues were up by 54%, mainly as a result of the successful Maxmen comic books, a 31% increase in circulation of Maxmen and a 28% increase in circulation of Lux Woman.

Other revenues had a 22% reduction 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 H1 2005, the other revenues line includes the sale of add-ons from the Group's magazine operations, with the good performance in these sales offsetting part of the decline in Internet revenues.

Operating Costs were down 1% in H1 2005, with the reduction in the Internet business variable costs of €3.8 million, being partially offset by the cost increase of €2.7 million associated with the increase of add-ons sales, along with an increase of €0.5 million in magazine variable costs following the increase in sales, as well as costs of €0.3 million related to business investment opportunities (including costs associated with the abandoned Lusomundo Media acquisition proposal).

EBITDA declined 15% year-on-year, and the **EBIT** of the segment improved 13% year-on-year due to the booking of an impairment goodwill amount in H1 2004 related to an associated company in the press division.

6. Cash movements

(€ thousand)	H1 05	H1 04	Var %	H1 04 PGAAP	Q2 05	Q2 04	Var %	Q2 04 PGAAP
Operating activities								
Receipts	130,105	116,725	11%	118,548	71,633	63,428	13%	63,943
Payments	(116,867)	(109,161)	7%	(109,161)	(61,642)	(58,807)	5%	(58,806)
Cash flows op. activities (1)	**13,238**	**7,564**	**75%**	**9,387**	**9,991**	**4,621**	**116%**	**5,136**
Investing activities								
Receipts	66	2,519	-97%	2,519	65	16	306%	16
Payments	(8,267)	(15,039)	-45%	(21,651)	(3,101)	(5,181)	-40%	(11,793)
Cash flows inv. activities (2)	**(8,201)**	**(12,520)**	**34%**	**(19,132)**	**(3,036)**	**(5,165)**	**41%**	**(11,777)**
Financing activities								
Receipts	4,987	93,840	-95%	100,452	2,452	89,529	-97%	96,141
Payments	(11,296)	(93,676)	-88%	(95,500)	(8,428)	(88,857)	-91%	(89,373)
Cash flows fin. activities (3)	**(6,309)**	**164**	**N/A**	**4,952**	**(5,976)**	**672**	**N/A**	**6,768**
Variation of cash (4) = (1) + (2) +	(1,272)	(4,792)		(4,792)	979	128		127
Cash at the begining of the period	5,329	9,055		9,055	3,078	4,135		4,135
Cash at the end of the period	**4,057**	**4,263**		**4,263**	**4,057**	**4,263**		**4,263**

Cash flow from operating activities increased 75% in H1 2005, reaching €13.2 million against €7.6 million in H1 2004. The 11% improvement in operating receipts results from a growth of 7% in operational revenues along with increased collections from the previous year following the increase in operational activity in the end of 2004 when compared to the previous period. Operational payments were up 7% in line with the increase in operational costs.

Cash flows from investing activities amounted to €8.2 million in H1 2005. The payments are explained by €2.5 million in payments of financial investments (referring to the radio expansion projects, TCS and other acquisitions made in prior periods), €4.7 million of tangible capex (including payments from 2004 year end purchases) and €0.8 million of intangible capex mainly referring to acquisitions made in prior periods.

Cash flow from financing activities in H1 2005 resulted mainly from €2.6 million of debt decrease, €2.6 million of interest paid, and other payments related to financial charges of €1.3 million including mainly interest rate swaps and banking fees and commissions. In H1 2005 there were also €0.4 million in receipts from the share capital increase that took place in this period.

7. Debt

(€ thousands)	Jun-05	Dec-04	Change	Var %	Dec 04 PGAAP
Total Group debt	**120,836**	**122,877**	**(2,041)**	-2%	**128,437**
Senior facility	111,944	111,351	593	1%	116,853
Other debt	8,892	11,526	(2,634)	-23%	11,584

Media Capital debt was down in H1 2005 due to the cash flow generated in the period.

8. Guidance for 2005

Media Capital is revising its guidance for 2005:

Advertising Market (var %)	**4 – 6 %**
Total revenues (var%)	5 – 7%
Advertsing revenues (var%)	
Group	6 – 9 %
TV	7 – 9 %
Radio	10 – 15 %
Outdoor	0 %
Other	8 - 10 %
EBITDA margins	
Group	21 – 23 %
TV	30 – 33 %
Radio	17 – 21 %
Outdoor	6 – 10 %
Other	~ minus 3M €
Other financials	
Total Debt	2.5 – 3.0 x EBITDA
Total capex	3.5 – 4.0% x Rev.
Cost of Debt	5 – 6 %

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 JUNE 2005 (IFRS)
AND 30 JUNE 2004 (IFRS and PGAAP)

(Amounts stated in Euro thousand)

	June 2005 (IFRS)	**June 2004 (IFRS)**	**Transition impacts**	**June 2004 (PGAAP)**
Advertising revenue	86,281	81,702	(1,814)	83,516
Subscriptions and newsstand revenue	4,584	2,977	-	2,977
Other operating revenue	19,766	19,137	(3,322)	22,459
Total operating revenue	110,631	103,816	(5,136)	108,952
Cost of goods sold	17,676	12,132	(3,312)	15,444
Subcontracts and third party supplies	43,921	45,948	1	45,947
Payroll expenses	24,081	22,424	-	22,424
Depreciation	5,663	6,394	(1,644)	8,038
Amortisation of goodwill	-	679	(4,541)	5,220
Provisions	194	531	(612)	1,143
Other operating expenses	2,059	2,246	788	1,458
	93,594	90,354	(9,320)	99,674
				-
Net operating profit (loss)	17,037	13,462	4,184	9,278
Financial expenses, net	4,310	5,570	(5,594)	11,164
Extraordinary (income) / expenses, net	-	-	(26)	26
	4,310	5,570	(5,620)	11,190
Profit (loss) before income tax	12,727	7,892	9,804	(1,912)
Income tax expenses	4,230	3,151	821	2,330
Profit (loss) for the period	8,497	4,741	8,983	(4,242)
Attributable to:				
Equity holders of the Company	8,747	4,099	8,983	(4,884)
Minority interest	(250)	642	-	642
	8,497	4,741	8,983	(4,242)

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2005 (IFRS)
AND 31 DECEMBER 2004 (IFRS and PGAAP)

(Amounts stated in Euro thousand)

	June 2005 (IFRS)	December 2004 (IFRS)	Transition impacts	December 2004 (PGAAP)
ASSETS				
Non-Current Assets				
Property, plant and equipment	34,691	37,040	-	37,040
Intangible assets	9,583	10,093	(11,950)	22,043
Goodwill	174,374	168,913	12,019	156,894
Transmission rights and TV programs	49,608	47,994	47,994	-
Deferred income tax assets	16,485	20,718	20,718	-
Investments in associates	1,159	5,463	(1,663)	7,126
Other non-current assets	6,466	5,271	2,270	3,001
	292,366	295,492	69,388	226,104
Current Assets				
Inventories	1,441	1,184	-	1,184
Trade and other receivables	47,175	41,209	(68,715)	109,924
Derivative financial instruments	1,552	24	24	-
Cash and cash equivalents	4,057	5,329	-	5,329
	54,225	47,746	(68,691)	116,437
Total Assets	346,591	343,238	697	342,541
EQUITY				
Share Capital	7,512	7,449	-	7,449
Share premium	77,591	187,724	(10,205)	197,929
Other reserves	10,159	9,308	438	8,870
Retained earnings	15,231	(104,627)	-	(104,627)
Profit for the period	8,747	9,452	15,254	(5,802)
Equity attributable to equity holders	119,240	109,306	5,487	103,819
Minority interests	3,020	3,173	-	3,173
Total Equity	122,260	112,479	5,487	106,992
LIABILITIES				
Non-Current Liabilities				
Borrowings	99,855	102,078	(6,818)	108,896
Derivative financial instruments	2,052	2,201	2,201	-
Deferred income tax liabilities	1,629	2,092	2,092	-
Provisions for other risks and charges	7,260	6,723	-	6,723
Other non-current liabilities	9,839	10,618	2,395	8,223
	120,635	123,712	(130)	123,842
Current Liabilities				
Trade and other payables	37,817	42,820	(5,578)	48,398
Public entities	10,835	11,716	-	11,716
Borrowings	17,668	17,218	1,463	15,755
Other current liabilities	37,376	35,293	(545)	35,838
	103,696	107,047	(4,660)	111,707
Total Liabilities	224,331	230,759	(4,790)	235,549
Total Equity and Liabilities	346,591	343,238	697	342,541

Media Capital

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2005 (IFRS)
and 30 JUNE 2004 (IFRS and PGAAP)

(Amounts stated in Euro thousand)

	June 2005 (IFRS)	June 2004 (IFRS)	Transition impacts	June 2004 (PGAAP)
Collections from clients	130,105	116,725	(1,823)	118,548
Payments to suppliers	(70,329)	(63,914)	-	(63,914)
Payments to employees	(23,974)	(22,458)	-	(22,458)
Cash flow from operations	35,802	30,353	(1,823)	32,176
Other payments relating to operating activities, net	(22,564)	(22,789)	(503)	(22,286)
Cash flow before extraordinary items	13,238	7,564	(2,326)	9,890
Payments relating to other operating items	-	-	503	(503)
Cash flows from operating activities (1)	13,238	7,564	(1,823)	9,387
INVESTING ACTIVITIES:				
Receipts resulting from:				
Financial investments	-	-	-	-
Fixed assets	66	2,445	-	2,445
Subsidies for investments	-	74	-	74
	66	2,519	-	2,519
Payments resulting from:				
Financial investments	(2,482)	(8,404)	-	(8,404)
Fixed assets	(4,672)	(5,447)	-	(5,447)
Intangible assets	(794)	(1,188)	6,612	(7,800)
Loans to affiliated companies	(319)	-	-	-
	(8,267)	(15,039)	6,612	(21,651)
Cash flows from investing activities (2)	(8,201)	(12,520)	6,612	(19,132)
FINANCING ACTIVITIES:				
Receipts resulting from:				
Loans obtained	4,500	-	-	-
Capital increase / Supplementary capital contributions	375	93,441	(6,613)	100,054
Interest and similar income	112	399	-	399
	4,987	93,840	(6,613)	100,453
Payments resulting from:				
Loans repaid	(7,079)	(81,818)	-	(81,818)
Interest and related expenses	(2,614)	(6,763)	-	(6,763)
Other financial expenses	(1,603)	(5,095)	1,824	(6,919)
	(11,296)	(93,676)	1,824	(95,500)
Cash flows from financing activities (3)	(6,309)	164	(4,789)	4,953
Variation of cash and equivalents (4) = (1) + (2) + (3)	(1,272)	(4,792)	-	(4,792)
Cash and equivalents at the begining of the year	5,329	9,055	-	9,055
Cash and equivalents at the end of the year	4,057	4,263	-	4,263