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: 7.606.186,20 euros

Half Year 2006 RESULTS

Media Capital's Net profit increased 15% year on year to €10 million.

- Consolidated revenues increased 6% in H1 2006 to €116.9 million, with TV +12%, Outdoor +4%, and Radio -3%.
- Advertising revenues were up 7% over the comparable period to €92.0 million, mostly due to the solid increase in TV of 9%. In Q2 advertising revenues increased 5% YoY, with TV +7%.
- Consolidated EBITDA was up 14% year on year to €26.0 million in H1 2006. In Q2 EBITDA was up 7% to €16.7 million.
- EBITDA margin reached 22.2% in H1, up 1.7 p.p. over the comparable period and 25.5% in Q2, up 0.5 p.p.
- Operating Income climbed 19% to €20.3 million, benefiting from the solid advance in operational performance.
- TVI led both all day and prime time audiences for the whole of the first half of 2006, with audience shares of 36.7% and 41.6% respectively.
- Despite June being the World Cup month, TVI still maintained the preference of Portuguese viewers with average audience shares of 34.4% in all day and 39.1% in prime time.

Queluz de Baixo, July 26, 2006

Grupo Media Capital
Susana Gomes da Costa
Investor Relations Officer

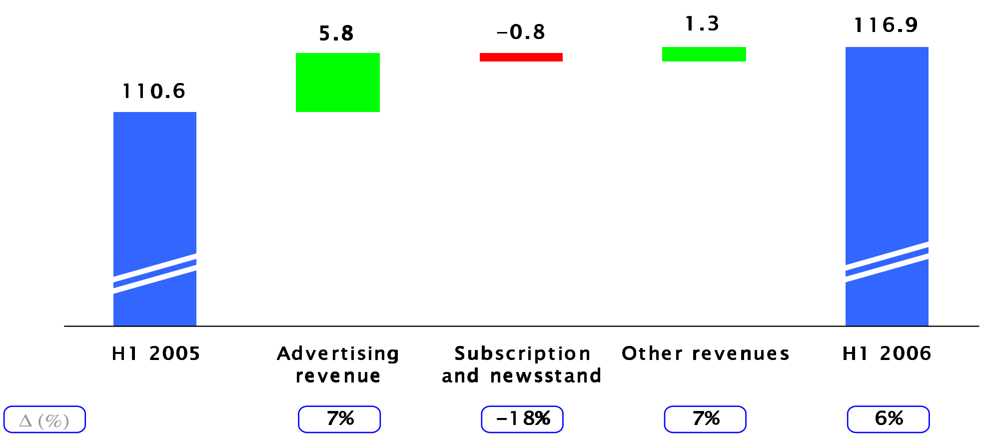
1. Analysis of consolidated income statement

(€ thousands)	H1 06	H1 05	Var %	Q2 06	Q2 05	Var %
Total operating revenue	**116,921**	**110,631**	**6%**	**65,390**	**62,340**	**5%**
Television	87,248	78,048	12%	49,661	44,855	11%
Radio	7,260	7,456	-3%	3,804	4,149	-8%
Outdoor	8,833	8,527	4%	5,170	5,089	2%
Others	13,581	16,600	-18%	6,755	8,247	-18%
Total operating expenses	90,966	87,931	3%	48,702	46,758	4%
EBITDA	**25,955**	**22,700**	**14%**	**16,688**	**15,582**	**7%**
EBITDA margin	**22.2%**	**20.5%**	**1.7 pp**	**25.5%**	**25.0%**	**0.5 pp**
Television	28,644	23,690	21%	17,843	15,787	13%
Radio	7	972	-99%	-121	687	N/A
Outdoor	1,005	570	76%	1,003	891	13%
Others	(3,701)	(2,532)	-46%	(2,038)	(1,784)	-14%
Depreciation and amortisation	5,698	5,663	1%	2,843	2,835	0%
Goodwill	0	0	N/A	0	0	N/A
Operating income (EBIT)	**20,257**	**17,036**	**19%**	**13,845**	**12,746**	**9%**
Financial expenses, net	4,493	4,310	4%	3,126	1,624	93%
Profit / (Loss) before inc. tax/ min.	**15,765**	**12,727**	**24%**	**10,718**	**11,123**	**-4%**
Income tax for the period	(5,530)	(4,230)	-31%	(3,564)	(3,471)	-3%
Minority interests	(210)	250	N/A	(222)	(228)	2%
Net profit / (loss) for the period	**10,024**	**8,747**	**15%**	**6,932**	**7,424**	**-7%**

For the period ended June 30, 2006, Grupo Media Capital reported **consolidated revenues** of €116.9 million, a 6% YoY increase and **EBITDA** (net of all provisions) of €26.0 million, up 14% over the same period of last year.

Operating income (EBIT) was up 19% to €20.3 million in H1 2006 from €17.0 million in H1 2005, whilst **Net profit** increased to €10.0 million gaining 15% over the same period last year.

Changes in Total Revenues (€ mn)



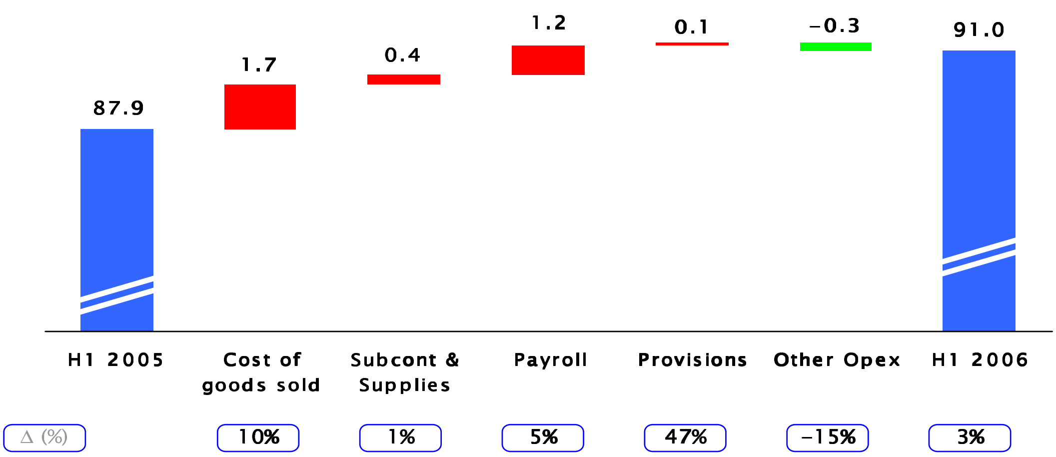
The increase in consolidated revenues was based in the **7% growth in advertising revenues** with TV up 9%, the segment Others up 6%, Outdoors up 1% and Radios down 8%.

Such a performance results mainly from the strong improvement in TV audiences, with TVI leading average audience shares both in prime time and in all day for the whole of the first half of 2006, and having reinforced its leadership in advertising market share over the comparable period.

The 18% decrease in newsstand revenues comes after a widespread drop in the print market, with magazines getting caught in the flow, despite the impact of new titles.

Other revenues increased 7% with strong improvements in TV and Radio being partially offset by the expected decrease in the internet service provider activity.

Changes in Operating Costs (€ mn)



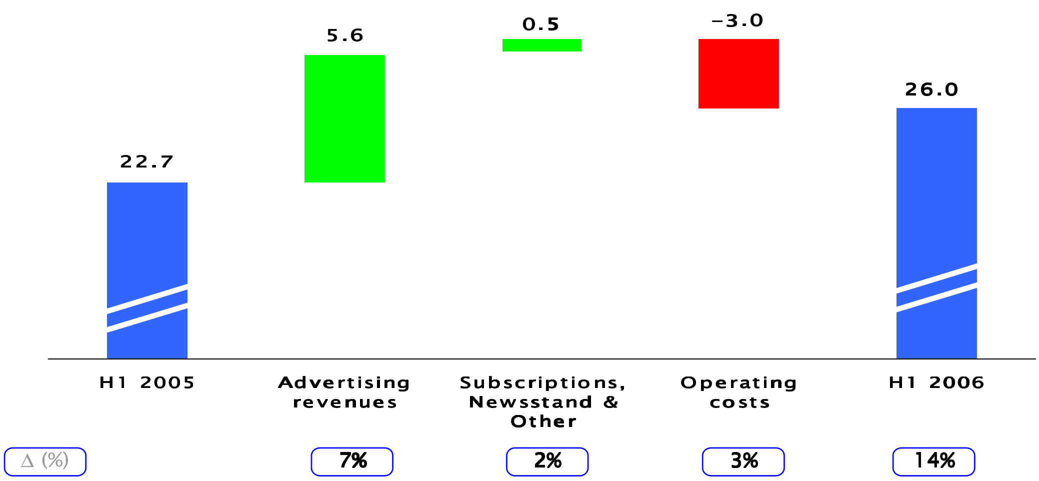
Operating expenses were up 3%, mostly due to:

- higher TV programming costs (€3.0 million) due to higher costs with in-house productions, the costs with the UEFA European Under-21 cup for which TVI was the host broadcaster and the costs for the FIFA World Cup highlights and coverage
- the increase in Radio marketing costs (€0.8 million) and
- increased costs associated with higher non-advertising TV revenues (€0.4 million)

Being partially offset by:

- the reduction of costs in the Internet Service Provider activity, and
- the reduction in costs associated with add-ons' sales and events in the Group's magazines operations.

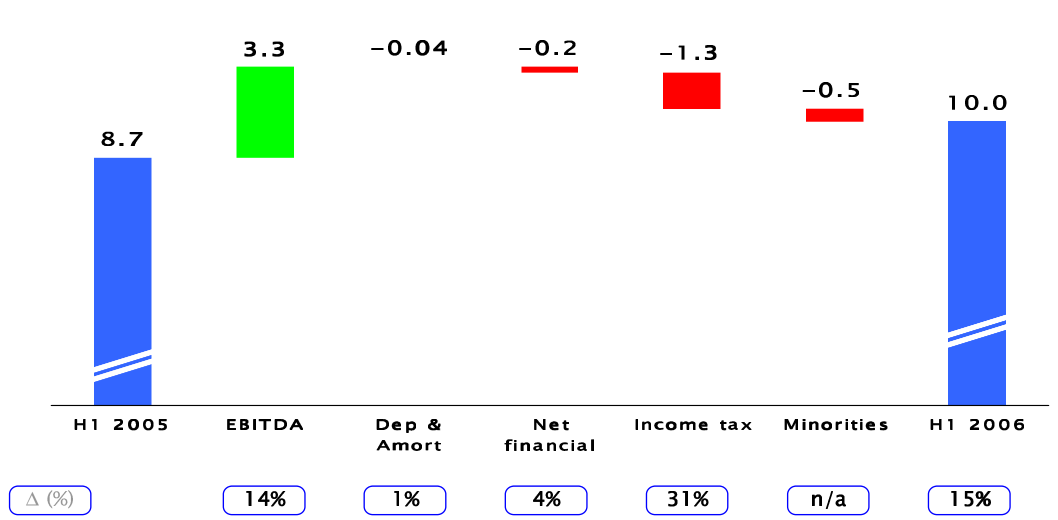
Changes in EBITDA (€ mn)



Net Financial expenses were up 4% to €4.5 million, with the reduction in interest expenses (down 28% on lower average debt in the period), and reductions in expenses with interest rate swaps, being offset by costs with the equity swap over own shares contracted by the company, whereas this item represented a financial income of €1.6 million in the same period of last year.

Income tax (mostly non cash) was up following 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 level are not tax deductible under Portuguese tax regulations and also due to the autonomous taxation that is applied to specific cost items.

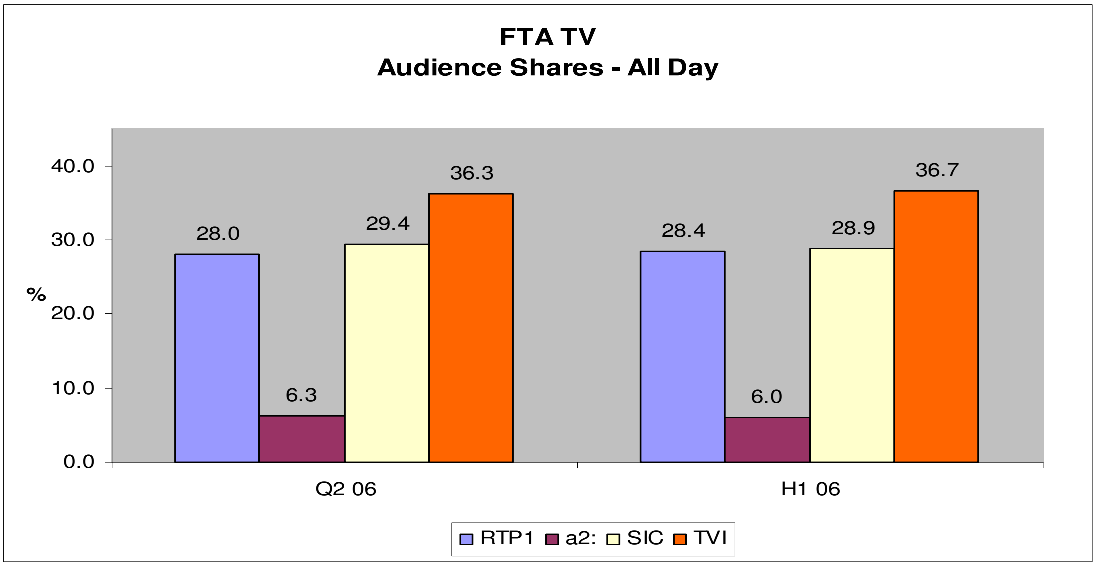
Changes in Net Profit (€ mn)



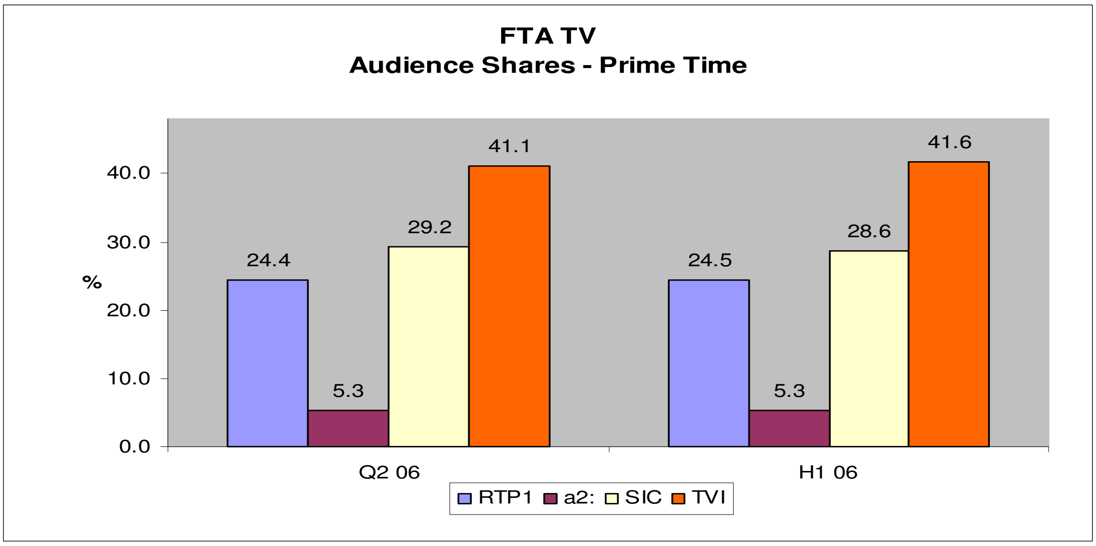
2. Television

(€ thousands)	H1 06	H1 05	Var %	Q2 06	Q2 05	Var %
Operating revenue	**87,248**	**78,048**	**12%**	**49,661**	**44,855**	**11%**
Advertising	73,940	67,867	9%	42,729	39,808	7%
Other revenues	13,308	10,181	31%	6,932	5,047	37%
Operating Expenses	**58,604**	**54,358**	**8%**	**31,818**	**29,068**	**9%**
EBITDA	**28,644**	**23,690**	**21%**	**17,843**	**15,787**	**13%**
EBITDA margin	32.8%	30.4%	2.5 pp	35.9%	35.2%	0.7 pp
Depreciation and amortisation	3,069	3,250	-6%	1,530	1,620	-6%
Goodwill	0	0	N/A	0	0	N/A
Operating income (EBIT)	**25,575**	**20,440**	**25%**	**16,313**	**14,167**	**15%**

The TV segment includes TV broadcasting, TV production and non-advertising TV associated activities (including sales of music CD's).



Source: Marktest



Source: Marktest

According to Marktest data, TVI led Portuguese television **audiences in the first half** of 2006, both in all-day and prime time with audience shares of **36.7%** and **41.6%** respectively. These shares compare with 33.5% in all day and 35.8% in prime time achieved in the first half of 2005.

In Q2 and despite June being the World Cup month, TVI also led audience shares in both all day with **36.3%** and in prime time with **41.1%**, a relevant increase when compared with 35.2% and 38.0% achieved in the Q2 2005. In June and despite it being the World Cup month, TVI still maintained the preference of Portuguese viewers with average audience shares of 34.4% in all day and 39.1% in prime time.

Leadership in H1 was also maintained in other important timeslots such as access to prime time (18-20h) and late night (24h – 2h30), with 40.9% and 39.7% audience shares.

TVI's strong audience performance remains grounded in its regular programming contents with the popular in-house productions of Portuguese fiction as the main contributor to TVI's continued audience share success.

In Portuguese fiction TVI premiered in June its new in-house produced soap opera **"Tempo de Viver"**, whose first 11 episodes have turned in an average share of **46.3%** and over 1.5 million daily viewers as well as a strong lead in its timeslot, just like other prime time soap opera **"Dei-te Quase Tudo",** which has in the meantime came to its end in mid July, which delivered exceptional performances with an average share of **47.3%** throughout the first half of 2006.

In its third year on-air, the leading program amongst younger audiences "**Morangos com Açucar – series III**" came to an end in June. It reached an accumulated average share of **42.7%** throughout the full series, owning a clear lead in its access to prime time slot (19h-20h). Due to nearing summer holidays, the 3rd series of "**Morangos com Açucar** - **summer edition"** went on air in June 17, and its initial episodes have already reached **47.8%** average audience share.

TVI's "**Jornal Nacional**" continues to hold the leading daily news program title in Portuguese television, thus confirming the leading position in the first semester of 2006 with an average audience share of **34.2%** and being the only news program to reach over 1 million daily viewers.

The local version of **"My Big Fat Obnoxious Fiancé"** which TVI broadcasted in the last two months of the quarter, had a leading share of **45.1%**, nearing 1 million regular viewers in its prime-time Sunday programs.

With a 9% increase, Media Capital's television **advertising revenues** outperformed a still advertising market in the first six months of the year, benefiting from a significant **increase in audience shares**. TVI maintained its leadership in terms of advertising market share during H1 2006, capturing an **estimated share of approximately 49%**.

Other revenues were up by 31% in the period, mainly due to the growth in call-TV and merchandising revenues. The sustained popularity of TVI's youth series "Morangos com Açucar" has been the main driver of the boost in merchandising sales. "Morangos com Açucar" is now one of the top brands for children and teenagers in Portugal, with over 100 different trademark products from watches to magazines, concert tickets, books, cosmetics, textiles and other products.

Sales of music CD's maintained their performance trend with an increase of 4% in the period with both titles by Farol Música records (namely sound tracks from TVI programs, such as "Morangos com Açucar") and Warner Music showing positive performances in this first half of 2006. In total, Farol/Warner managed to place 44 of its CD's and 16 DVD's in the respective national Top 30 and held the number 1 position in more than half of this semester's weeks.

Other revenues contribution to total TV revenues was up from 13% to 15% in H1 06.

Operating expenses in the TV segment were up 8% on the comparable period, mostly for:

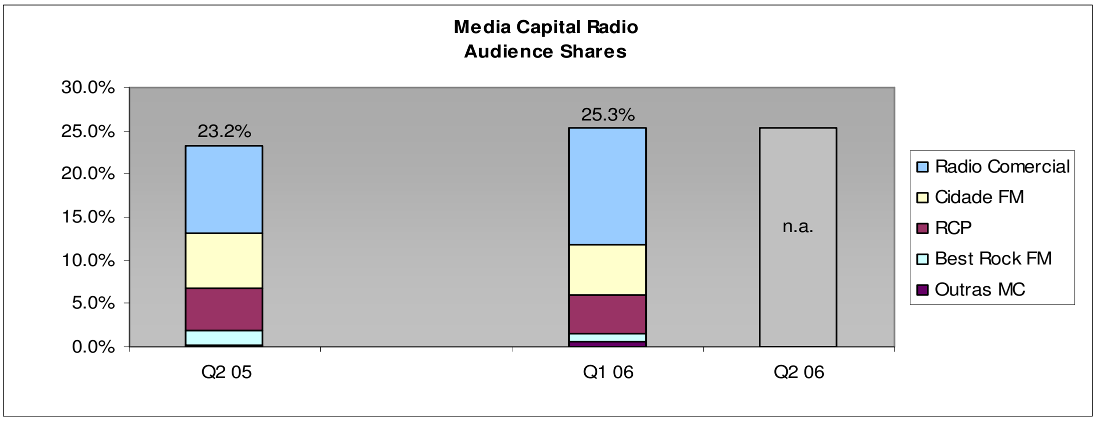
- Total programming costs increased €3.0 million year-on-year on higher costs with in-house programs, the costs with the UEFA European Under-21 cup for which TVI was the host broadcaster and the costs for the FIFA World Cup highlights and coverage
- Variable costs associated with higher non-advertising revenues were up €0.4 million.

Consolidated EBITDA of the TV segment was up 21% on the comparable period to €28.6 million with **EBITDA margin up to 32.8%**, a 2.5 pp increase over the same period of last year.

Consolidated EBIT of the TV segment improved to €25.6 million in H1 2006, **up 25%** over the comparable period.

3. Radio

(€ thousands)	H1 06	H1 05	Var %	Q2 06	Q2 05	Var %
Operating revenue	**7,260**	**7,456**	**-3%**	**3,804**	**4,149**	**-8%**
Advertising	6,700	7,261	-8%	3,500	3,980	-12%
Other revenues	559	195	187%	304	169	80%
Operating Expenses	**7,253**	**6,484**	**12%**	**3,925**	**3,462**	**13%**
EBITDA	**7**	**972**	**-99%**	**-121**	**687**	**N/A**
EBITDA margin	0.1%	13.0%	-12.9 pp	-3.2%	16.6%	-19.7 pp
Depreciation and amortisation	909	622	46%	447	307	46%
Goodwill	0	0	N/A	0	0	N/A
Operating income (EBIT)	**(902)**	**350**	**N/A**	**(569)**	**380**	**N/A**



Source: Marktest

Audiences will only be disclosed by Marktest towards the last week of July.

Prior to the UEFA U-21 Euro Cup, Media Capital Radios (MCR) launched **Rádio Portugal**, an online radio station that covered both the UEFA U-21 Euro Cup and the whole of the FIFA World Cup, reaching over 1.4 million listeners over the two months that it was on air.

Rádio Comercial, following the significant increase in Q1 that enabled it to become the #2 radio in Portugal in audience share, kept a strong entertainment path, with a more established morning show host and new programming features. **Rádio Clube** initiated a migration process to a format that includes more news and information and not just music, having kept audiences stable in Q1 despite this change. This new format has a potential to deliver more revenues in the future both thanks to the new sponsored advertising spaces for specific programs, but also because it should improve the audience profile towards more upscale, urban listeners.

MCR's total **advertising revenues** declined 8% YoY in H1 and 12% in Q2 2006 following the trend of a radio advertising market that, according to Media Capital estimates, continued to decline in Q2 2006. However, this decline in the market and in MCR advertising revenues was almost entirely driven by a very weak June (the cumulative trend for MCR until May was positive vs y.a.) mostly due to the impact of the World Cup. This event, with a strong presence from the Portuguese team and coming in the mid of the year, has not only affected the total advertising spend split by media for the main local advertisers (that reinforced TV and promotions during this period) but also penalized the media less related to the event.

Total operating expenses were up 12% mainly due to the increased marketing costs with advertising campaigns rolled out to support the first stage of changes in

Rádio Comercial and Rádio Clube and to a lesser extent to increased retransmission related costs supporting the Group's strategy of expanding its existing geographical coverage of non-national networks (Rádio Clube and Cidade FM), with the latter being offset by a decrease in payroll expenses.

Consolidated EBITDA in the Radio segment neared breakeven in H1 06, while **Consolidated EBIT** decreased €1.3 million to € -0.9 million in H1 06.

4. Outdoor

(€ thousands)	H1 06	H1 05	Var %	Q2 06	Q2 05	Var %
Operating revenue	**8,833**	**8,527**	**4%**	**5,170**	**5,089**	**2%**
Advertising	8,586	8,504	1%	5,019	5,070	-1%
Other revenues	247	23	965%	151	19	689%
Operating Expenses	**7,828**	**7,957**	**-2%**	**4,167**	**4,198**	**-1%**
EBITDA	**1,005**	**570**	**76%**	**1,003**	**891**	**13%**
EBITDA margin	11.4%	6.7%	4.7 pp	19.4%	17.5%	1.9 pp
Depreciation and amortisation	604	582	4%	308	305	1%
Goodwill	0	0	N/A	0	0	N/A
Operating income (EBIT)	**401**	**(12)**	**N/A**	**696**	**587**	**19%**

Media Capital Outdoor (MCO)'s **advertising revenues** were up 1% YoY with MCO's positive performance backed by gains in both the public transport concessions (subway/train Mupis and Buses) and in the billboard network, despite a slow Q2.

MCO intends to keep focused on cost control namely through the optimization of the present network, and through selective growth capex investments. **Operating costs** were down 2% mainly due to lower payroll costs and lower local taxes following the optimisation of the billboard network that occurred in late 2005.

Consolidated EBITDA in MCO was up 76% in H1 06 improving €0.4 million YoY, supported by both the slight improvement in revenues and the continued cost management effort that the company is undergoing, while **Consolidated EBIT** also improved by nearly the same amount reaching €0.4 million in this period.

5. Others

(€ thousands)	H1 06	H1 05	Var %	Q2 06	Q2 05	Var %
Operating revenue	**13,581**	**16,600**	**-18%**	**6,755**	**8,247**	**-18%**
Advertising	2,809	2,649	6%	1,487	1,442	3%
Subscriptions and newsstand	3,770	4,584	-18%	1,948	2,202	-12%
Other revenues	7,002	9,367	-25%	3,319	4,603	-28%
Operating Expenses	**17,281**	**19,132**	**-10%**	**8,792**	**10,031**	**-12%**
EBITDA	**(3,701)**	**(2,532)**	**-46%**	**(2,038)**	**(1,784)**	**-14%**
Depreciation and amortisation	1,116	1,209	-8%	557	604	-8%
Goodwill	0	0	N/A	0	0	N/A
Operating income (EBIT)	**(4,816)**	**(3,741)**	**-29%**	**(2,595)**	**(2,388)**	**-9%**

Internet operations, magazine publishing, central holding costs and consolidation adjustments are included in this segment.

Advertising revenues were up 6% in H1 06 mainly due to gains in the Group's magazine operations, with new magazine *Grazia* offsetting decreases in other titles.

Subscriptions and newsstand revenues dropped by 18% YoY in H1 06, with the launch early in 2006 of new titles *Grazia* and *Auto Comércio* (2nd hand vehicle ads) not being enough to make up for the decrease in circulation in the Group's other main magazines, along with the impact of the closedown of Revista Choque late in 2005.

Overall newsstand sales declined again in Q2 2006, following a trend that has been consistent in the past year. Almost all publications from all segments experienced declines in their total circulation figures vs. y.a. Despite new impactful launches, the overall circulation rates have decreased reflecting slower consumer spending. On top of this negative trend, the market suffered with the decline of the add-on product sales and the lower circulation figures resulted in a decrease of the advertising revenues.

Other revenues were down 25% mainly due to the **continued decrease in active users and minutes of usage in the narrowband Internet Service Provider** business, as well as due to a reduction in the sales of add-ons in *Lux* magazine. Media Capital is increasingly focusing on the development of its online content, which began in Q1 with the redesign and improvement of the IOL portal and main sites: "IOL.pt" (homepage), "Maisfutebol" (sport), "Portugal Diário" (news), "Agência Financeira" (finance), etc. In the months leading up to and during the World Cup period, IOL put up Maismundial2006, a new site entirely dedicated to covering the World Cup, which contributed to a new record high in page views for the IOL network late in June, reaching almost 3.5 million page views in a single day.

Operating Costs were down 10% in H1 2006 mainly due to the reduction in the Internet business variable costs, as well as in marketing costs and costs related to lower add-ons sales.

EBITDA decreased to a negative €3.7 million with the **EBIT** of the segment down to a negative €4.8 million over the same period.

6. Cash movements

(€ thousand)	H1 06	H1 05	Var %	Q2 06	Q2 05	Var %
Operating activities						
Receipts	149,341	130,105	15%	84,095	71,633	17%
Payments	(122,059)	(116,867)	4%	(62,347)	(61,642)	1%
Cash flows op. activities (1)	**27,282**	**13,238**	**106%**	**21,748**	**9,991**	**118%**
Investing activities						
Receipts	81	66	23%	75	65	16%
Payments	(7,209)	(8,267)	-13%	(4,070)	(3,100)	31%
Cash flows inv. activities (2)	**(7,128)**	**(8,200)**	**13%**	**(3,995)**	**(3,036)**	**-32%**
Financing activities						
Receipts	264	4,986	-95%	(2,300)	2,451	N/A
Payments	(20,966)	(11,296)	86%	(15,554)	(8,427)	85%
Cash flows fin. activities (3)	**(20,703)**	**(6,310)**	**-228%**	**(17,853)**	**(5,976)**	**-199%**
Variation of cash (4) = (1) + (2) + (3)	(548)	(1,272)		(101)	979	
Cash at the begining of the period	3,608	5,329		3,160	3,078	
Cash at the end of the period	**3,059**	**4,057**		**3,059**	**4,057**	

Cash flow from operating activities increased 106% YoY to €27.3 million in H1 2006. The 15% increase in operating receipts was a combined result of a growth of 6% in operational revenues, increased collections from the previous year result from the increase in operational activity in the end of 2005 when compared to the end of the previous year, and some postponement of rappel payments. Operational payments were up 4% mostly due to the 3% increase in operational costs and catch up payments to trade suppliers outstanding at December 2005.

Cash flows from investing activities was down to €7.1 million in H1 2006, with the cash outflows including €1.1 million related with payments of previous financial investments (radio expansion, TCS and other acquisitions), €5.5 million of tangible capex (including payments from 2005 year end purchases) and € 0.6 million of loans to affiliated companies.

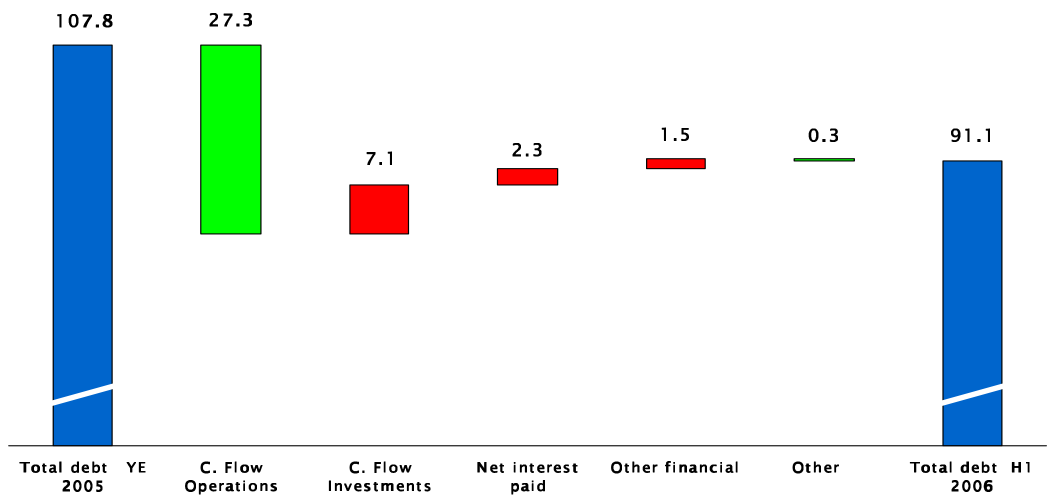
Cash flow from financing activities in H1 2006 resulted mainly from €16.9 million of debt decrease, €2.6 million of interest paid, and other payments related to financial charges of €1.5 million (including interest rate swaps and banking fees and commissions).

7. Debt

(€ thousands)	Jun-06	Dec-05	Change	Var %
Total Group debt	**91,120**	**107,760**	**(16,640)**	**-15%**
Senior facility	85,858	98,019	(12,161)	-12%
Other debt	5,263	9,741	(4,478)	-46%

Media Capital debt was down by €16.6 million in H1 06 using the cash flow generated in the business during the period. **Net debt was €88.1 million** at the end of H1 2006, which compares to €104.2 million at the end of 2005.

Change in Total Debt (€ mn)



Media Capital

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2006 AND 30 JUNE 2005

(Amounts stated in Euro thousand)

	June 2006	June 2005
Advertising revenue	92,036	86,281
Subscriptions and newsstand revenue	3,770	4,584
Other operating revenue	21,115	19,766
Total operating revenue	116,921	110,631
Cost of goods sold	19,391	17,676
Subcontracts and third party supplies	44,310	43,921
Payroll expenses	25,237	24,081
Depreciation	5,698	5,663
Provisions	286	194
Other operating expenses	1,742	2,059
	96,664	93,594
Net operating profit (loss)	20,257	17,037
Financial expenses, net	4,493	4,310
Profit (loss) before income tax	15,764	12,727
Income tax expenses	5,530	4,230
Profit (loss) for the period	10,234	8,497
Attributable to:		
Equity holders of the Company	10,024	8,747
Minority interest	210	(250)
	10,234	8,497

Media Capital

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2006
AND 31 DECEMBER 2005

(Amounts stated in Euro thousand)

	June 2006	December 2005
ASSETS		
Non-Current Assets:		
Goodwill	174,373	174,373
Intangible assets	12,068	12,930
Tangible assets	34,165	34,726
Investments in associates	280	575
Transmission rights and TV programs	41,548	47,719
Other non-current assets	2,444	2,545
Deferred income tax assets	8,494	13,691
	273,372	286,559
Current Assets:		
Transmission rights and TV programs	4,130	-
Inventories	1,564	1,990
Trade and other account receivable	33,340	42,241
Other current assets	17,984	14,213
Cash and cash equivalents	3,059	3,608
Derivative financial instruments	1,581	1,786
	61,658	63,838
Total Assets	335,030	350,397
EQUITY, MINORITY INTEREST AND LIABILITIES		
EQUITY:		
Share Capital	7,606	7,606
Share premium	81,709	82,035
Reserves	10,853	10,603
Retained earnings	28,593	15,254
Profit for the period	10,024	13,013
Equity attributable to equity holders	138,785	128,511
Equity attributable to minority interest	3,065	2,858
Total Equity	141,850	131,369
LIABILITIES:		
Non-Current Liabilities:		
Borrowings	71,870	83,890
Provisions for other risks and charges	6,174	7,019
Other non-current liabilities	3,311	6,390
Derivative financial instruments	597	1,102
Deferred income tax liabilities	1,107	1,277
	83,059	99,678
Current Liabilities:		
Borrowings	17,858	21,885
Trade and other payables	64,341	68,112
Other current liabilities	27,922	29,353
	110,121	119,350
Total Liabilities	193,180	219,028
Total Equity and Liabilities	335,030	350,397

Media Capital

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED
30 JUNE 2006 AND 30 JUNE 2005

(Amounts stated in Euro thousand)

	June 2006	June 2005
Collections from clients	149,341	130,105
Payments to suppliers	(70,449)	(70,329)
Payments to employees	(26,260)	(23,974)
Cash flow from operations	52,632	35,802
Other payments relating to operating activities, net	(25,350)	(22,564)
Cash flow before extraordinary items	27,282	13,238
Cash flows from operating activities (1)	27,282	13,238
INVESTING ACTIVITIES:		
Receipts resulting from:		
Fixed assets	28	66
Dividends	53	-
	81	66
Payments resulting from:		
Financial investments	(1,137)	(2,482)
Fixed assets	(5,487)	(4,671)
Intangible assets	-	(794)
Loans to affiliated companies	(585)	(319)
	(7,209)	(8,266)
Cash flows from investing activities (2)	(7,128)	(8,200)
FINANCING ACTIVITIES:		
Receipts resulting from:		
Loans obtained	-	4,500
Capital increase / Supplementary capital contributions	-	375
Interest and similar income	264	112
	264	4,987
Payments resulting from:		
Loans repaid	(16,878)	(7,079)
Interest and related expenses	(2,598)	(2,615)
Dividends	-	-
Other financial expenses	(1,491)	(1,603)
	(20,967)	(11,297)
Cash flows from financing activities (3)	(20,703)	(6,310)
Variation of cash and equivalents (4) = (1) + (2) + (3)	(549)	(1,272)
Cash and equivalents at the begining of the year	3,608	5,329
Cash and equivalents at the end of the year	3,059	4,057