Media Capital

Full Year 2007 Results

GRUPO MÉDIA 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

FULL YEAR 2007 RESULTS

Media Capital's EBITDA increases 7% year on year to of €46.1 million.

- For the full year of 2007, Media Capital reports consolidated revenues of €222.4 million, an increase of 4% over the previous year, with the Group's advertising revenues up 1% to €165.2 million.
- Group EBITDA margin reaches 20.7% in 2007, improving 0.5 p.p. year on year.
- Operational result (EBIT) was up 5% to € 34.4 million.
- Consolidated net result of € 30.2 million, an amount that includes the gain obtained in the sale of the Outdoor advertising business.
- In October, TVI acquired the 30% minority stake in the NBP group, for a total amount of € 13.5 million, becoming the sole owner of the leading audiovisual contents producer in Portugal
- In December, the Group concluded the sale of its Outdoor advertising business to the Explorer II Investment Fund, for a total amount of € 47 million.
- For the third year running, TVI led both all day and prime time audiences in Portugal with average shares among FTA channels of 34.3% and 37.9% respectively.
- In 2007, from the third quarter onwards, Media Capital introduced a new business segment, under the designation "Entertainment", which reports total operating revenues of € 24 million.

Queluz de Baixo, 7 February 2008

Grupo Media Capital

Bruno Rodrigues
Investor Relations

Relevant disclosures:

- Grupo Média Capital, SGPS, S.A (GMC)., consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

- Following the Material Information announcement published on 13 July 2007, regarding the ongoing negotiations that could result on the sale of its Outdoor advertising business, an activity developed by its subsidiary company Media Capital Outdoors – Publicidade S.A. (MCO), this business segment has since then been considered for reporting purposes as a discontinued operation.

  This negotiation process was concluded on 19 December, when Media capital announced the sale of its Outdoor advertising business for a total amount of 47 million Euros to the Explorer II Investment Fund. MCO's results are presented separately under the Profit & Loss from discontinued operations header.

  All analysis and comparisons presented in this document, unless otherwise stated, are performed on a year on year restated comparable basis considering the information contained in the previous paragraph.

- On 13 September, Media Capital announced the acquisition of the exclusive control of CLMC – Multimédia, SA, a company whose activity is focused in the distribution of cinema, video and other multimedia products. CLMC is from 1 September 2007 fully consolidated in the Group's accounts. Following this operation, the Group reviewed its reporting segments and a new segment, under the designation "Entertainment", has been created comprising CLMC's activity as well as the music edition and distribution activity, previously included in the "Television" segment. The 3rd quarter of 2007 only includes the activity of CLMC for the month of September 2007. Following this revision, the "Television" segment is from here on to include the TV broadcasting and audiovisual contents production activities only.

- On 9 October, Media Capital announced the acquisition of the 30% minority stake in the NBP Group, the leading audiovisual contents producer in Portugal, for a global amount of 13.5 million Euros, becoming its sole shareholder. On 26 March, Media Capital had already acquired an additional stake of 10% in the NBP Group.

- Considering the activity carried out by the holding company, Grupo Média Capital SGPS, S.A., as a manager of financial holdings, which results in continuing operational and / or financial transactions between GMC and its Group companies, GMC has adopted for the first time in this final quarter of the year, an ongoing procedure in order to remunerate the services rendered to the Group's companies. Such remuneration has been designated as "management fees".

  In order to allow for the comparability of ongoing operating costs, both the operating costs and EBITDA headers under each reportable business segment, are displayed both including and excluding the impact of the aforementioned management fees.

1. Analysis of consolidated income statement

(€ thousands)	2007	2006	Var %	Q4 07	Q4 06	Var %
Total operating revenue	**222.354**	**213.297**	**4%**	**65.754**	**59.519**	**10%**
Television	163.849	158.529	3%	44.283	43.833	1%
Entertainment	23.958	15.358	56%	11.732	5.098	130%
Radio	13.918	13.880	0%	3.748	4.021	-7%
Others	20.630	25.531	-19%	5.992	6.567	-9%
Total operating expenses	**176.260**	**170.123**	**4%**	**52.546**	**47.635**	**10%**
EBITDA	**46.094**	**43.174**	**7%**	**13.209**	**11.883**	**11%**
EBITDA margin	**20,7%**	**20,2%**	**0,5 pp**	**20,1%**	**20,0%**	**0,1 pp**
Television	48.250	49.785	-3%	10.190	13.359	-24%
Enrtertainment	1.531	1.245	23%	793	524	51%
Radio	(1.062)	677	N/A	(761)	1.150	N/A
Others	(2.625)	(8.533)	69%	2.987	(3.150)	N/A
Depreciation and amortisation	11.727	10.307	14%	3.035	2.703	12%
Operating income (EBIT)	**34.367**	**32.867**	**5%**	**10.173**	**9.181**	**11%**
Financial expenses, net	8.837	7.919	12%	1.907	1.929	-1%
Profit / (Loss) before inc. tax/ min.	**25.530**	**24.948**	**2%**	**8.266**	**7.252**	**14%**
Income tax for the period	(13.081)	(8.744)	-50%	(6.420)	(2.636)	-144%
Profit / (Loss) from continued operations	**12.450**	**16.204**	**-23%**	**1.846**	**4.616**	**-60%**
Profit / (Loss) from discontinued operations	**17.871**	**(649)**	**N/A**	**17.231**	**(115)**	**N/A**
Minority interests	(86)	(154)	44%	230	(10)	N/A
Net profit / (loss) for the period	**30.235**	**15.400**	**96%**	**19.306**	**4.490**	**330%**

For the year ended 31 December, 2007, Grupo Media Capital reports **consolidated revenues** of € 222.4 million and an **EBITDA** of € 46.1 million, an increase of 7% over the previous year.

Operating income (EBIT) was up 5% to € 34.4 million, while **Net profit** stood at € 30.2 million, an amount that includes the gain in the sale of the Outdoor advertising business.

(€ thousands)	2007	2006	Var %	Q4 07	Q4 06	Var %
Operating revenue	**222.354**	**213.297**	**4%**	**65.754**	**59.519**	**10%**
Advertising	165.217	163.047	1%	44.825	45.670	-2%
Subscriptions and newsstand	6.445	7.518	-14%	1.744	1.843	-5%
Other revenues	50.693	42.732	19%	19.185	12.005	60%

Total consolidated revenues increased 4% year on year, with **advertising revenues** up 1% to €165.2 million, driven by the increase of 2% in the TV segment, while Radios ended up the year in line with 2006, and the segment Others was down 3% over last year.

According to the data available to date and to our own estimates, the Portuguese advertising market was up between 4% to 5% in 2007. This growth was achieved mainly on the back of the TV market performance, which we estimate to have grown in line with the total market. Outdoor advertising and the Internet in particular have show a positive and above average performance, while the press segment, despite gaining ground vs. last year, should remain below the market average. Radios are estimated to be the only media segment with a negative performance over the previous year.

Newsstand sales were down 14% decline over the previous year, even thought on a comparable basis, excluding the impact of the closedown of the magazine *Grazia* in December of 206, sales would have been up by 6% year on year. **Other revenues** were up by 19% over the previous year, supported by a considerable increase of 21% in the TV segment and by the impact of CLMC's activity in cinema and video distribution since September, which combined, largely offset the decrease in both add-on product sales from the Group's magazine operations and in the narrowband internet service provider activity.

Operating expenses increased by 4% over the previous year, reflecting mostly the impact of the consolidation of the cinema division. The 1% and 11% increases in the TV and Radio segments, respectively, were mostly offset by the reductions in costs associated with add-ons sales in the Group's magazines operations, and the reduction of costs in the Internet Service Provider activity.

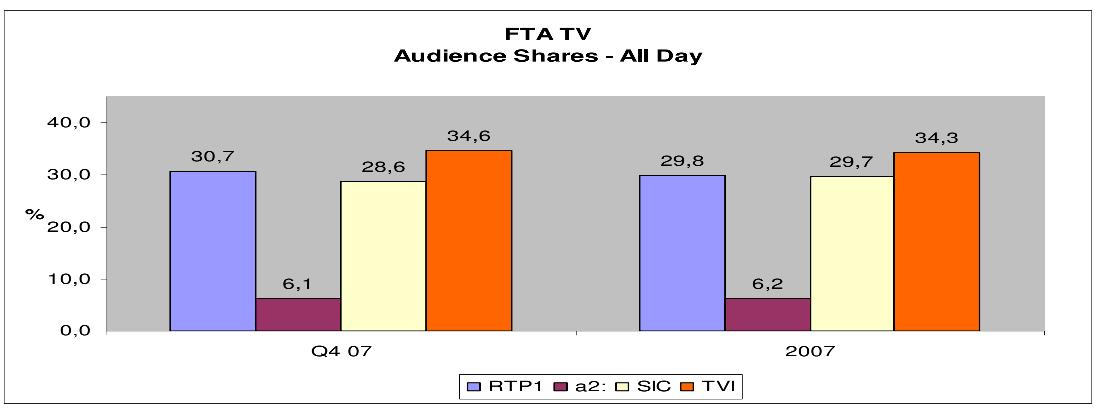
Net Financial expenses were up 12% to € 8.8 million, driven by the costs with the equity swap contract over own shares, booked in the 3rd quarter of the year. Also contributing to the increase in financial expenses were the previous syndicated loan refinancing charges, brought forward in full to 2007, following the change in the Group's debt structure that took place in the 1st quarter of 2007. On a positive note were the improvement in results in the Group's affiliated companies.

As for **Income Tax**, up to € 13.1 million, the increase was mostly due to the reversal of deferred tax assets in the amount of € 2.8 million, regarding provisions booked in previous years, as well as to an amount of € 0.5 million resulting from additional collections determined by the tax authorities regarding costs incurred and booked in previous years.

2. Television

(€ thousands)	2007	2006	Var %	Q4 07	Q4 06	Var %
Operating revenue	**163.849**	**158.529**	**3%**	**44.283**	**43.833**	**1%**
Advertising	146.576	144.286	2%	39.862	39.977	0%
Other revenues	17.273	14.243	21%	4.421	3.856	15%
Operating Expenses (excl. fees))	**110.260**	**108.744**	**1%**	**28.755**	**30.474**	**-6%**
EBITDA (excl. fees)	**53.589**	**49.785**	**8%**	**15.528**	**13.359**	**16%**
EBITDA margin (excl. fees)	32,7%	31,4%	1,3 pp	35,1%	30,5%	4,6 pp
Operating Expenses	**115.598**	**108.744**	**6%**	**34.093**	**30.474**	**12%**
EBITDA	**48.250**	**49.785**	**-3%**	**10.190**	**13.359**	**-24%**
EBITDA margin	29,4%	31,4%	-2 pp	23,0%	30,5%	-7,5 pp
Depreciation and amortisation	6.466	6.127	6%	1.618	1.577	3%
Operating income (EBIT)	**41.784**	**43.658**	**-4%**	**8.572**	**11.782**	**-27%**

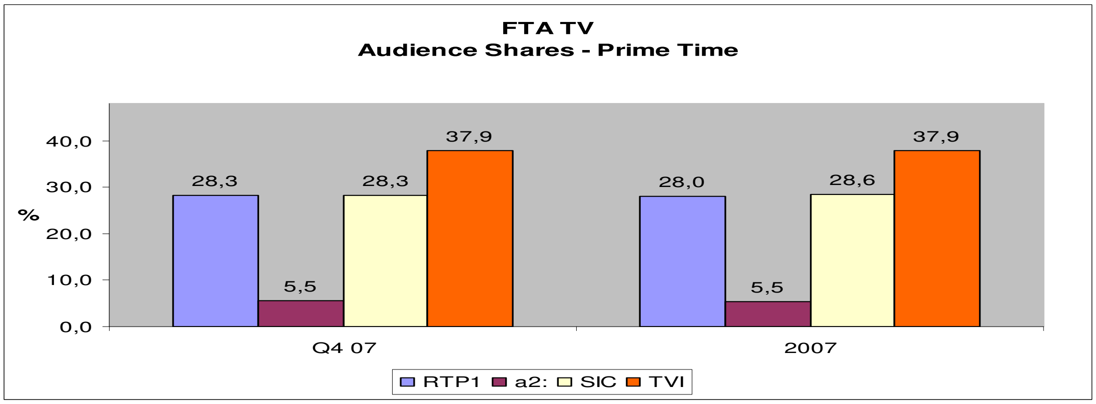
The TV segment includes TV broadcasting, TV production and non-advertising TV associated activities. The music edition and distribution activities are no longer reported under this segment.



Source: Marktest

In the Group's Television segment, leading contents producer NBP, kept up its operational activity, producing nearly 900 hours of series and soap operas, which were mostly broadcasted in prime time or in the access to prime time timeslots.

TVI confirmed its **audience leadership for the third running, both in all day and prime time shares**, wrapping up 2007 with average shares of **34.3% in all day**, and **37.9% in prime time**.



Source: Marktest

In 2007, TVI remained as the leading TV channe**l in viewer reach, with a daily average of 6.3 million viewers**, with an average 4.7 million viewers alone in prime time.

Along the year of 2007, TVI has reinforced its main strategic programming guidelines, based on a strong offer of local fiction, balanced by entertainment programs and reality-shows, news programs and live football matches.

In national fiction programming, local series and soaps were once again under the spotlight in 2007.Youth long series **"Morangos com Açucar"**, now into its fifth year, remains a solid leader amongst its core targets (4-14 and 15-24 year olds), with audience shares always remaining tightly close to 60%.

"Doce Fugitiva", a prime time soap opera which ended in September, was one of the most successful TV programs in 2007, with an average audience share of 40.2% and over a million viewers per day.

Prime time soap opera **"Ilha dos Amores"**, was the leading program in Portuguese television in 2007, having reached an outstanding 46.2% average audience share throughout its broadcast form April to December, while reaching an daily average of 1.4 million viewers. Newcomer soap opera **"Fascínios"** is already following the footsteps of its predecessor, with a share of 44.8% in the episodes broadcasted up to the end of December.

In an effort to improve its early afternoon's timeslot, the talk-show **"As Tardes da Júlia"** was premiered in April and built up its audiences along the year, averaging a final 33.2% audience share.

The Bwin Portuguese football league matches were also solid audience share leaders, with the matches broadcasted in 2007 by TVI, reaching an average share of 47%, with a share of 57% among male audiences.

Although year-to-date audience fell slightly below the year of 2006, **advertising revenues** in the television segment were **up by 2%,** allowing TVI to maintain a significant lead in advertising market share, with an **estimated share of approximately 47%**.

Other revenues were up 27% in 2007, backed by significant improvement in call-TV revenues (from both entertainment programs and TV game shows) well as due to the increase in external sales from the Group's television content producer company NBP. Other revenues contribution to total TV revenues was up from 9% to 12% in 2007.

Operating expenses in the TV segment were up 1% (excluding the management fees impact), mostly on higher TV programming costs, mainly due to increased costs with externally acquired contents.

Consolidated **EBITDA** for this segment was down 3% to € 48.3 million (although on a yoy comparable basis it would have been up 8% to € 53.6 million), with **EBITDA margin** on 29.4%, while consolidated **EBIT** was down 4% to € 41.8 million.

3. Entertainment

(€ thousands)	2007	2006	Var %	Q4 07	Q4 06	Var %
Operating revenue	**23.958**	**15.358**	**56%**	**11.732**	**5.098**	**130%**
Advertising	0	0	N/A	0	0	N/A
Other revenues	23.958	15.358	56%	11.732	5.098	130%
Operating Expenses (excl. fees))	**21.890**	**14.113**	**55%**	**10.402**	**4.574**	**127%**
EBITDA (excl. fees)	**2.068**	**1.245**	**66%**	**1.330**	**524**	**154%**
EBITDA margin (excl. fees)	8,6%	8,1%	0,5 pp	11,3%	10,3%	1,1 pp
Operating Expenses	**22.427**	**14.113**	**59%**	**10.939**	**4.574**	**139%**
EBITDA	**1.531**	**1.245**	**23%**	**793**	**524**	**51%**
EBITDA margin	6,4%	8,1%	-1,7 pp	6,8%	10,3%	-3,5 pp
Depreciation and amortisation	103	51	100%	38	18	105%
Operating income (EBIT)	**1.428**	**1.194**	**20%**	**755**	**506**	**49%**

The Entertainment segment was reported for the first time in the third quarter of 2007. This segment now comprises the music edition and distribution, music publishing, artist bookings and event production activities that were previously reported under the Television segment.

This new segment also includes the cinema and video distribution business of CLMC - Multimedia, a company held at 90% by the Group since September (previously held at 50% and booked through the equity method). The year-to-date figures only include the activity of CLMC from September onwards.

In 2007 the Group also launched a new company named Eventos Spot. The new company is developing its activity as a booking agency and in events and concerts production, and was set under a partnership with Agência Reunião – the leading booking agency in Portugal. Following this agreement, the new company now handles the booking of a considerable set of local renowned artists.

In **operating revenues**, and on top the inclusion of the cinema and video distribution, we point out the significant increase in booking and event production revenues, mostly due to the new partnership. **CD sales**, on the other hand, were down a significant 22% over the previous year, in line with the local and global market trend, with current music sales in digital formats, yet far from counteracting the decline in physical sales.

Despite the drop in the sale of CDs, the **Farol Música/Warner Music partnership** and joint catalogue is expected to have maintained its **leading position in the recorded music market in Portugal**, with the spotlights in 2007 going to local artists Just Girls, José Afonso, 4 Taste and André Sardet, and the sound tracks from TVI's programs. In total, the Farol/Warner partnership placed 51 of its CDs in the national Top 30, including 4 #1 titles.

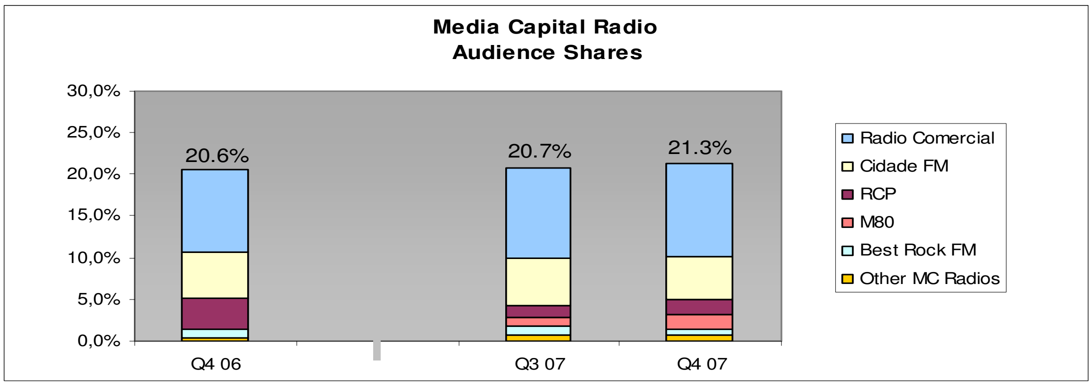
In the cinema and video distribution business, the movie theatre business is expected to have slowed down by nearly 3% when compared to the year of 2006, with CLMC's revenues underperforming the market trend. The DVD sales market on the other hand experienced a considerable improvement, with double digit growth, benefiting from strong sales in US TV series packs. CLMC's DVD sales nearly doubled, not only due to the good performance of its already existing catalogue, but also due to the agreement signed with Warner Home Video in September, for the distribution of their catalogue in Portugal for the next three years. This performance in operating revenues, combined with the renegotiation of royalty costs and the optimisation of its logistics structure, have allowed CLMC to achieve positive net results for the very first time.

Total **Operating costs** also include the impact of the new activities, counterbalanced with the reduction in variable costs associated with the production and sales of music CDs.

Consolidated **EBITDA** for the new segment stood at € 1.5 million in 2007 (or € 2.1 million excluding the impact of management fees), up 23% over the previous year, while consolidated **EBIT** reached € 1.4 million.

4. Radio

(€ thousands)	2007	2006	Var %	Q4 07	Q4 06	Var %
Operating revenue	**13.918**	**13.880**	**0%**	**3.748**	**4.021**	**-7%**
Advertising	12.878	12.826	0%	3.480	3.783	-8%
Other revenues	1.039	1.054	-1%	268	238	13%
Operating Expenses (excl. fees))	**14.624**	**13.203**	**11%**	**4.154**	**2.871**	**45%**
EBITDA (excl. fees)	**(707)**	**677**	**N/A**	**(406)**	**1.150**	**N/A**
EBITDA margin (excl. fees)	-5,1%	4,9%	-10 pp	-10,8%	28,6%	-39,4 pp
Operating Expenses	**14.980**	**13.203**	**13%**	**4.509**	**2.871**	**57%**
EBITDA	**(1.062)**	**677**	**N/A**	**(761)**	**1.150**	**N/A**
EBITDA margin	-7,6%	4,9%	-12,5 pp	-20,3%	28,6%	-48,9 pp
Depreciation and amortisation	2.169	1.809	20%	586	465	26%
Operating income (EBIT)	**(3.231)**	**(1.132)**	**-185%**	**(1.347)**	**685**	**N/A**



Source: Marktest

In Q4 2007 Media Capital Radios (MCR) reached an audience share of 21.3%, which compares to a share of 20.7% in the previous quarter, and to 20.6% reached in the final quarter of 2006.

In the final quarter of the year, radios audiences in Portugal regained nearly 100.000 listeners over the previous quarter, although still falling 65.000 listeners short over the comparable period of 2006. **MCR** once gain reinforced its position as the #2 radio group in Portugal, reaching over 1.1 million listeners in this final quarter of the year.

Rádio Comercial improved its audience share once again, both over the previous quarter and over the comparable period, maintaining its third place in the audience ranking with a share of 11.1%.

In **Rádio Clube** (RCP) the launch of totally new format early in 2007, has led to a complete make over of its audiences, and as expected audience shares experienced the impact of the significant change in listener profile. Along the year of 2007, RCP introduced several changes in its programming grid, in a continuous effort to adapt its programming to listening preferences. In this final quarter of the year, RCP has managed to reverse the downward trend in its audience shares, reaching a share of 1.8% and overcoming the 100.000 listeners threshold. The remodelled format of RCP is considered a key strategic investment for the Group's operations, and MCR will continue to invest in promoting this new format with upcoming advertising campaigns in 2008.

A new radio format, **M80** (a 70's, 80's and 90's hits radio) was launched back in April. After making its way into the top ten radio stations in Portugal in the previous quarter, M80 has yet again significantly expanded its listening audience, improving its share to 1.8% from the 1.1% share in the previous quarter. This new format started broadcasting in the Greater Lisbon and Greater Oporto areas, and expanded its coverage in the third quarter to the cities of Coimbra and Santarém.

MCR's total **advertising revenues** were in line with the previous year, with the 8% drop in the fourth quarter, hindering the recovery trend seen in the previous two quarters. For the full year, the increases obtained in the remaining radio stations, including the online formats, have made up for the decrease in RCP's advertising revenues, as an expected outcome of the decline in audience shares.

Total operating expenses were up 11% over the previous year, mostly impacted by new RCP format launch which has led to an increase in editorial staff, partially offset by a reduction in full year marketing costs.

Consolidated EBITDA in the Radio segment was of € -1.1 million (or € -0.7 million excluding management fees) in 2007, with **Consolidated EBIT** down to € -3.2 million.

5. Others

(€ thousands)	2007	2006	Var %	Q4 07	Q4 06	Var %
Operating revenue	**20.630**	**25.531**	**-19%**	**5.992**	**6.567**	**-9%**
Advertising	5.763	5.936	-3%	1.483	1.911	-22%
Subscriptions and newsstand	6.445	7.518	-14%	1.744	1.843	-5%
Other revenues	8.422	12.077	-30%	2.764	2.813	-2%
Operating Expenses (excl. fees))	**29.551**	**34.064**	**-13%**	**9.301**	**9.717**	**-4%**
EBITDA (excl. fees)	**(8.921)**	**(8.533)**	**-5%**	**(3.309)**	**(3.150)**	**-5%**
Operating Expenses	**23.255**	**34.064**	**-32%**	**3.005**	**9.717**	**-69%**
EBITDA	**(2.625)**	**(8.533)**	**69%**	**2.987**	**(3.150)**	**N/A**
Depreciation and amortisation	2.989	2.320	29%	794	642	24%
Operating income (EBIT)	**(5.614)**	**(10.853)**	**48%**	**2.193**	**(3.792)**	**N/A**

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

Advertising revenues in the segment were down 3% over the previous year, with the increase in the group's Internet sites network proving insufficient to offset the decline registered in the magazine division, where yoy advertising revenue comparison is impacted by the close of *Grazia* magazine late in 2006. Leaving out this impact, ad revenues in the magazine division would have been 2% below those of last year.

The IOL internet sites network have kept up their upwards trend in audiences, reaching nearly 2 million unique users and over 97 million page views, an increase of 40% over the comparable period of last year. We point out the performance of the news sites in the IOL network, with *Portugal Diário* (general news), one of the leading online information sites in Portugal, up 35% to over 9 million page views, while *Agência Financeira* (business news) was up 73% to just over 4 million page views and *Mais Futebol* (sports news) increasing 34% to more than 12.5 million page views and the leader among online only sports news sites.

On a comparable basis, excluding the impact of *Grazia* magazine, **subscriptions and newsstand revenues** were up 6% over the previous year, with increases in each of the Group's main titles.

Other revenues had a 30% step-down, as a consequence of the significant slowdown in sales of add-ons in the Group's main magazines and of the continued decrease trend in active users and minutes of usage in the narrowband Internet Service Provider business (ISP).

In the Group's magazine operations, we point out the custom publishing business developed by MC Factory, and which has proved itself as one of the main drivers for revenue growth in this segment, and in just over one year, already represents close to 8% of the magazine division's revenues.

Following the continuous reduction in the Internet access subscriber base, MC Telecom reached agreement in December with local telecom operator Nortenet, to sell its rights over the narrowband access lines it held, for an amount corresponding to the gross margin expected to be generated by this business in 2008.

Operating Costs (excluding the management fees impact), were down by 13%, resulting on lower variable costs with add-ons sales in the group's magazines and the direct costs of the magazine titles that were closed in 2006, along with the decrease in the ISP business variable costs and the reduction in marketing costs in the Group's magazine operations.

The segment's **EBITDA** was down to a negative € 2.6 million (or € -8.9 million excluding management fees), with **EBIT** also standing at € -5.6 million.

6. Cash movements

(€ thousand)	2007	2006	Var %	Q4 07	Q4 06	Var %
Operating activities						
Receipts	314.568	294.296	7%	90.511	82.707	9%
Payments	(274.162)	(238.220)	15%	(72.099)	(59.627)	21%
Cash flows op. activities (1)	**40.405**	**56.076**	**-28%**	**18.412**	**23.080**	**-20%**
Investing activities						
Receipts	41.463	310	13279%	41.264	101	40590%
Payments	(97.560)	(14.947)	553%	(87.632)	(4.921)	1681%
Cash flows inv. activities (2)	**(56.097)**	**(14.637)**	**-283%**	**(46.368)**	**(4.819)**	**-862%**
Financing activities						
Receipts	158.178	1.108	14180%	55.607	767	7149%
Payments	(146.081)	(37.543)	289%	(26.252)	(14.246)	84%
Cash flows fin. activities (3)	**12.097**	**(36.436)**	**N/A**	**29.355**	**(13.479)**	**N/A**
Variation of cash (4) = (1) + (2) + (3)	(3.595)	5.004		1.398	4.781	
Cash at the begining of the period	8.611	3.608		3.618	3.830	
Cash at the end of the period	**5.017**	**8.611**		**5.017**	**8.611**	

The **Cash flow from operating activities** was down to € 40.4 million in 2007, as the increase in operating payments outpaced gains in operating receipts. The 7% increase in operating receipts was mostly due to the increase in advertising and other revenues in the TV segment, while operating payments were up 15% following advances in payments related to the acquisition of contents to be broadcasted in future periods. Impacting both variances in payments and in receipts is the consolidation of the cinema and video distribution business.

Cash flows from investing activities were down to € 56.1 million in 2007. In addition to the recurring investment in tangible assets, this amount includes several non-recurring items, namely (i) the acquisition of the 30% minority stake in the NBP Group (ii) the amount invested by TVI in the Audiovisual and Movie Investment Fund (iii) an amount of € 41.5 million received from the sale of the Outdoor business, netted of the cash flow generated by the business in 2007 and (iv) the financial instrument under a loan to Grupo Prisa, for a total amount of € 71 million.

The **Cash flow from financing activities** is a result of the restructuring of the Group's debt structure and of the additional funding necessary to carry out the investments made by the Group in the final quarter of the year. In 2007, the former senior facility was repaid in full in the first quarter of the year and was replaced with the issuance of a revolving commercial paper program.

7. Debt

(€ thousands)	Dec 07	Dec 06	Change	Var %
Total Group debt	**102.748**	**79.711**	**23.037**	**29%**
Bank Loans / Commercial Paper	99.734	71.581	28.153	39%
Other debt	3.014	8.129	(5.116)	-63%

Media Capital debt was up by € 23 million in 2007, resulting mostly from the financing needed to support the abovementioned investments. **Net debt was € 97.7 million** at the end of 2007, which compares to € 71.1 million at the end of 2006, representing a 37% increase in the Group's net debt.

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

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2007 AND 31 DECEMBER 2006

(Amounts stated in Euro thousand)

ASSETS	31.12.2007	31.12.2006
NON-CURRENT ASSETS:		
Goodwill	160.399	174.373
Intangible assets	9.550	11.437
Tangible assets	33.160	37.529
Investments in associates	259	654
Assets held for sale	8.924	-
Transmission rights and TV programs	42.098	39.542
Other non-current assets	6.024	541
Deferred income tax assets	1.930	5.559
	262.344	269.635
CURRENT ASSETS:		
Transmission rights and TV programs	9.505	4.630
Inventories	3.917	1.957
Trade and other account receivable	46.424	46.305
Other current assets	85.663	14.698
Cash and cash equivalents	5.017	8.611
Derivative financial instruments	66	2.805
	150.592	79.006
TOTAL ASSETS	412.936	348.641
EQUITY, MINORITY INTEREST AND LIABILITIES		
EQUITY:		
Share capital	7.606	7.606
Share premium	81.709	81.709
Reserves	24.748	10.503
Retained earnings	28.594	28.594
Profit for the period	30.235	15.400
Equity attributable to equity holders	172.892	143.812
Equity attributable to minority interest	548	3.036
Total Equity	173.440	146.848
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	100.645	49.949
Provisions for other risks and charges	7.252	6.039
Other non-current liabilities	7.187	3.143
Derivative financial instruments	-	184
Deferred income tax liabilities	57	895
	115.141	60.210
CURRENT LIABILITIES:		
Borrowings	1.535	28.870
Trade and other payables	72.803	83.019
Other current liabilities	50.017	29.694
	124.355	141.583
Total liabilities	239.496	201.793
TOTAL EQUITY AND LIABILITIES	412.936	348.641

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 DECEMBER 2007

AND 31 DECEMBER 2006

(Amounts stated in Euro thousand)

	31.12.2007	31.12.2006
CONTINUED OPERATIONS		
OPERATING REVENUES:		
Advertising revenues	165.217	163.047
Subscriptions and newsstand revenue	6.445	7.518
Other operating revenue	50.693	42.732
Total operating revenue	222.355	213.297
OPERATING EXPENSES:		
Broadcasting costs and cost of good sold	(33.285)	(37.833)
Subcontrats and third party supplies	(85.725)	(81.523)
Payroll expenses	(53.461)	(48.683)
Depreciation and amortization	(11.727)	(10.307)
Provisions and impariment losses	(1.208)	(228)
Other operating expenses	(2.582)	(1.856)
Total operating expenses	(187.988)	(180.430)
Net operating profit	34.367	32.867
FINANCIAL EXPENSES:		
Financial expenses, net	(8.411)	(3.697)
Losses on associated companies, net	(426)	(4.222)
	(8.837)	(7.919)
Profit before tax	25.530	24.948
Income tax expense	(13.080)	(8.744)
Consolidated net profit for continued operations	12.450	16.204
Result for discontinued operations	17.871	(650)
Profit result for the period	30.321	15.554
Attributable to:		
Equity holders of the parent	30.235	15.400
Minority interest	86	154

GRUPO MEDIA CAPITAL, SGPS, S.A.

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED 31 DECEMBER 2007 AND 2006

(Amounts stated in Euro thousand)

	31.12.2007	31.12.2006
OPERATING ACTIVITIES:		
Collections from clients	314.568	294.296
Payments to suppliers	(172.461)	(138.250)
Payments to employees	(52.727)	(51.317)
Cash flow from operations	89.380	104.729
Other payments relating to operating activities, net	(48.975)	(48.653)
Cash flows from operating activities (1)	40.405	56.076
INVESTING ACTIVITIES:		
Receipts resulting from:		
Financial investments	40.003	-
Derivative financial instruments	1.220	-
Fixed assets	77	257
Subsídios de investimento obtidos	41	-
Dividends	122	53
	41.463	310
Payments resulting from:		
Financial investments	(17.547)	(2.571)
Fixed assets	(9.013)	(11.670)
	-	(28)
Loans to affiliated companies	(71.000)	(678)
	(97.560)	(14.947)
Cash flows from investing activities (2)	(56.097)	(14.637)
FINANCIAL ACTIVITIES:		
Receipts resulting from:		
Loans obtained	157.701	629
Interest and similar income	477	479
	158.178	1.108
Payments resulting from:		
Loans repaid	(138.872)	(29.076)
Leases	(1.339)	(1.051)
Interest and related expenses	(5.360)	(4.365)
Other financial expenses	(509)	(3.052)
	(146.080)	(37.544)
Cash flows from financing activities (3)	12.098	(36.436)
Variation of cash and equivalents (4) = (1) + (2) + (3)	(3.594)	5.003
Cash and equivalents at the begining of the year	8.611	3.608
Cash and equivalents at the end of the year	5.017	8.611