



First Nine Months 2010 Results

Grupo Média Capital, SGPS, S.A.



GRUPO MÉDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhana, 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: 89.583.970,80 euros

FIRST NINE MONTHS 2010 RESULTS

For the first nine months 2010 Grupo Media Capital presents Operating Revenues of € 172.8 million and an EBITDA of € 27.8 million

- In the first nine months of 2010, Grupo Media Capital posted an **EBITDA** of € 27.8 million
- The Group had total **advertising revenues** of € 105.2 million, slightly improving over the comparable period. The figures for the first nine months of 2010 show that the advertising market fell close to 1% over 2009.
- **TVI** kept its FTA audience leadership every month and with a significant lead to its competitors, with an average share of 34.0% in all day and 39.4% in prime time. The EBITDA margin for the TV segment improved from 22.2% to 24.4%.
- **TVI Internacional** premiered at the end of May. This new channel constitutes an additional step in the Group's strategy to exploit revenues other than advertising, by means of leveraging on both existing capabilities and the vast bouquet of own reference contents.
- The **Audiovisual Production** segment posted a 20% decrease in its operating revenues, which was not offset by the reduction in operating costs. Notwithstanding, the activity reached an EBITDA margin of 7%.
- In **Entertainment**, the cinema activity generated lower revenues. In Video, the negative trend continued which, coupled with the end of the agreement with Warner Home Video (in September 2009), also led to a decrease in top line. In Music & Events, again the market was uninspiring, dragging revenues down. As such, this segment had an EBITDA of € -2.7 million.
- In **Radio**, the advertising revenues were virtually unchanged vs. last year. Amidst its best audience data ever (namely Rádio Comercial and M80), MCR group of radios had an EBITDA margin of 5% (8% in the quarter).
- In **Internet**, the first nine months showed record levels in revenues and traffic data (page views and unique users, the latter with a monthly average of 3.7 million).

Queluz de Baixo, November 8, 2010

Grupo Media Capital Investor Relations

Pedro Mendes, Head
Contacts
e-mail: ir@mediacapital.pt
Tel: +351 21 434 59 04



1. Consolidated Income Statement

€ thousand	9M 2010	9M 2009	% Var	Q3 2010	Q3 2009	% Var
Total operating revenue	172,820	194,003	-11%	52,367	59,140	-11%
Television	110,690	111,034	0%	34,478	33,751	2%
Audiovisual Production	63,767	79,770	-20%	19,516	24,543	-20%
Entertainment	13,040	21,724	-40%	3,246	6,756	-52%
Radio	9,632	9,806	-2%	3,257	3,366	-3%
Others	12,010	14,620	-18%	4,298	4,613	-7%
Cons. Adjustments	(36,318)	(42,952)	-15%	(12,427)	(13,888)	-11%
Total operating expenses ex-D&A	144,999	162,773	-11%	45,188	52,029	
EBITDA	27,822	31,229	-11%	7,179	7,111	1%
EBITDA margin	16.1%	16.1%	0.0pp	13.7%	12.0%	1.7pp
Television	27,012	24,677	9%	7,379	6,163	20%
Audiovisual Production	4,677	8,839	-47%	1,458	3,051	-52%
Entertainment	(2,674)	(2,458)	9%	(1,271)	(1,827)	-30%
Radio	447	(155)	n.a.	272	(45)	n.a.
Others	(835)	1,364	n.a.	(290)	19	n.a.
Cons. Adjustments	(805)	(1,037)	-22%	(367)	(250)	47%
Operating Expenses with RCP shutdown (Radio)	760	0	n.a.	760	0	n.a.
Depreciation and amortisation	9,054	9,297	-3%	3,091	3,235	-4%
Operating income (EBIT)	18,007	21,932	-18%	3,329	3,875	-14%
Financial results	(3,877)	(4,817)	-20%	(974)	(1,134)	-14%
Profit / (Loss) before inc. tax/ no contr. In	14,130	17,115	-17%	2,355	2,741	-14%
Income tax	(3,502)	(5,893)	-41%	(764)	(705)	8%
Profit / (Loss) from continued operations	10,628	11,222	-5%	1,591	2,036	-22%
Profit / (Loss) from disc. operations	0	0	n.a.	0	0	n.a.
No Controlling interests	(938)	(788)	19%	(188)	(220)	-15%
Net profit / (loss) for the period	9,689	10,434	-7%	1,403	1,816	-23%

In the first nine months of 2010 Grupo Media Capital had **consolidated operating revenues** of € 172.8 million, corresponding to a 11% decrease versus the same period of 2009.

Consolidated EBITDA, adjusted for the shutdown costs associated with RCP (radio format), fell 11% towards € 27.8 million, with a 16.1% margin. Excluding the impact from the capital gain registered with the sale of a 35%

stake in Transjornal in Q2'09, the EBITDA would have fallen by 9%.

Operating results (EBIT) came down 18% (already reflecting RCP), reaching € 18.0 million, whereas **net income** was € 9.7 million (€ 10.4 million in 9M'09), with an improvement in financial results and a lower effective tax rate.



€ thousand	9M 2010	9M 2009	% Var	Q3 2010	Q3 2009	% Var
Operating revenue	172,820	194,003	-11%	52,367	59,140	-11%
Advertising	105,152	105,029	0%	31,847	32,626	-2%
Other revenues	67,668	88,973	-24%	20,521	26,514	-23%



In consolidated revenues, **advertising revenues** were stable, an evolution that took place in both Television and Radio. After the 4% decrease observed in Q2'09, in the third quarter the YoY variation was also negative although improving to -2%.

As far as the **advertising market** is concerned, the available information for agencies (therefore excluding direct clients), and excluding both rappel (volume rebates) and pre-paid discounts, points towards a soft downturn in the first nine months of 2010 (close to -1%). TV and Internet had a positive performance, while the remaining sectors were on the downside, chiefly Daily Press. The YoY variation for the third quarter was -11%, with decreases in all segments.

The **other operating revenues** lost 24%, with all the segments posting YoY decreases.

Regarding **operating costs**, and despite the impact from both TVI24 and TVI Internacional

(which started broadcasting in February 2009 and at the end of May 2010 respectively), there was a 11% improvement versus the comparable period of last year, as a result not only of the lower activity in the Audiovisual Production and Entertainment segments, but also of the efficiency gains that have been attained all across the organisation. The same justifications apply to the YoY quarterly trend (13% reduction). In both cases, we exclude from this analysis the shutdown costs of RCP.

In 9M10, **net financial results** improved from € -4.8 million to € -3.9 million. The interest rate swap, underwritten with the aim of reducing risk, had a negative impact of € 1.2 million in the first nine months.

Net profit was € 9.7 million in the period under analysis, 7% below the figure observed in 9M09.

2. Television

€ thousand	9M 2010	9M 2009	Var %	Q3 2010	Q3 2009	Var %
Operating revenue	110,690	111,034	0%	34,478	33,751	2%
Advertising	94,502	94,661	0%	28,352	28,851	-2%
Other revenues	16,188	16,373	-1%	6,126	4,900	25%
Operating Expenses, ex D&A	83,677	86,357	-3%	27,099	27,588	-2%
EBITDA	27,012	24,677	9%	7,379	6,163	20%
EBITDA margin	24.4%	22.2%	2.2pp	21.4%	18.3%	3.1pp
Depreciation and amortisation	4,533	4,322	5%	1,538	1,446	6%
Operating income (EBIT)	22,479	20,355	10%	5,840	4,717	24%

The Television segment includes both the activities of TVI and the activity of Publipartner, 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.

Following the agreement signed between TVI and ZON TV Cabo, the leading cable platform in Portugal, on February 26 2009, TVI launched its first cable channel TVI24, a round-the-clock news channel. This launch has an impact on comparisons with the first quarter of last year.

Also affecting YoY comparisons is TVI Internacional, a new channel which premiered on May 30 2010.

TVI Internacional is a generalist channel, created with the aim of getting closer Portugal with the several Portuguese speaking communities spread throughout the World, making available the leading contents in Portugal and showing the very best done in our country, while taking into account the specificities of each market and country where TVI Internacional will be present.

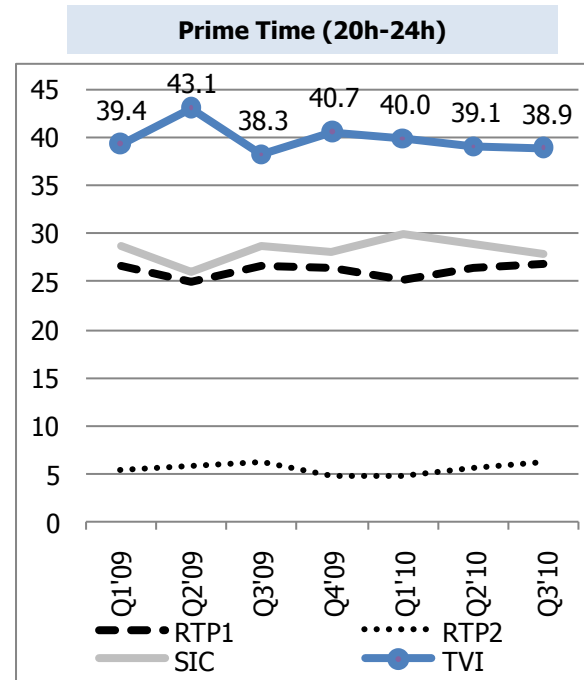
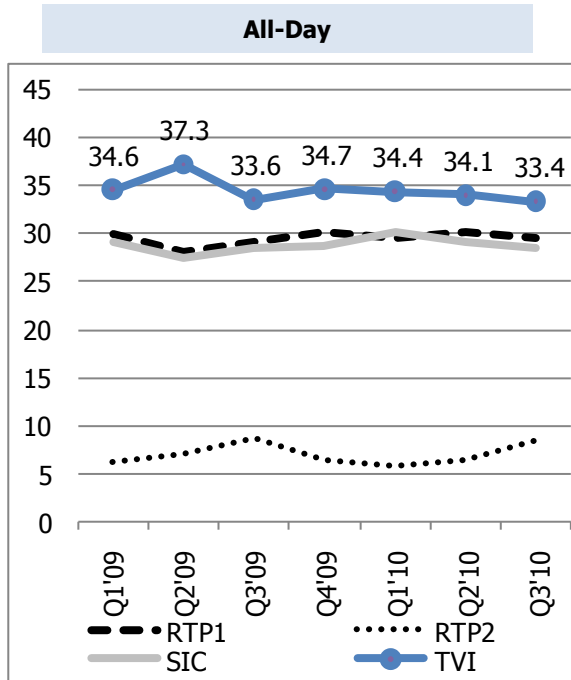
By genres, its contents are composed mainly of national fiction, big events, news and



entertainment. This channel constitutes an additional step in the Group's strategy of exploiting revenues other than advertising, by

means of leveraging on existing capabilities and on the vast array of own reference contents.

Quarterly Audience Share (FTA Channels, %)



Source: Marktest

During the first nine months of the year, and despite not having the broadcasting rights for the football matches of the World Cup, TVI managed to lead TV consumption, with an audience share of 34.0%, with state-owned RTP1 ranking second with 29.8%, whereas the other private operator, SIC, was third with 29.4%.

With such performance, it's the sixth year in a row that TVI leads audiences.

In prime time, TVI also kept the leadership it attained in 2001, by means of an audience share of 39.4%. SIC was second with 29.0% and RTP1 third with 26.2%.

Throughout the period, TVI maintained its usual programming structure, again grounded on local drama, entertainment and news.

In what regards **local drama**, in the first nine months of the year TVI premiered two soaps: "**Mar de Paixão**" and "**Espírito Indomável**", both of them keeping up leading audience share levels – the first one with 43.6% (1.1 million spectators) and the latter with 44.2% (also 1.1 million). As for "**Meu Amor**", it posted a share of 46.4%, equivalent to a daily average of more than 1 million viewers.

In the period under analysis, the soap "**Sentimentos**" came to an end. Since its debut, this soap posted a 42.1% share and more than 800 thousand regular viewers per episode. Also ending during this period the soap "**Deixa que te Leve**", premiered in 2009, had an overall share of 45.9% and an average audience of 1.3 million (49.5% share and 940 thousand viewers, in women).

For the youngsters, "**Morangos com Açúcar**" was leader once again. The seventh season of this soap had a share of 37.3% (71.4% in its core target: 4-24 age group). On 19 June it was replaced by "**Morangos com Açúcar – Vive o Teu Verão**" which had a 38% audience share. In September, the eighth season started, under the name "**Morangos com Açúcar – Agarra o Teu Futuro**", registering until the end of the month a 37.6% average share, equivalent to 770 thousand viewers.

Still on **local drama**, in 2010 TVI started an innovative concept within this genre: mini-series showed in three parts. At the end of January it premiered "**Destino Imortal**", a story where youngsters have a leading role, in a vampire's world. It posted an average daily viewership above one million individuals and a market share of 38.7% thus leading on Sunday's afternoons. At the end of February,



the urban thriller "**37**" was first broadcasted, with the 3 episodes averaging a leading share of 41.5%, backed by an audience of 760 thousand viewers. In April, TVI premiered "**Dias Felizes**" which posted an average daily share of 40% (800 thousand average viewers).

In **information** programming, the highlight goes to the investigative reporting program "**Repórter TVI**", which continued to be the most watched program of its kind in Portuguese television: in the first nine months of the year it delivered an average audience of 1.2 million and a share of 36.4%. In what regards daily news programs, "**Jornal Nacional**" (prime time news) had 840 thousand average viewers from Mondays to Sundays. At lunch time, "**Jornal da Uma**" maintained a good performance on weekdays (485 thousand viewers and a share of 28.9%).

In **sports**, TVI broadcasted six matches of **Taça de Portugal** (Portuguese Cup), which obtained an average audience of 1 million individuals for a share of 40% (50.2% in men). Also in this genre, TVI also aired four matches of the national football team (55.4% audience share). It is also worth mentioning that TVI gained the bid for the FTA broadcasting of one match per week of the **Portuguese Football League** for the next two seasons. The matches broadcasted until the end of the third quarter had an average audience share of 44.5% and over 1 million viewers.

In **entertainment**, "**Depois da Vida**" achieved inspiring results - its 3 special programs averaged a 52.7% share on Friday nights (820 thousand viewers).

Also in entertainment, TVI's other programs kept a strong position in what regards talk-shows. "**Você na TV**" (mornings) was leader with a 32.4% share, while "**As Tardes da Júlia**" (afternoons) was responsible for a 33.6% share.

In the month of September, TVI further enhanced its programming grid with the new daily entertainment show "**Agora é que Conta**". This program has been a success, with 43.5% share in its time slot (~17h-18h30)

During the 9M10 TVI also offered to its viewers two special events: (i) the 2010 edition of the musical "**Morangomania**", broadcasted on June 19 (52.6% share in the 4/24 age group); (ii) the "**Tribute to Nicolau Breyner**", broadcasted on May 30 with a share of 47.2%; (iii) the "**Somos Portugal**" Gala (56.7% share

for 1.2 million viewers) and (iv) "**Festa de Praia**", with a 46.6% share.

As for **foreign drama**, TVI premiered on February the sixth season of "**Dr.House**", which has registered an average share of 29.5%. In April TVI started broadcasting the series "**Glee**", which for the 22 episodes aired had an average share of 30.3% (47.5% in the 4/24 age group).

The movies broadcasted on weekend afternoons registered an average share of 30.4% on Saturdays and 31.7% on Sundays.

On March 7, a TVI broadcasted live and exclusively and for the 13th time, the Oscars ceremony, which delivered an audience share above 35%.

Turning to **TVI24**, during the period it delivered a gross reach of 670 thousand individuals and an audience share of 14% amongst the national news channels. TVI continued to offer a diversified programming within the information genre. In September, TVI24 saw its potential audience soar, as it will start being distributed through other pay tv operators, namely MEO (the second largest) and Vodafone, representing a total of more than 600 thousand new subscribers. As such, in September alone TVI24 had a daily gross reach of 810 thousand daily viewers.

In terms of **financial performance**, the Television segment had stable YoY operating revenues (+2% YoY in the quarter). **Advertising revenues** were similar to last year's, and down 2% YoY in the quarter. Media Capital estimates that the FTA advertising market improved by 7% YoY in 9M10 (+3% in Q3 '10 YoY). This estimate, and in line with what the Group has been reporting in past, includes agencies and direct clients and is Net 2, i.e. after rappel and before pre-payment discounts. On top of the market effect, the reported figures had other two meaningful impacts: the lack of revenue related with the compensation for the elections (2009) and the fact that TVI did not broadcast any of the World Cup football matches.

Other revenues were down 1% (+25% YoY in 3Q'10), representing now 15% of total operating revenues. It is worth mentioning that in the first nine months of 2010 were booked non-recurrent revenues from the rendering of technical support services. The absence of such revenues in 9M10 was not offset by an additional month of revenues from TVI24 and TVI Internacional. Excluding these items, the



other revenues increased by 30%, in spite of Publipartner's lower activity.

Operating costs fell 3%, with a decisive contribution of improving efficiency in all areas, as the costs associated with TVI24 stood this period above the ones observed in 9M10, since this channel started its emissions at the end of February 2009. TVI Internacional, as already mentioned, has only a contribution to revenues and costs since 2Q'10. As for other costs, we underline the lower programming costs of TVI, namely in local drama and entertainment, as they were 6% down on a pro-forma basis (i.e. excluding TVI24 and TVI Internacional). Finally, the YoY variation in operating costs was penalised by an increase of € 0.7 million of foreign exchanges losses, as a result of the

strong appreciation of the Dollar against the Euro.

Bear in mind that a significant portion of programming costs – local drama – corresponds to internal production (through Plural), with the Group thus retaining the value added in the production of such contents.

The combined evolution of revenues and costs allowed for a good performance at the EBITDA level, which increased 9%, with the margin expanding from 22.2% to 24.4%. In the quarter, EBITDA was up 20%, allowing for a margin expansion of 3.1pp from 18.3% to 21.4%.



3. Produção Audiovisual

€ thousand	9M 2010	9M 2009	Var %	Q3 2010	Q3 2009	Var %
Operating revenue	63,767	79,770	-20%	19,516	24,543	-20%
Advertising	0	0	n.a.	0	0	n.a.
Other revenues	63,767	79,770	-20%	19,516	24,543	-20%
Operating Expenses, ex D&A	59,091	70,931	-17%	18,058	21,491	-16%
EBITDA	4,677	8,839	-47%	1,458	3,051	-52%
EBITDA margin	7.3%	11.1%	-3.7pp	7.5%	12.4%	-5.0pp
Depreciation and amortisation	2,157	2,262	-5%	753	870	-13%
Operating income (EBIT)	2,520	6,577	-62%	704	2,181	-68%

The Audiovisual Production activity posted total operating revenues of € 63.8 million in 9M10.

In what regards **operating revenues**, the activity in Spain showed a reduction, chiefly in terms of production for both generalist FTA TV operators (with the exception of Telecinco) and autonomic channels. Cinema also had a negative evolution. Such performance was not offset by the good evolution in the management of autonomic channels as well as on international production/distribution.

As for the operations in Portugal, revenues also stood below 9M10 figures, due to lower revenues from TV productions.

As a consequence of the downturn in revenues, and despite the cost reduction, the **EBITDA** ended up negatively affected, dropping to € 4.7 million (7% margin vs. 11% in 9M09).

The basis behind the variations in the first half is similar to the one described for the accumulated figures.



4. Entertainment



€ thousand	9M 2010	9M 2009	Var %	Q3 2010	Q3 2009	Var %
Operating revenue	13,040	21,724	-40%	3,246	6,756	-52%
Music & Events	5,377	8,856	-39%	1,645	2,903	-43%
Cinema & Video	7,663	12,868	-40%	1,601	3,852	-58%
Operating Expenses, ex D&A	15,714	24,182	-35%	4,517	8,583	-47%
EBITDA	(2,674)	(2,458)	9%	(1,271)	(1,827)	-30%
EBITDA margin	-20.5%	-11.3%	-9.2pp	-39.2%	-27.1%	-12.1pp
Depreciation and amortisation	116	142	-18%	39	47	-17%
Operating income (EBIT)	(2,791)	(2,600)	7%	(1,310)	(1,875)	-30%

The Entertainment includes the music edition and distribution, music publishing, artists booking and event production activities, as well as the cinema and video distribution business of CLMC – Multimedia.

Operating revenues were down 40% (-52% YoY in Q3), with the Music & Events activity falling 39% (-43% YoY in Q3), while revenues of Cinema & Video posted a drop of 40% (-58% YoY in Q3).

In the **Music & Events** business, the negative market trend (-14% in value, estimated figure), justified part of the 19% reduction in CD sales (+1% YoY in Q3). In terms of units sold, and on the positive side, we highlight "Escola de Talentos - Morangos com Açúcar", "Escola de Talentos 2 - Morangos com Açúcar", "O melhor de Beto", "Luar" (Rita Guerra) and "The Resistance" (Muse). There was also an overall reduction in this business remaining revenues.

In the **Cinema & Video** activity, the market's gross box office posted a very positive performance (+17%, +10% in admissions and +6% in average price). Using the same metric, CLMC's blockbuster "Avatar" had a market share of 7%. Since its premiere, on 17th December, "Avatar" has registered gross box office revenues of € 6.9 million, having been watched by more than 1.2 million spectators.

Notwithstanding, CLMC's cinema revenues fell 9% YoY, as in 9M09 there were also strong titles, such as "Ice Age 3", "Australia", "Marley & Me", to name a few.

In Q3, the highlight in terms of CLMC movies goes to "Night & Day", "Predators", "A-Team" and "Wall Street 2", the latter premiering at the end of the quarter.

In video, market data shows again a lacklustre performance for DVD/Blu-Ray sales (estimated 17% drop until September). CLMC was again the number two player. Due to the market evolution and to the end of the deal with Warner Home Video that took place in September 2009, the revenues from video activity (retail plus rental) were down 55% in 9M10 (-66% in Q3).

Operating costs fell 35% (-47% YoY in the quarter), due both to the lower activity but also to cost cutting.

The **EBITDA** of the segment went from € -2.5 million in 9M09 to € -2.7 million this year.

Due to the poor performance of this segment it is being subject to a reorganisation, and as mentioned in the previous earnings release.



5. Radio

€ thousand	9M 2010	9M 2009	Var %	Q3 2010	Q3 2009	Var %
Operating revenue	9,632	9,806	-2%	3,257	3,366	-3%
Advertising	8,972	8,986	0%	3,057	3,135	-2%
Other revenues	660	820	-20%	200	231	-14%
Operating Expenses, ex D&A	9,185	9,961	-8%	2,985	3,411	-12%
EBITDA	447	(155)	n.a.	272	(45)	n.a.
EBITDA margin	4.6%	-1.6%	6.2pp	8.3%	-1.3%	9.7pp
Operating Expenses with RCP shutdown	760	0	n.a.	760	0	n.a.
Depreciation and amortisation	1,722	1,753	-2%	588	596	-1%
Operating income (EBIT)	(2,035)	(1,909)	7%	(1,077)	(641)	68%

The audience figures released in this quarter continued to evidence the outstanding performance observed in the first two quarters of 2010.

The audience share of MCR's group of radios was 28% in the third quarter, the highest ever. Even more important is the substantial YoY improvement (+20% or +4.6pp in Q3, +26% or +5.7pp in Q2 and +6% or +1.3pp in Q1). The strong performance in this first nine months was due to the formats "Comercial", "M80" and "Cidade FM". After the second quarter of Rádio Comercial had been the strongest since 2006, the same reasoning applies to Q3 with the gap to the market leader now standing at its lowest figure since Q1'06. As for M80, this format maintained an impressive performance, as it posted a share of 7.3% in Q3, which compares with 3.2% in Q3'09, benefiting not only from the rearrangement of RCP's broadcasting network in favour of M80, but also from the growing acceptance of its target audience.

In terms of audience reach (AAV), a more interesting metric, as it reflects the radio consumption, the data was also quite encouraging, with MCR jumping from 15.8% in Q3'09 to 18.0% in Q3'10, a figure that stands out as the best ever in a third quarter and only second to Q2'10 data (18.7%). The decrease from Q2 to Q3 is actually normal, as it reflect a normal seasonal pattern of radio consumption (the market fell 5% QoQ)

Concerning Rádio Comercial, it is important to highlight that it reinforced its ranking as the second radio format nationwide, thus confirming a trend that has been very clear for many quarters. In 3Q'10 it had an AAV of 9.2%, a value with no match in comparable quarters. In turn, M80 blasted its previous

comparable readings, as it had an AAV of 4.1% in 3Q'10, clearly ahead of the data observed in 3Q'09 (2.0%).

At the beginning of July, the Group decided to end the broadcasting of the RCP format, due to its poor economic fundamentals, justified by very low revenues (low audiences) when compared with the heavy operating cost structure.

We highlight that this is an isolated decision, in the sense that MCR will keep on betting in the development of the other formats within its portfolio, which have registered a favourable evolution, audiences and operational wise.

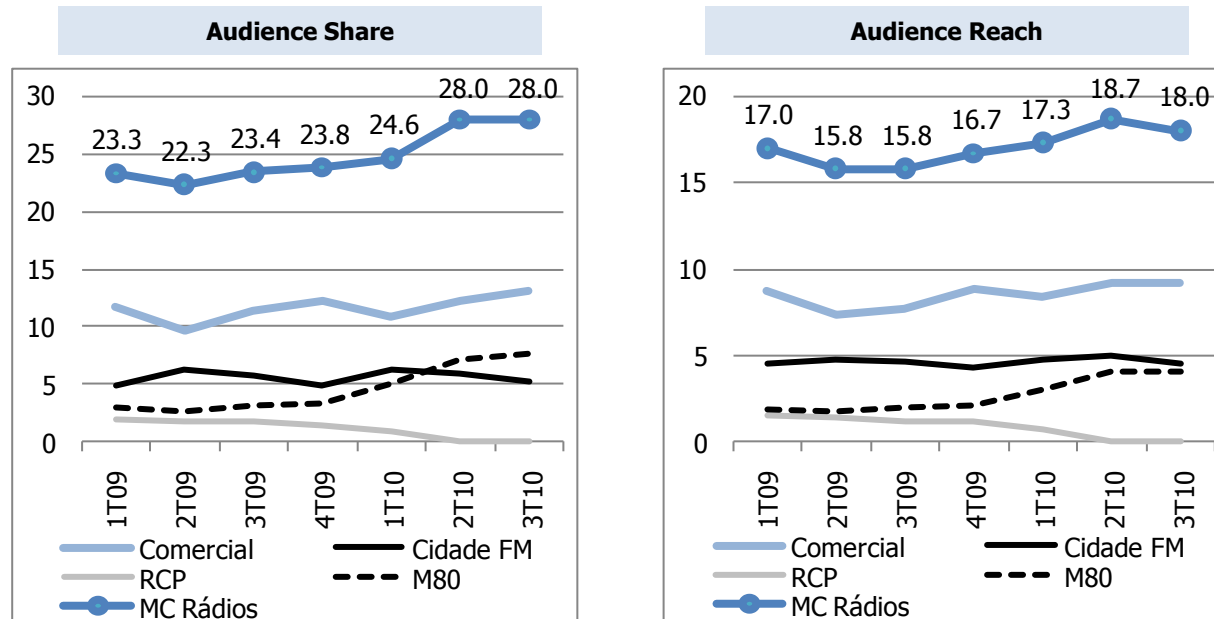
Since July 12, RCP is being replaced by a new format, based on 50's, 60's and 70's music.

MCR's **advertising revenues** were flat YoY (-2% in Q3). According with the available data for the first nine months of 2010, the advertising radio market (agencies only) should have decreased 2%, with the third quarter falling 11%. MCR has increased significantly its market share in agencies.

As for the **operating costs** of this segment (excluding the shutdown costs of RCP), and following the efficiency measures initiated several quarters ago, there was a 8% reduction until September (-12% YoY in Q3).

The **EBITDA** thus improved from € -0.2 million in 9M09 to € 0.4 million in 9M10.

Regarding the overall performance of in the online business, the portfolio of MCR formats increased by 95% the number of page views to 23.2 million (monthly average).

Audience Share and Reach (%)


Source: Marktest


6. Others


€ thousand	9M 2010	9M 2009	Var %	Q3 2010	Q3 2009	Var %
Operating revenue	12,010	14,620	-18%	4,298	4,613	-7%
Advertising	2,480	2,368	5%	733	820	-11%
Other revenues	9,529	12,252	-22%	3,564	3,793	-6%
Operating Expenses, ex D&A	12,845	13,256	-3%	4,588	4,594	0%
EBITDA	(835)	1,364	n.a.	(290)	19	n.a.
EBITDA margin	-7.0%	9.3%	-16.3pp	-6.8%	0.4%	-7.2pp
Depreciation and amortisation	526	818	-36%	171	276	-38%
Operating income (EBIT)	(1,361)	546	n.a.	(461)	(256)	80%

This segment is composed by the internet business unit, as well as the holding and the shared services unit.

MCM's IOL network of site kept presenting a substantial increase in **traffic**. After posting a 19% improvement for the full year 2009 to more than 123 million per month, in the first nine months of 2010 the average monthly pageviews was 149 million, 25% above the figure registered in 9M09. The number of unique users rose 33% to a monthly average of 3.7 million. Backing these numbers, we highlight the sites "**Maisfutebol**", "**TVI24**", "**Lux**", "**AB Motor**" and "**MySpace**". In July, IOL network of sites managed to outmatch that record attained in Q2 as it posted 163 million pageviews.

Also worth to underline is the leadership obtained by TVI sites (www.tvi.pt and www.tvi24.pt), which in all months of Q3 were the most visited amongst the sites of the various TV operators, topping 3.7 million visitors in September.

Advertising revenues were up 5% YoY (-11% in Q3), benefiting from the good volume performance described above.

As regards **other operating** revenues, their reduction is justified by lower revenues at the holding level, related with the fees charged on the business units, as well as the capital gain obtained with the sale of a 35% stake in Transjornal that occurred in Q2 '09.

The **operating costs** evolution reflects the continuing effort to keep costs under control at the holding / shared services level.

The segment's **EBITDA** was negative in € 0.8 million, comparing with a positive € 1.4 million booked in the comparable period.



7. Consolidation Adjustments

€ thousand	9M 2010	9M 2009	Var %	Q3 2010	Q3 2009	Var %
Operating revenue	(36,318)	(42,952)	-15%	(12,427)	(13,888)	-11%
Advertising	(802)	(986)	-19%	(296)	(179)	65%
Other revenues	(35,516)	(41,965)	-15%	(12,131)	(13,709)	-12%
Operating Expenses, ex D&A	(35,513)	(41,914)	-15%	(12,059)	(13,638)	-12%
EBITDA	(805)	(1,037)	-22%	(367)	(250)	47%
EBITDA margin	2.2%	2.4%	-0.2pp	3.0%	1.8%	1.2pp
Depreciation and amortisation	0	0	n.m.	0	0	n.m.
Operating income (EBIT)	(805)	(1,037)	-22%	(367)	(250)	47%

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	9M 2010	9M 2009	Var %	Q3 2010	Q3 2009	Var %
Receipts	208,498	251,167	-17%	67,112	87,208	-23%
Payments	(213,545)	(225,307)	-5%	(68,865)	(74,326)	-7%
Cash flows op. activities (1)	-5,047	25,860	n.a.	-1,753	12,882	n.a.
Receipts	36,809	72,012	-49%	3,679	192	n.m.
Payments	(26,185)	(86,423)	-70%	(1,781)	(6,513)	-73%
Cash flows inv. activities (2)	10,624	-14,411	n.a.	1,898	-6,321	n.a.
Receipts	93,561	49,804	88%	53,503	5,825	n.m.
Payments	(115,025)	(62,478)	84%	(55,315)	(14,195)	290%
Cash flows fin. activities (3)	-21,464	-12,674	69%	-1,812	-8,370	-78%
Variation of cash (4) = (1) + (2) + (3)	(15,887)	(1,225)	n.m.	(1,667)	(1,809)	-8%
Cash at the beginning of the period	20,556	7,172	187%	6,336	7,756	-18%
Cash at the end of the period	4,669	5,947	-21%	4,669	5,947	-21%

The **cash flow from operating activities** reached € -5.0 million, which compares with € 25.9 million in 9M09. In a decreasing order of importance for the variation, we highlight (due to the lower activity) Audiovisual Production, Cinema & Video and Music, which offset a better performance by the TV segment.

Cash flows from investing activities went from € -14.4 million to € 10.6 million. The cash outflow related with tangible and intangible, was € -6.0 million, thus better than the € -6.6 million observed in 9M09. We also underline (i) the payment of one tranche related with the acquisition of Plural Entertainment (€ 9.3 million) and (ii) € 0.6 million related with the acquisition of 10% of CLMC share capital and

shareholder loans, as well as 100% of PCP's share capital – a Spanish production company). Last year's figure included, on top of a similar amount related with Plural Entertainment, the cash out flow derived from the acquisition of the remaining 30.71% stake of IOL Negócios (€ 0.6 million). The positive figure of this line is due to the net impact

coming from loans granted (amounts received and paid) to Promotora de Informaciones, SA.

Cash flow from financing activities came in at € -21.5 million, resulting directly from the operational and investing cash-flows and the payment of dividend in the global amount of € 17.3 million.



9. Financial Net Debt

€ thousands	Sep 2010	Dec 2009	Abs Var	% Var
Group financial debt	128,369	128,866	(497)	0%
Bank loans / Commercial paper	124,277	124,096	180	0%
Other debt	4,093	4,770	(677)	-14%
Cash & equivalents	4,669	20,556	(15,888)	-77%
Net debt	123,701	108,310	15,391	14%

As a result of the movements described above, Media Capital's **total financial net debt** was up 14% or € 15.4 million vs the end of last year, totalling € 123.7 million at the end of June. **Financial net debt adjusted** for the loans to Promotora de Informaciones, S.A.

stood at € 101.3 million at the end of period, comparing with € 63.8 million at the end of 2009, thus putting Grupo Media Capital in a comfortable capital structure.

GRUPO MEDIA CAPITAL, S.G.P.S, S.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

(Amounts stated in Euro thousand)

ASSETS	30.09.2010	31.12.2009
NON-CURRENT ASSETS:		
Goodwill	172,480	172,741
Intangible assets	20,701	21,452
Tangible assets	28,348	31,114
Investments in associates	193	-
Assets held for sale	8	8
Transmission rights and TV programs	55,858	59,526
Other non-current assets	1,315	1,470
Deferred income tax assets	5,372	5,335
	<u>284,275</u>	<u>291,646</u>
CURRENT ASSETS:		
Transmission rights and TV programs	14,526	8,903
Inventories	1,644	1,921
Trade and other account receivable	57,693	53,594
Current income tax assets	601	1,027
Other current assets	44,506	59,944
Cash and cash equivalents	4,669	20,556
	<u>123,639</u>	<u>145,945</u>
	<u>407,914</u>	<u>437,591</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	89,584	89,584
Reserves	23,114	22,495
Profit for the period	9,689	17,612
Equity attributable to equity holders	<u>122,387</u>	<u>129,691</u>
Equity attributable to non-controlling interests	<u>3,788</u>	<u>4,521</u>
Total Equity	<u>126,175</u>	<u>134,212</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	51,743	115,145
Provisions for other risks and charges	7,450	7,144
Other non-current liabilities	13,437	22,148
Deferred income tax liabilities	1,637	1,638
Derivative financial instruments	2,491	2,330
	<u>76,758</u>	<u>148,405</u>
CURRENT LIABILITIES:		
Borrowings	74,136	11,241
Trade and other payables	73,724	76,420
Current income tax liabilities	1,558	1,905
Other current liabilities	55,563	65,408
	<u>204,981</u>	<u>154,974</u>
	<u>281,739</u>	<u>303,379</u>
Total liabilities	<u>281,739</u>	<u>303,379</u>
TOTAL EQUITY AND LIABILITIES	<u>407,914</u>	<u>437,591</u>

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2010 AND 2009**

(Amounts stated in Euro thousand)

	9 months ended		3 months ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
OPERATING REVENUES:				
Sales	7,515	13,258	1,668	3,085
Services rendered	148,014	163,240	43,882	51,019
Other operating revenue	17,291	17,505	6,818	5,036
Total operating revenue	<u>172,820</u>	<u>194,003</u>	<u>52,367</u>	<u>59,140</u>
OPERATING EXPENSES:				
Broadcasting costs and cost of good sold	(18,396)	(21,691)	(4,995)	(6,134)
Subcontrats and third party supplies	(74,056)	(81,418)	(23,114)	(26,204)
Payroll expenses	(50,899)	(57,335)	(17,557)	(19,017)
Depreciation and amortization	(9,054)	(9,297)	(3,091)	(3,235)
Provisions and impairment losses	(789)	(950)	(369)	(387)
Other operating expenses	(1,620)	(1,378)	86	(286)
Total operating expenses	<u>(154,813)</u>	<u>(172,070)</u>	<u>(49,039)</u>	<u>(55,265)</u>
Net operating profit	<u>18,007</u>	<u>21,932</u>	<u>3,329</u>	<u>3,875</u>
FINANCIAL EXPENSES:				
Financial expenses	(4,684)	(6,431)	(1,061)	(1,923)
Financial gains	875	1,779	111	788
Financial expenses, net	<u>(3,808)</u>	<u>(4,652)</u>	<u>(951)</u>	<u>(1,134)</u>
Losses on associated companies, net	(69)	(165)	(23)	-
Profit before tax	<u>10,322</u>	<u>12,463</u>	<u>1,404</u>	<u>1,607</u>
Income tax expense	(3,502)	(5,893)	(764)	(705)
Consolidated net profit for continued operations	10,628	11,222	1,591	2,036
Attributable to:				
Equity holders of the parent	9,689	10,434	1,403	1,816
Non-controlling interests	<u>938</u>	<u>788</u>	<u>188</u>	<u>220</u>
Earnings per share (€)				
Basic	0.1147	0.1235	0.0166	0.0215
Diluted	<u>0.1147</u>	<u>0.1235</u>	<u>0.0166</u>	<u>0.0215</u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2010 AND 2009
(Amounts stated in Euro thousand)

	<u>30.09.2010</u>	<u>30.09.2009</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	208,498	251,167
Cash paid to suppliers	(129,245)	(125,445)
Cash paid to employees	(48,804)	(50,300)
Cash generated from operations	<u>30,449</u>	<u>75,422</u>
Other cash received/(paid) relating to operating activities	(35,496)	(49,562)
Net cash from operating activities (1)	<u>(5,047)</u>	<u>25,860</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	-	8,750
Disposal of tangible assets	129	336
Disposal of intangible assets	200	17,352
Dividends	663	-
Repayment of loans granted	34,571	42,950
Interest and other similar income	1,246	2,624
	<u>36,809</u>	<u>72,012</u>
Payments resulting from:		
Business concentrations	(9,834)	(9,812)
Acquisition of tangible assets	(5,669)	(6,196)
Acquisition of intangible assets	(307)	(383)
Loans granted	(10,375)	(70,032)
	<u>(26,185)</u>	<u>(86,423)</u>
Net cash from /(used in) investing activities (2)	<u>10,624</u>	<u>(14,411)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	<u>93,561</u>	<u>49,804</u>
Cash paid relating to:		
Borrowings	(93,707)	(36,806)
Leases	(896)	(1,126)
Interest and other similar expenses	(1,714)	(2,037)
Dividends	(17,329)	(20,360)
Other financial expenses	(1,379)	(2,149)
	<u>(115,025)</u>	<u>(62,478)</u>
Net cash from/(used in) financing activities (3)	<u>(21,464)</u>	<u>(12,674)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(15,887)	(1,225)
Cash and equivalents at the beginning of the period	20,556	7,172
Cash and equivalents at the end of the period	4,669	5,947



10. Other Highlights

- ✓ Meios e Publicidade 2010 Awards - Grupo Media Capital and its representatives won several awards in the following categories:
 - TV Production - Plural
 - Radio - Rádio Comercial
 - Media Personality- Luís Cabral (Managing Director MCR)
- ✓ TVI
 - TVI reportage awarded in Monaco – The in-depth reportage «Terra Desafio Global», broadcasted in the news program “Repórter TVI”, won the Prince Rainier III Special Prize for the Best Reportage – Environment Category, in the Monte Carlo International Television Festival
 - MAC 2010 - Programa Cultural Televisão – award attributed to the program “Cartaz das Artes” as the best cultural program in Portuguese television
 - Portuguese Football League – seasons 2010/2011 and 2011/2012 - Sport TV and TVI came to an understanding over the broadcasting by TVI of one match per week for these two seasons
 - Clube Nacional da Imprensa Desportiva - Best Television Program of the Year – “Maisfutebol”
- ✓ Plural
 - “Meu Amor” – Soap nominated for an Emmy in the “Telenovela” category. The ceremony (International Emmy World Television Festival) will take place in New York, on 20/21 de November.
- ✓ Farol
 - Platinum Disc (more than 20k units sold) for the album:
 - “Morangos com Açúcar – Vive o teu talento”
 - Golden Disc (more than 10k units sold) for the albums:
 - “O Melhor de Beto” – Beto
 - “Toda a Escolinha de Música” – Escolinha de Música
 - “Benfica Campeão” – Several Artists
 - “The Resistance” – Muse (Warner)
- ✓ MC Multimedia
 - “Mais Futebol” – launch of the book “Onda Benfica”, in a partnership with Objectiva