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

Q1 2006 RESULTS

Media Capital's Net profit increased 134% year on year to €3.1 million.

- Consolidated revenues increased 7% in Q1 2006 to €51.5 million, with TV +13%, Radio +4% and Outdoor +7%.
- Advertising revenues were up 9% over the comparable period to €39.3 million, mostly due to TV up 11%.
- Consolidated EBITDA increased 30% year on year to €9.3 million.
- EBITDA margin for the period of 18% reflects a hike of 3.3 p.p. over the comparable period.
- Operating Income was up 49% to €6.4 million, benefiting from the sound improvement in operational performance.
- TVI led both all day and prime time audiences for the whole of the first quarter in 2006, with audience shares of 37% and 42% respectively.
- TVI reached an agreement with Sport TV, guaranteeing the exclusive rights for the transmission of football matches from the Portuguese Football League for the next two seasons.
- Radio audience share increased to 25.1%, mostly driven by the strong increase of Rádio Comercial in this quarter.

Lisbon, 26 April 2006

Grupo Media Capital
Susana Gomes da Costa
Investor Relations Officer

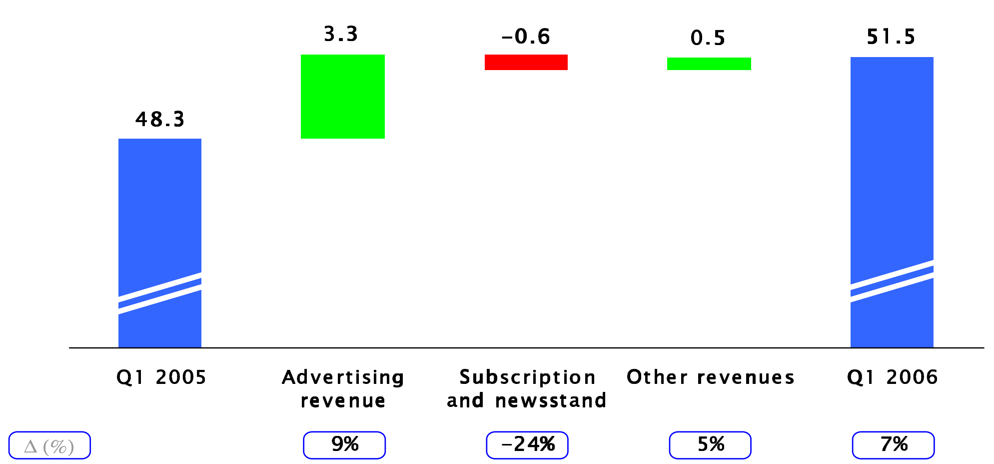
1. Analysis of consolidated income statement

(€ thousands)	Q1 06	Q1 05	Var %
Total operating revenue	**51,531**	**48,291**	**7%**
Television	37,586	33,193	13%
Radio	3,456	3,307	4%
Outdoor	3,663	3,438	7%
Others	6,826	8,353	-18%
Total operating expenses	42,264	41,173	3%
EBITDA	**9,267**	**7,118**	**30%**
EBITDA margin	**18.0%**	**14.7%**	**3.2 pp**
Television	10,801	7,903	37%
Radio	128	285	-55%
Outdoor	2	(321)	N/A
Others	(1,663)	(749)	-122%
Depreciation and amortisation	2,855	2,828	1%
Goodwill	0	0	N/A
Operating income (EBIT)	**6,412**	**4,290**	**49%**
Financial expenses, net	1,366	2,686	-49%
Profit / (Loss) before inc. tax/ min.	**5,046**	**1,604**	**215%**
Income tax for the period	(1,966)	(759)	-159%
Minority interests	12	477	-98%
Net profit / (loss) for the period	**3,092**	**1,323**	**134%**

For the period ended March 31, 2006, Grupo Media Capital reported **consolidated revenues** of €51.5 million, a 7% YoY increase and **EBITDA** (net of all provisions) of €9.3 million, up 30% over the same period of last year.

Operating income (EBIT) was up 49% to €6.4 million in Q1 2006 up from €4.3 million in Q1 2005, while **Net profit** increased to €3.1 million from €1.3 million last year, a gain of 134%.

Changes in Total Revenues (€ mn)

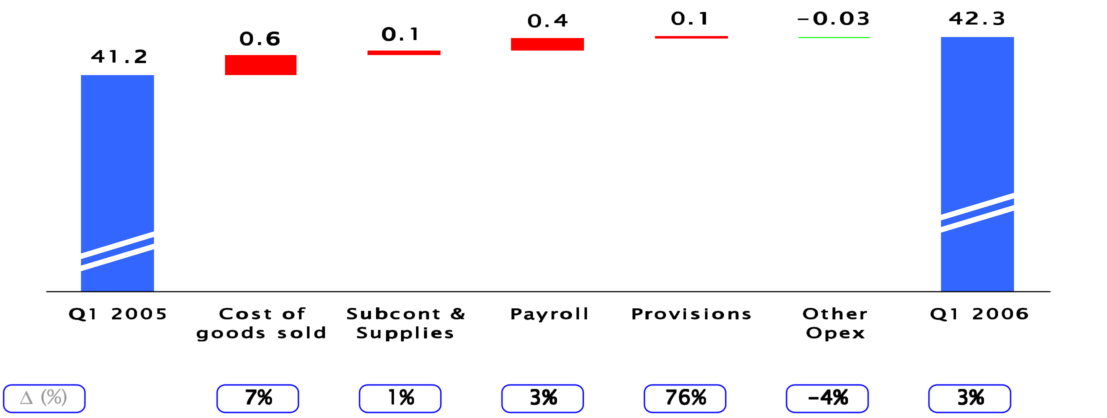


The increase in consolidated revenues was mainly determined by the **9% growth in advertising revenues** with TV up 11%, Radios down 2%, Outdoors up 4% and the segment Others up 10%.

Such a performance, in a traditionally difficult quarter for media companies, was boosted by 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 quarter, and reinforcing its leadership in advertising market share.

The 24% decrease in newsstand revenues followed a lower market demand for magazines and the impact of new publications. Other revenues increased 5% with the strong contribution of TV and Radio partially offset by the anticipated decrease of internet traffic.

Changes in Operating Costs (€ mn)



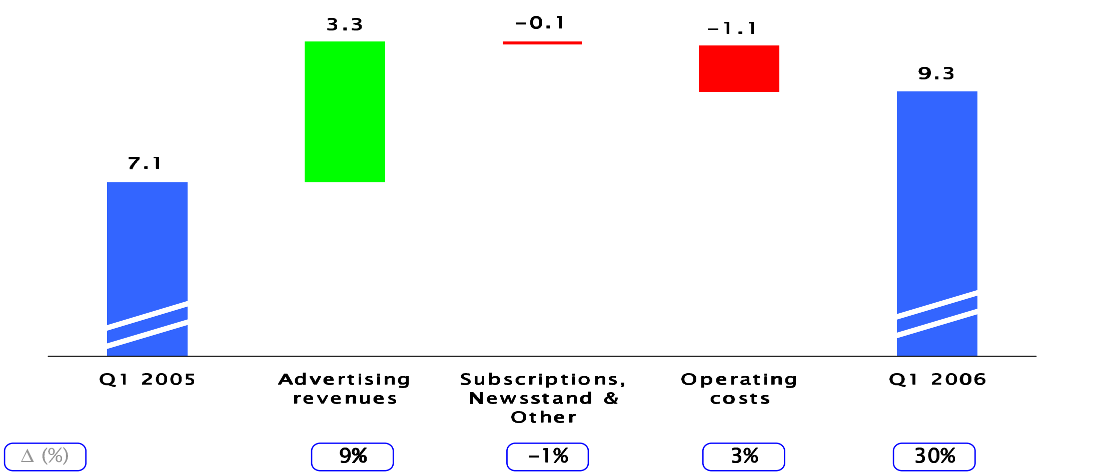
Operating expenses increase of 3%, resulted mostly from:

- higher TV programming costs (€1.3 million) due to higher costs with in-house productions and reality shows,
- increased costs associated with non-advertising TV revenues (€0.2 million) and
- the increase in Radio marketing costs (€0.2 million),

being partially offset by:

- the reduction of costs in the Internet Service Provider activity (€0.4 million) and
- the reduction in costs associated with add-ons' sales and events in the Group magazines operations (€0.2 million).

Changes in EBITDA (€ mn)



Net Financial expenses were down 49% to €1.4 million, which includes:

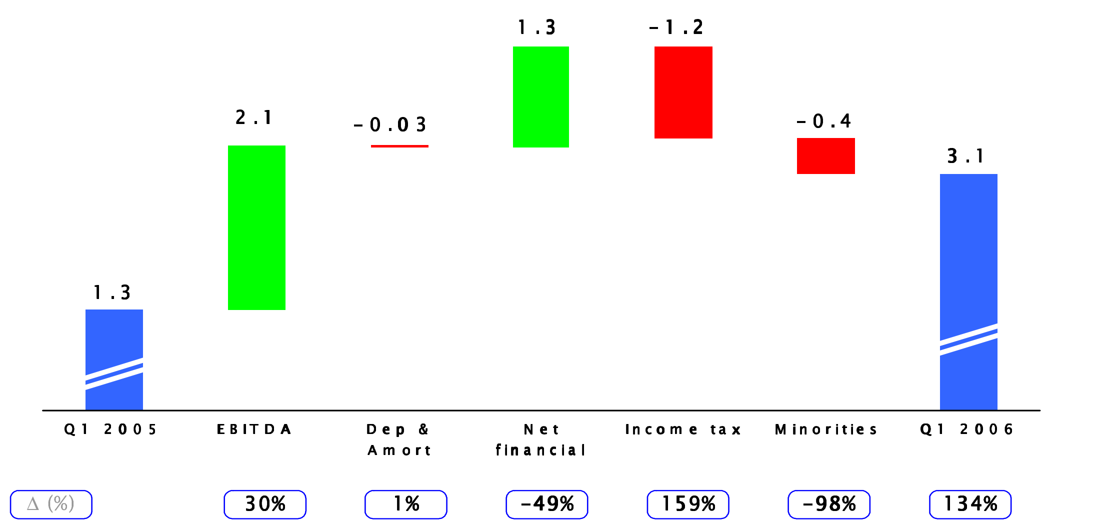
- €1.0 million of net interest expenses (down 30% on lower average debt in the period),
- €0.4 million of refinancing fees and commissions (from the renegotiation of the senior debt facility in previous periods),
- €0.2 of net losses in affiliated companies and
- €0.3 million in other financial expenses

along with:

- the financial income of €0.5 million from the equity swap over own shares contracted by the company.

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.

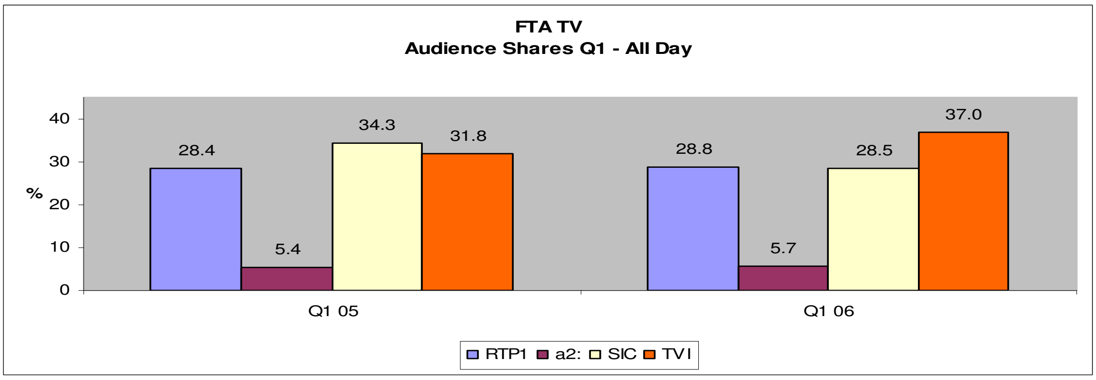
Changes in Net Profit (€ mn)



2. Television

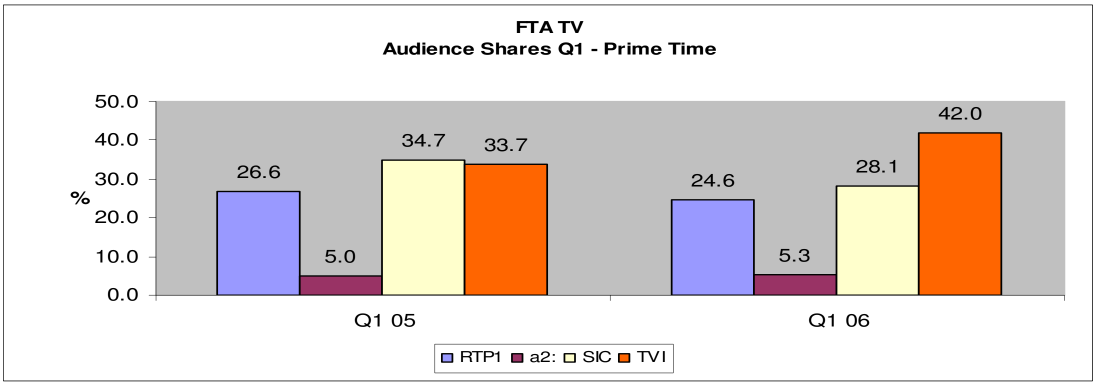
(€ thousands)	Q1 06	Q1 05	Var %
Operating revenue	**37,586**	**33,193**	**13%**
Advertising	31,211	28,059	11%
Other revenues	6,375	5,134	24%
Operating Expenses	**26,786**	**25,290**	**6%**
EBITDA	**10,801**	**7,903**	**37%**
EBITDA margin	28.7%	23.8%	4.9 pp
Depreciation and amortisation	1,538	1,630	-6%
Goodwill	0	0	N/A
Operating income (EBIT)	**9,262**	**6,273**	**48%**

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



Source: Marktest

According to Marktest data, TVI led Portuguese television **audiences** for the whole of the first quarter. Having led prime time since 2001, TVI has taken the lead in all day audiences since mid 2005 and kept its leadership position in Q1 2006 with audience shares of **37% in all day and 42% in prime time**.



Source: Marktest

This leadership also extends to other relevant timeslots such as access to prime time (18-20h) and late night (24h – 2h30), both with audience shares above 41%.

TVI's strong and sustained results were based in its regular programming contents with the very popular **in-house productions of Portuguese fiction as the main contributor to TVI's continued audience share success**.

TVI's youth daily series "Morangos com Açúcar" continues its remarkable success in access to prime time with a daily average share of 42.4% and a share of 74.2% in the core target 4-24 age group. The prime time soap opera "Mundo Meu", which ended in March, achieved outstanding audiences throughout its 203 episodes with an average audience share of 49.6%. This soap was replaced by "Fala-me de Amor", which in its first 21 episodes, delivered an average audience share of 44.3% and comfortably leads its timeslot. "Dei-te Quase Tudo", TVI's other prime time soap opera, has also delivered excellent results with audience shares just above 49% throughout the first quarter of 2006.

TVI news and information programs also kept strong audience levels in a quarter where all have seen a change in its anchors and improvements in the visual identity and studio design. TVI's **"Jornal Nacional"** continues to be the daily news program with the highest audiences in the Portuguese television.

The live transmissions of the **Portuguese Football League** matches on TVI – whose exclusive contract for broadcasting rights on FTA TV was recently extended for the two upcoming seasons continued to attract large audiences on weekend evenings reaching average audience shares of 45% in the matches broadcasted in 2006. As for entertainment, March brought the beginning of the reality show "Celebrity Circus", whose live Sunday night shows have so far reached average audiences shares above 42%.

With an 11% increase, Media Capital's television **advertising revenues** clearly outperformed a lacklustre advertising market in the quarter, gaining from a significant **increase in audience shares**, after a dim Q1 2005. TVI maintained its leadership in terms of advertising market share during Q1 2006, capturing an **estimated share of approximately 49%.**

Other revenues were up by 24% in the period, mainly due to the growth in call-TV and merchandising revenues, which have benefited from the popularity of youth series "Morangos com Açucar". **Sales of music CD's** (which have the most relevant contribution to other TV revenues) were also slightly up by 2% in the period, thus maintaining its good performance. This was driven both by Farol Música records (mainly TVI sound track compilations from TVI programs, such as "Morangos com Açucar") and Warner Music titles from artists such as Madonna or James Blunt. In total, Farol/Warner managed to place 23 of its CD's and 14 DVD's in the respective national Top 30 and held the number 1 position in half of this quarter's weeks. Other revenues contribution to total TV revenues was up from 15% to 17% in Q1 06.

Operating expenses in the TV segment increased 6% or €1.5 million on the comparable period, mostly because:

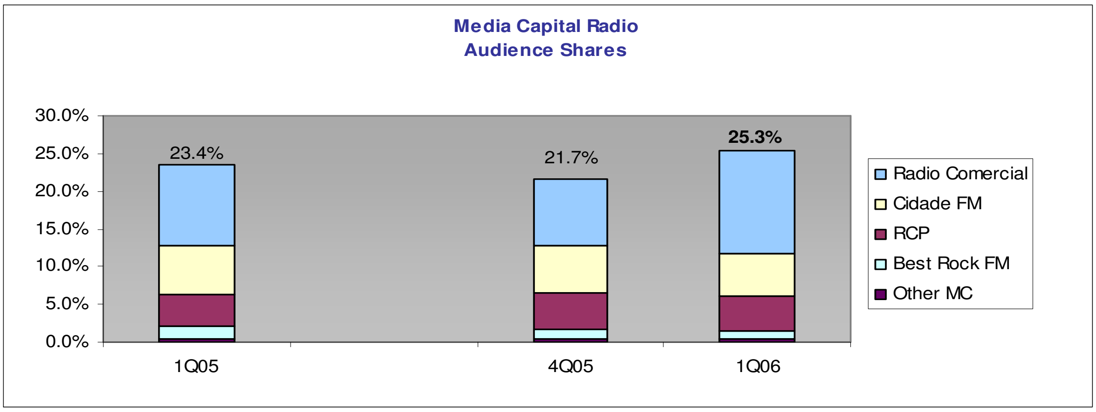
- Total programming costs increased €1.3 million year-on-year largely due to higher costs with in-house programs and increased costs with reality show in Q1 2006 ("Celebrity Circus");
- Variable costs associated with non-advertising revenues were up €0.2 million.

Consolidated EBITDA of the TV segment was up 37% on the comparable period to €10.8 million with **EBITDA margin up to 28.7%** from 23.8%.

Consolidated EBIT of the TV segment improved to €9.3 million in Q1 2006, an increase of 48% over the comparable period.

3. Radio

(€ thousands)	Q1 06	Q1 05	Var %
Operating revenue	**3,456**	**3,307**	**4%**
Advertising	3,200	3,281	-2%
Other revenues	255	26	884%
Operating Expenses	**3,328**	**3,022**	**10%**
EBITDA	**128**	**285**	**-55%**
EBITDA margin	3.7%	8.6%	-4.9 pp
Depreciation and amortisation	462	315	46%
Goodwill	0	0	N/A
Operating income (EBIT)	**(333)**	**(30)**	**-997%**



Source: Marktest

Media Capital Radios (MCR) combined **audience share** was 25.3% in Q1 2006, up 1.9 p.p. from 23.4% in Q1 2005 and up 3.6 p.p when compared to Q4 05.

The highlight goes to **Rádio Comercial,** whose significant increase has granted it the #2 ranking position in audience share of Portuguese radio. **Rádio Clube** was relaunched under a new brand (previously "RCP"), behind a format with more news and information and not just music, keeping the audiences stable in the quarter despite the 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 will probably improve the audience profile towards more upscale, urban listeners. With these results MCR has now reduced significantly the gap to the leadership (from 14.9% to 10.7% in one year), which is now the shortest since 2001.

MCR's total **advertising revenues** were down 2% YoY, with MCR following the trend of a radio advertising market that, according to Media Capital estimates, continued to decline in Q1 2006. A sustained recovery in the Group's audiences should materialize in higher ad revenues in the following quarters.

Total operating expenses were up 10% mainly due to the increase in retransmission related costs supporting the Group's strategy of expanding its existing geographical coverage of non-national networks (Rádio Clube and Cidade FM) and also increased marketing costs with advertising campaigns rolled out to support the changes - including the signature and logo - in Rádio Comercial and Rádio Clube.

Consolidated EBITDA in the Radio segment was down 55% in Q1 06, with EBITDA margin down by 4.9 p.p. to 3.7%.

Consolidated EBIT decreased €0.3 million to € -0.3 million in Q1 06.

4. Outdoor

(€ thousands)	Q1 06	Q1 05	Var %
Operating revenue	**3,663**	**3,438**	**7%**
Advertising	3,567	3,434	4%
Other revenues	96	4	2256%
Operating Expenses	**3,662**	**3,759**	**-3%**
EBITDA	**2**	**-321**	**N/A**
EBITDA margin	0.0%	-9.3%	9.4 pp
Depreciation and amortisation	297	278	7%
Goodwill	0	0	N/A
Operating income (EBIT)	**(295)**	**(599)**	**51%**

Media Capital Outdoor (MCO)'s **advertising revenues** were up 4% YoY. MCO's positive performance was backed by higher revenues in both the public transport concessions (subway/train Mupis and Buses) and in the billboard network. The trend from a faint Outdoor advertising performance in 2005 is expected to be reverted in 2006, on the back of stabler prices, the improvement in MCO's bus networks and increased offer in MCO TV.

Despite expectations of entering a positive trend, MCO intends to keep focused on cost control namely through the optimization of the present network, and through selective additional capex investments. **Operating costs** were down 3% mainly due to lower local taxes, following the optimisation of the billboard network that occurred in late December of 2005.

Consolidated EBITDA in MCO was near break even in Q1 06 improving €0.3 million YoY, backed by both the improvement in revenues and the cost management effort that the company is undergoing, while **Consolidated EBIT** also improved by nearly the same amount.

5. Others

(€ thousands)	Q1 06	Q1 05	Var %
Operating revenue	**6,826**	**8,353**	**-18%**
Advertising	1,322	1,207	10%
Subscriptions and newsstand	1,821	2,381	-24%
Other revenues	3,682	4,764	-23%
Operating Expenses	**8,489**	**9,101**	**-7%**
EBITDA	**(1,663)**	**(749)**	**-122%**
Depreciation and amortisation	558	605	-8%
Goodwill	0	0	N/A
Operating income (EBIT)	**(2,221)**	**(1,354)**	**-64%**

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

Advertising revenues were up 10% in Q1 06 mainly due to gains in the Group's magazine operations, with the new title *Grazia, Lux* and *Casas de Portugal* magazines compensating the decreases in performance of *Lux Woman*, *Maxmen* and *Briefing*.

In a quarter were there was a general drop in newspapers and **magazine audiences**, both compared to Q1 05 and Q4 05, the group's main press titles achieved mixed performances. When compared to the previous quarter:

- *Lux* gained 0.3 pp to 3.3% (with 4.1% in Q1 05) and remains ranked 3rd in its segment,
- *Lux Woman* recovered some ground from the previous quarter to 2.6% (with 2.9% in Q1 05) and is ranked a close 3rd in its segment,
- *Maxmen* despite maintaining a comfortable lead in its segment dropped 0.4 pp to 3.9% (with 4.8% in Q1 05),

The new magazine title *Grazia* reached 0.7% in its first appearance in the audience tables and *Metro*, the group's joint venture with Metro International, led the free dailies steady at 4.9%.

Subscriptions and newsstand revenues dropped by 24% YoY, with the launch of new titles *Grazia* and *Auto Comércio* (2nd hand vehicle ads) not being enough to compensate for the drop of circulation in *Lux* (11%), in *Lux Woman* (12%) and in *Maxmen* (22%) and the impact of the closedown of *Revista Choque* late in 2005.

Other revenues were down 23% mainly due to the **continued decrease in active users and minutes of usage in the Internet Service Provider** business, as well as due to a reduction in the sales of add-ons in *Lux* magazine. To compensate for the decrease in the ISP revenues, the Group launched IOL Talki, a VoIP service in July 2005 and will increase its focus in 2006 towards the development of contents and in increasing the number of visitors (unique users) and traffic (page views) in its online media and directory services (auto and real state ads). This renewed focus in online content started with the new, improved design of IOL portal and main sites done in last March that already reflected in record high page views and unique users both for the total IOL network and for its main brands: "IOL.pt" (homepage), "Maisfutebol" (sport), "Portugal Diário" (news), "Agência Financeira" (finance), etc.

Operating Costs were down 7% in Q1 2006 due to the reduction in the Internet business variable costs (€0.4 million), as well as in marketing costs and costs related to add-ons sales and with magazine events.

EBITDA decreased to a negative €1.7 million with the **EBIT** of the segment down to a negative €2.2 million over the same period.

6. Cash movements

(€ thousand)	Q1 06	Q1 05	Var %
Operating activities			
Receipts	65,246	58,472	12%
Payments	(59,712)	(55,224)	8%
Cash flows op. activities (1)	**5,534**	**3,248**	**70%**
Investing activities			
Receipts	6	2	312%
Payments	(3,139)	(5,166)	-39%
Cash flows inv. activities (2)	**(3,132)**	**(5,165)**	**39%**
Financing activities			
Receipts	2,563	2,535	1%
Payments	(5,413)	(2,869)	89%
Cash flows fin. activities (3)	**(2,849)**	**(334)**	**-754%**
Variation of cash (4) = (1) + (2) + (3)	(448)	(2,251)	
Cash at the begining of the period	3,608	5,329	
Cash at the end of the period	**3,160**	**3,078**	

Cash flow from operating activities rose 70% YoY to €5.5 million in Q1 2006. The 12% increase in operating receipts was a combined result of a growth of 7% in operational revenues, with increased collections from the previous year result of the increase in operational activity in the end of 2005 when compared to the end of 2004. Operational payments were up 8% 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 came down to €3.1 million in Q1 2006, with the cash outflows including €1.0 million in payments of previous financial investments (radio expansion, TCS and other acquisitions) and €2.0 million of tangible capex (including payments from 2005 year end purchases).

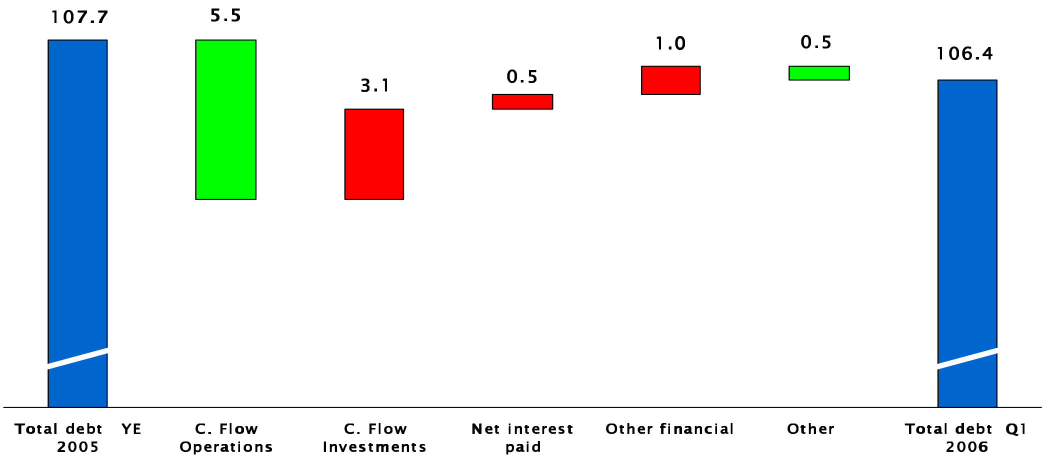
Cash flow from financing activities in Q1 2006 resulted mainly from €1.4 million of debt decrease, €0.5 million of interest paid, and other payments related to financial charges of €1.0 million (including interest rate swaps and banking fees and commissions).

7. Debt

(€ thousands)	Mar-06	Dec-05	Change	Var %
Total Group debt	**106,354**	**107,760**	**(1,406)**	**-1%**
Senior facility	100,585	98,019	2,566	3%
Other debt	5,769	9,741	(3,972)	-41%

Media Capital debt was down by €1.4 million in Q1 06 using the cash flow generated in the business during the period. Net debt was €103.2 million at the end of Q1 2006, which compares to €104.2 million at the end of 2005.

Change in Total Debt (€ mn)



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2006 AND 31 MARCH 2005

(Amounts stated in Euro thousand)

	March 2006	March 2005
Advertising revenue	39,301	35,982
Subscriptions and newsstand revenue	1,821	2,381
Other operating revenue	10,409	9,928
Total operating revenue	51,531	48,291
Cost of goods sold	9,031	8,466
Subcontracts and third party supplies	20,422	20,286
Payroll expenses	11,916	11,558
Depreciation	2,855	2,828
Provisions	148	84
Other operating expenses	746	779
	45,118	44,001
Net operating profit (loss)	6,413	4,290
Financial expenses, net	1,367	2,686
Profit (loss) before income tax	5,046	1,604
Income tax expenses	1,966	759
Profit (loss) for the period	3,080	845
Attributable to:		
Equity holders of the Company	3,092	1,322
Minority interest	(12)	(477)
	3,080	845

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2006
AND 31 DECEMBER 2005

(Amounts stated in Euro thousand)

	March 2006	December 2005
ASSETS		
Non-Current Assets:		
Goodwill	174,373	174,373
Intangible assets	12,502	12,930
Tangible assets	33,438	34,726
Investments in associates	563	575
Transmission rights and TV programs	49,346	47,719
Other non-current assets	2,919	2,545
Deferred income tax assets	11,645	13,691
	284,786	286,559
Current Assets:		
Inventories	1,841	1,990
Trade and other account receivable	39,887	42,241
Other current assets	16,043	14,213
Cash and cash equivalents	3,160	3,608
Derivative financial instruments	2,267	1,786
	63,198	63,838
Total Assets	347,984	350,397
EQUITY, MINORITY INTEREST AND LIABILITIES		
EQUITY:		
Share Capital	7,606	7,606
Share premium	81,709	82,035
Reserves	10,727	10,603
Retained earnings	28,593	15,254
Profit for the period	3,092	13,013
Equity attributable to equity holders	131,727	128,511
Equity attributable to minority interest	2,843	2,858
Total Equity	134,570	131,369
LIABILITIES:		
Non-Current Liabilities:		
Borrowings	86,635	83,890
Provisions for other risks and charges	5,988	7,019
Other non-current liabilities	4,210	6,390
Derivative financial instruments	751	1,102
Deferred income tax liabilities	1,197	1,277
	98,781	99,678
Current Liabilities:		
Borrowings	18,129	21,885
Trade and other payables	72,469	68,112
Other current liabilities	24,035	29,353
	114,633	119,350
Total Liabilities	213,414	219,028
Total Equity and Liabilities	347,984	350,397

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2006 AND 31 MARCH 2005

(Amounts stated in Euro thousand)

	March 2006	March 2005
Collections from clients	65,246	58,472
Payments to suppliers	(33,431)	(32,898)
Payments to employees	(12,804)	(10,698)
Cash flow from operations	19,011	14,876
Other payments relating to operating activities, net	(13,476)	(11,629)
Cash flow before extraordinary items	5,535	3,247
Cash flows from operating activities (1)	5,535	3,247
INVESTING ACTIVITIES:		
Receipts resulting from:		
Fixed assets	6	1
Payments resulting from:		
Financial investments	(1,005)	(1,949)
Fixed assets	(2,048)	(2,573)
Intangible assets	-	(494)
Loans to affiliated companies	(85)	(150)
	(3,138)	(5,166)
Cash flows from investing activities (2)	(3,132)	(5,165)
FINANCING ACTIVITIES:		
Receipts resulting from:		
Loans obtained	2,500	2,500
Interest and similar income	63	35
	2,563	2,535
Payments resulting from:		
Loans repaid	(3,881)	(886)
Interest and related expenses	(547)	(726)
Dividends	-	-
Other financial expenses	(986)	(1,256)
	(5,414)	(2,868)
Cash flows from financing activities (3)	(2,851)	(333)
Variation of cash and equivalents (4) = (1) + (2) + (3)	(448)	(2,251)
Cash and equivalents at the begining of the year	3,608	5,329
Cash and equivalents at the end of the year	3,160	3,078