

A large, light grey watermark of a stylized letter 'P' is centered on the page, spanning across the blue banner and the white background.

First Quarter 2016 Results

Grupo Media Capital, SGPS, S.A.



- TVI – 12th consecutive year as #1 channel in audiences
- #1 as group of channels
- TVI24 – #1 Portuguese news channel in prime time
- TVI Reality in the Top 10 of the pay-tv most watched channels
- TVI Ficção now present in a new platform in Andorra



- “A Única Mulher” and “Santa Bárbara” lead in their respective time slots, while reaching record audience figures
- New series “Massa Fresca” begins recordings
- Rendering of technical services outside Portugal



- MCR – improvement in audience share
- The show “Parabéns in the Night” was sold-out in every venue and a further show will take place in Olympia (Paris)
- Launching of Estúdio 24, a music project between TVI24 and Radio Comercial



- Launching of the apps and site “EU VI”
- New partnership with the digital magazine NiT (New in Town)
- Relevant increase in pageviews and videos

Prizes and awards:

- Prizes “Arco-íris”, attributed by ILGA Portugal to Fátima Lopes and Susana Bento Ramos
- Prizes “Personalidade Feminina LUX”: attributed to Lurdes Baeta (news), Ana Sofia (drama), Cristina Ferreira (entertainment), Alexandra Lencastre (theatre)
- Prizes “Personalidade Masculina LUX”: Pedro Pinto (news) and Manuel Luís Goucha (entertainment)
- TVI24 and Rádio Comercial both nominated for the prizes Marketeer, in the categories of TV-Media and Media, respectively.

FIRST QUARTER 2016 RESULTS

Media Capital's EBITDA increased by 4% to € 5.7 million

- In the first three months of 2016, Media Capital's EBITDA improved its EBITDA by 4% YoY, reaching € 5.7 million, with operating revenues rising 3%, the same as operating expenses.
- In what regards advertising, in Q1 there was a YoY improvement of 9%.
- **TVI** kept the leadership in TV audiences, with an average share of 22.6% and 26.2% in all day and prime time respectively. The positive gap over the second most watched channel was 4.6pp in all day and 3.6pp in prime time. TVI leadership was also maintained when analysing groups of channels, with 26.3% in all day and 29.5% in prime time, i.e. respectively 4.4pp and 3.8pp above the second most watched group of channels.
- On financial grounds, the **TV** segment posted an EBITDA of € 5.2 million, comparing against € 4.6 million obtained in the comparable period of 2015.
- In turn, the **Audiovisual Production** segment had an EBITDA of € 0.3 million.
- The EBITDA of the **Radio** segment was € 0.9 million, corresponding to a margin of 22.1% and improving 61% YoY. Media Capital's aggregate group of radios had an audience share of 33.4%, 1.6pp better than the previous reading. Rádio Comercial had an audience share of 22.9%, improving 0.8pp vs the latest data of 2015.

Queluz de Baixo, 29th of April 2016



1. Consolidated P&L

| € thousand | Q1 2016 | Q1 2015 | % Var |
|---|---------------|---------------|--------------|
| Total operating revenue | 39,042 | 37,935 | 3% |
| Television | 32,439 | 31,279 | 4% |
| Audiovisual Production | 11,003 | 9,918 | 11% |
| Radio | 3,882 | 3,384 | 15% |
| Others | 4,015 | 4,129 | -3% |
| Consolidation Adjustments | (12,297) | (10,775) | -14% |
| Total operating expenses ex-D&A | 33,311 | 32,416 | 3% |
| EBITDA | 5,731 | 5,519 | 4% |
| EBITDA Margin | 14.7% | 14.5% | 0.1pp |
| Television | 5,215 | 4,583 | 14% |
| Audiovisual Production | 303 | 705 | -57% |
| Radio | 857 | 531 | 61% |
| Others | (539) | (144) | -274% |
| Consolidation Adjustments | (105) | (156) | 33% |
| Depreciation and amortisation | 1,982 | 1,719 | 15% |
| Operating income (EBIT) | 3,748 | 3,800 | -1% |
| Financing Results | (1,542) | (1,125) | -37% |
| Profit / (Loss) before inc. tax/ no contrl. Int. | 2,206 | 2,675 | -18% |
| Income Taxes | (350) | (397) | 12% |
| Profit / (Loss) from continued operations | 1,856 | 2,278 | -18% |
| Net profit / (loss) for the period | 1,856 | 2,278 | -18% |

In the first quarter of 2016, **operating revenues** were up 3%, reaching € 39.0 million. **Opex** was up 3% as well, from € 32.4 million to € 33.3 million.

Consolidated EBITDA improved 4% from € 5.5 million to € 5.7 million.

EBIT stood 1% below last year's comparable figure, mostly due to higher depreciations in the Audiovisual Production segment.

Net income was € 1.9 million, falling 18% (€ -0.4 million), chiefly as a result of the financial results line, of which we highlight the positive impact registered in 1Q15 regarding FX differences.



| € thousand | Q1 2016 | Q1 2015 | % Var |
|--------------------------|---------------|---------------|-----------|
| Operating revenue | 39,042 | 37,935 | 3% |
| Advertising | 25,774 | 23,729 | 9% |
| Other revenues | 13,268 | 14,206 | -7% |

In the first quarter of 2016, **advertising** revenues grew by 9% (+8% in TV, +13% in Radio and +1% in the Others segment, which includes Music and Events, the holding and shared services.

Other operating revenues, which comprise mainly the audiovisual production, multimedia and retransmission revenues, decreased by 7%, due to lower activity in the multimedia business.

2. Television


tvi24


INTERNACIONAL

tvficção
tváfrica
tvireality
+tvi
tvirect

| € thousand | Q1 2016 | Q1 2015 | Var % |
|---------------------------------------|---------------|---------------|------------|
| Operating revenue | 32,439 | 31,279 | 4% |
| Advertising | 21,390 | 19,774 | 8% |
| Other revenues | 11,049 | 11,505 | -4% |
| Operating Expenses, ex D&A | 27,224 | 26,696 | 2% |
| EBITDA | 5,215 | 4,583 | 14% |
| EBITDA margin | 16.1% | 14.7% | 1.4pp |
| Depreciation and amortisation | 662 | 697 | -5% |
| Operating income (EBIT) | 4,553 | 3,886 | 17% |

Considering the aggregate groups of channels of each operator, TVI (comprising TVI, TVI24, TVI Ficção and TVI Reality) achieved a share 26.3% in all day and 29.5% in prime time (20h-24h). The leadership was also maintained in the main commercial target - Adults.

| All Day (%) | UNIVERSE | ADULTS |
|------------------|-------------|-------------|
| TVI Group | 26.3 | 27.2 |
| SIC Group | 21.9 | 22.5 |
| RTP Group | 16.9 | 17.6 |

| Prime Time (%) | UNIVERSE | ADULTS |
|------------------|-------------|-------------|
| TVI Group | 29.5 | 30.0 |
| SIC Group | 25.7 | 26.4 |
| RTP Group | 15.7 | 16.3 |



In terms of individual channels, TVI's generalist channel confirmed yet again its #1 position, with a share of 22.6% in all day, thus 4.6pp above its closest competitor, and 8.7pp above the third most watched channel.

In 2016, TVI also ranks in the first place in the main commercial target – Adults – where it registers a share of 23.3%, i.e. 4.7pp and 8.6pp above the second and third players respectively.

In prime time, TVI also beat the competition, with a share of 26.2%, meaning 3.6pp above the number

two channel (12.9pp advantage over the third one). A similar situation was achieved in the Adults target, with TVI capturing a 26.6% share, while the second and third most watched channels had 23.2% and 14.0% respectively.

During this period, TVI based its programming on local drama, entertainment, news and sports.

FINANCIAL PERFORMANCE

In what regards financial performance, **operating revenues** in the TV segment rose 4% YoY in the quarter.

Advertising revenues improved by 8%, due to the good performance in audiences, leading to an estimated outperformance vs the market in FTA (which is estimated to have remained broadly flat YoY, excluding the effect of elections).

Other revenues, which encompass, among other, retransmission fees and multimedia services, were down 4%, mainly due to lower revenues in multimedia and sale of contents, as these were not completely offset by the positive impact of the new deals signed up with the MEO pay-tv platform. The new contracts with MEO involve the generalist channel, TVI24 as well as the maintenance of TVI Ficção as an exclusive channel.

Opex was up 2% YoY, thus below the increase in operating revenues. Hence, EBITDA in the quarter was € 5.2 million (+14% YoY), with a margin of 16.1%.



3. Audiovisual Production

| € thousand | Q1 2016 | Q1 2015 | Var % |
|---------------------------------------|---------------|--------------|-------------|
| Operating revenue | 11,003 | 9,918 | 11% |
| Advertising | 0 | 0 | 0% |
| Other revenues | 11,003 | 9,918 | 11% |
| Operating Expenses, ex D&A | 10,700 | 9,213 | 16% |
| EBITDA | 303 | 705 | -57% |
| EBITDA margin | 2.8% | 7.1% | -4.4pp |
| Depreciation and amortisation | 759 | 569 | 33% |
| Operating income (EBIT) | (456) | 135 | N/A |

The Audiovisual Production segment had total **operating revenues** of € 11.0 million in the quarter (+11%).

In Portugal, operating revenues were up 15% YoY, benefiting from the production of contents, which offset a slight decrease in rendering of technical services.

As for the activity in Spain, there was a decrease in activity, mostly due to the delay in a production.

Opex was up 16%, as a result of higher activity in Portugal.

EBITDA reached a positive figure of € 0.3 million, down 57% YoY, due to the lower activity in Spain.

4. Radio

| € thousand | Q1 2016 | Q1 2015 | Var % |
|---------------------------------------|--------------|--------------|-------------|
| Operating revenue | 3,882 | 3,384 | 15% |
| Advertising | 3,652 | 3,233 | 13% |
| Other revenues | 230 | 152 | 51% |
| Operating Expenses, ex D&A | 3,025 | 2,853 | 6% |
| EBITDA | 857 | 531 | 61% |
| EBITDA margin | 22.1% | 15.7% | 6.4pp |
| Depreciation and amortisation | 460 | 385 | 19% |
| Operating income (EBIT) | 397 | 145 | 173% |

The audience data continues to underline the outstanding performance of the formats explored by MCR.

In the first audience measurement available for 2016, **MCR's aggregate figures show a share of 33.4%** (1.6pp above the comparable reading obtained in 2015). It is worth highlighting **Rádio Comercial's** share of **22.9%**, 0.8pp above the previous reading.

In turn, **m80** – the 70's, 80's e 90's hits radio – had a share of 6.1% (+0.3pp above the comparable period and the previous reading). It is

the most listened to radio station among the ones that have no nationwide network.

As for the other formats, **Cidade** had a share of 3.0%, 0.2pp above the previous reading.

Advertising revenues were up 13% YoY, while **other operating revenues** increased 51% YoY, reaching € 0.2 million (mostly due to events).

Opex was 6% over the comparable period, growing considerably below operating revenues.

EBITDA reached € 0.9 million (+61% YoY), with a relevant increase in the margin.

5. Others

| € thousand | Q1 2016 | Q1 2015 | Var % |
|---------------------------------------|--------------|--------------|--------------|
| Operating revenue | 4,015 | 4,129 | -3% |
| Advertising | 753 | 745 | 1% |
| Other revenues | 3,262 | 3,384 | -4% |
| Operating Expenses, ex D&A | 4,554 | 4,273 | 7% |
| EBITDA | (539) | (144) | -274% |
| EBITDA margin | -13.4% | -3.5% | -9.9pp |
| Depreciation and amortisation | 102 | 68 | 51% |
| Operating income (EBIT) | (641) | (212) | -203% |

This segment includes the following areas: Digital, Music & Events, as well as the holding and shared services.

Despite the strong competitive environment, MCD managed to continue to improve the quality and audiences of its network of sites, with positive impact on several KPI's. In fact, in 1Q16,

pageviews increased 20% while video impressions improved by 33%.

Advertising revenues were up 1% YoY, whereas **other revenues** were down 4% YoY.

The **EBITDA** of the segment was a negative € 0.5 million, which compares with € -0.1 in Q1 2015.

6. Cash Flow

| € thousand | Q1 2016 | Q1 2015 | Var % |
|---|----------------|----------------|-------------|
| Receipts | 53,676 | 52,896 | 1% |
| Payments | (51,465) | (47,731) | -8% |
| Cash flows op. activities (1) | 2,212 | 5,164 | -57% |
| Receipts | 704 | 389 | 81% |
| Payments | (1,508) | (3,393) | 56% |
| Cash flows inv. activities (2) | (804) | (3,004) | 73% |
| Receipts | 21,776 | 44,804 | -51% |
| Payments | (26,942) | (47,417) | 43% |
| Cash flows fin. activities (3) | (5,166) | (2,613) | -98% |
| Cash at the beginning of the period | 5,545 | 2,996 | 85% |
| Variation of cash (4) = (1) + (2) + (3) | (3,758) | (453) | -730% |
| Effect of FX variations | (1) | 3 | N/A |
| Cash at the end of the period | 1,787 | 2,546 | -30% |

Cash flow from operating activities was € 2.2 million, comparing with € 5.2 million in the same period last year. This resulted chiefly from the increase in the activity of audiovisual production (with a time effect on cash flow). As a reminder, please note that, due to the typical seasonality of the businesses where the Group operates, the first quarter of each year is usually not a good proxy for the whole year.

Cash flow from investing activities was € -0.8 million, while last year it was € -3.0 million. The cash flow related with tangible and intangible assets stood at € -1.5 million, thus better than the € -3.4 million observed in the comparable period of 2015. This resulted from lower capex.

Cash flow from financing activities reached € -5.2 million, reflecting the movements of both

operating and investing activities, as well as the change in cash and equivalents.



7. Net Debt

| € thousands | Mar 16 | Dec 15 | Abs Var | % Var |
|---------------------------------------|----------------|----------------|----------------|-------------|
| Group financial debt | 113,706 | 117,768 | (4,063) | -3% |
| Bank loans / Commercial paper / Bonds | 113,234 | 117,160 | (3,926) | -3% |
| Other debt | 472 | 609 | (137) | -23% |
| Cash & equivalents | 1,787 | 5,545 | (3,759) | -68% |
| Net debt | 111,919 | 112,223 | (304) | 0% |

Net debt decreased € 0.3 million when compared against December 2015, ending up at € 111.9 million by the end of March.

Thus Media Capital maintains a comfortable capital structure.

It is worth mentioning that leasings, in a global amount of € 0.5 million, are included in the figure above.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2016 AND 31 DECEMBER 2015

(Amounts stated in Euro thousand)

| <u>ASSETS</u> | <u>31.03.2016</u> | <u>31.12.2015</u> |
|--|-----------------------|-----------------------|
| NON-CURRENT ASSETS: | | |
| Goodwill | 152,847 | 153,178 |
| Intangible assets | 14,439 | 15,167 |
| Tangible fixed assets | 14,487 | 15,476 |
| Investments in associates | 1,590 | 1,596 |
| Assets held for sale | 5 | 5 |
| Transmission rights and TV programs | 56,385 | 53,891 |
| Other non-current assets | 3,162 | 3,229 |
| Deferred income tax assets | 2,843 | 2,832 |
| | <u>245,758</u> | <u>245,375</u> |
| CURRENT ASSETS: | | |
| Transmission rights and TV programs | 28,805 | 29,099 |
| Inventories | 9 | 13 |
| Trade and other account receivable | 40,188 | 39,791 |
| Current tax assets | 444 | 129 |
| Other current assets | 8,626 | 8,048 |
| Cash and cash equivalents | 1,787 | 5,545 |
| | <u>79,858</u> | <u>82,626</u> |
| TOTAL ASSETS | <u>325,616</u> | <u>328,001</u> |
| <u>EQUITY AND LIABILITIES</u> | | |
| EQUITY: | | |
| Share capital | 89,584 | 89,584 |
| Reserves | 46,521 | 29,150 |
| Profit for the period | 1,856 | 17,300 |
| Equity attributable to controlling interests | <u>137,961</u> | <u>136,034</u> |
| Total Equity | <u>137,961</u> | <u>136,034</u> |
| LIABILITIES: | | |
| NON-CURRENT LIABILITIES: | | |
| Borrowings | 104,950 | 112,197 |
| Provisions | 7,366 | 7,108 |
| Deferred income tax liabilities | 1,277 | 1,294 |
| | <u>113,593</u> | <u>120,598</u> |
| CURRENT LIABILITIES: | | |
| Borrowings | 8,756 | 5,572 |
| Trade and other payables | 37,460 | 38,746 |
| Current tax liabilities | 30 | 30 |
| Other current liabilities | 27,816 | 27,020 |
| | <u>74,062</u> | <u>71,368</u> |
| Total liabilities | <u>187,655</u> | <u>191,967</u> |
| TOTAL EQUITY AND LIABILITIES | <u>325,616</u> | <u>328,001</u> |

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016 AND 2015
(Amounts stated in Euro thousand)

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--|-------------------|-------------------|
| <u>OPERATING REVENUES:</u> | | |
| Services rendered | 27,930 | 26,292 |
| Sales | 39 | 46 |
| Other operating revenue | <u>11,073</u> | <u>11,598</u> |
| Total operating revenue | <u>39,042</u> | <u>37,935</u> |
| <u>OPERATING EXPENSES:</u> | | |
| Cost of programs broadcasted and goods sold | (2,312) | (4,496) |
| Subcontrats and third party supplies | (18,728) | (17,240) |
| Payroll expenses | (11,612) | (10,809) |
| Depreciation and amortization | (1,982) | (1,719) |
| Provisions and impairment losses | (287) | 497 |
| Other operating expenses | <u>(371)</u> | <u>(367)</u> |
| Total operating expenses | <u>(35,293)</u> | <u>(34,135)</u> |
| Net operating profit | <u>3,748</u> | <u>3,800</u> |
| <u>FINANCIAL EXPENSES:</u> | | |
| Financial expense | (1,247) | (1,535) |
| Financial income | <u>0</u> | <u>421</u> |
| Finance costs, net | (1,247) | (1,113) |
| Gains (losses) on associated companies, net | <u>(295)</u> | <u>(12)</u> |
| Profit before tax | <u>2,206</u> | <u>2,675</u> |
| Income tax expense | (350) | (397) |
| Consolidated net profit for continued operations | <u>1,856</u> | <u>2,278</u> |
| Attributable to: | | |
| Equity holders of the parent | 1,856 | 2,278 |
| Earnings per share (Euros) | | |
| Basic | 0.0220 | 0.0270 |
| Diluted | <u>0.0220</u> | <u>0.0270</u> |

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016 AND 2015

(Amounts stated in Euro thousand)

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|---|-------------------|-------------------|
| <u>OPERATING ACTIVITIES:</u> | | |
| Cash receipts from customers | 53,676 | 52,896 |
| Cash paid to suppliers | (30,196) | (28,238) |
| Cash paid to employees | (10,870) | (10,595) |
| Cash generated from operations | <u>12,610</u> | <u>14,063</u> |
| Cash received/(paid) relating to income tax | (27) | (32) |
| Other cash received/(paid) relating to operating activities | (10,372) | (8,867) |
| Net cash from operating activities (1) | <u>2,212</u> | <u>5,164</u> |
| <u>INVESTING ACTIVITIES:</u> | | |
| Cash received relating to: | | |
| The sale of subsidiaries | - | 52 |
| Disposal of fixed tangible and intangible assets | 704 | 3 |
| Disposal of assets held for sale | - | 9 |
| Dividends | - | 35 |
| Interest and similar income | 0 | 42 |
| Loans granted | - | 248 |
| | <u>704</u> | <u>389</u> |
| Payments resulting from: | | |
| Acquisition of tangible assets | (1,234) | (3,351) |
| Acquisition of intangible assets | (274) | (23) |
| Loans granted | - | (19) |
| | <u>(1,508)</u> | <u>(3,393)</u> |
| Net cash from /(used in) investing activities (2) | <u>(804)</u> | <u>(3,004)</u> |
| <u>FINANCING ACTIVITIES:</u> | | |
| Cash received relating to: | | |
| Borrowings | <u>21,776</u> | <u>44,804</u> |
| Cash paid relating to: | | |
| Borrowings | (24,963) | (29,120) |
| Leases | (196) | (331) |
| Interest and other similar expenses | (1,739) | (1,995) |
| Dividends | - | (15,821) |
| Other financial expenses | (45) | (150) |
| | <u>(26,942)</u> | <u>(47,417)</u> |
| Net cash from/(used in) financing activities (3) | <u>(5,166)</u> | <u>(2,613)</u> |
| Cash and equivalents at the beginning of the period | 5,545 | 2,996 |
| Net increase in cash and cash equivalents (4) = (1) + (2) + (3) | (3,758) | (453) |
| Exchange rate effect | (1) | 3 |
| Cash and equivalents at the end of the period | 1,787 | 2,546 |