






First nine months results of 2012

Grupo Media Capital, SGPS, S.A.

	<ul style="list-style-type: none"> • 7 consecutive years of leadership; • New channel Secret Story in TVI Direct (MEO); • Premiere of Secret Story 3, with great success on both TV and internet (540.000 active users on Facebook); • TVI Internacional increases its presence in Europe, reaching a total coverage of 375,000 homes; • TVI presents new thematic channels: TVI Ficção and +TVI; • Undisputed leadership among online TV channels, with 340,000,000 accumulated page views until September (market share of 47%) and TOP5 in the visits ranking (more than 10,000,000 in September alone).
	<ul style="list-style-type: none"> • Strong audience, with exclusive contents such as "Governo Sombra" and "Resumos da Champions"; • First-league commentators in key programs: "Olhos nos Olhos", "Política Mesmo", "Prova dos Nove", "Mais futebol", "Prolongamento" and "25ª hora".
	<ul style="list-style-type: none"> • "Morangos com Açúcar - O Filme" – best-ever première of a Portuguese movie and second Portuguese movie since 2004 in terms of box office; • Soap "Remédio Santo" nominated for an International Emmy as "best novela" (nomination occurred in October); • Internationalisation of the technical services business.
	<ul style="list-style-type: none"> • Rádio Comercial - the most listened to radio in Portugal for the first time ever (status reinforced in Q3) • Rádio Comercial also leader on social media (over 580,000 fans on Facebook); • m80 – #1 radio among radios without national network; • MCR radios associated with the most important music events in Portugal.
	<ul style="list-style-type: none"> • Grupo Media Capital with a record 5.9 million unique browsers in 2012 (+12% vs 2011); • Innovation continues in the Digital arena, with the launch of: IOL Push, MaisFotos, Futebol Brasil, AB Motor, IOL Descontos, "Ao Vivo" in real time and Social Reader; • Development of several apps, with 650,000 downloads; • Videos available in more platforms/partners: Microsoft and Público.
	<ul style="list-style-type: none"> • National Surf Championship – Liga Meo Pro Surf; • Meo Spot Summer Sessions – Major Summer event in Algarve.
	<ul style="list-style-type: none"> • Awards Meios & Publicidade – winner in the following categories: <ul style="list-style-type: none"> ○ TV production company – Plural; ○ Radio - Rádio Comercial; ○ Media Personality – TVI's News Director - José Alberto Carvalho.

GRUPO MEDIA CAPITAL SGPS, SA

Sociedade Aberta

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Capital Social: 89.583.970,80 euros

FIRST NINE MONTHS 2012 RESULTS

Media Capital's EBITDA increased by 45% in Q3 when compared with Q3 2011

- EBITDA margin reached 17.9% in the first nine months of the year, representing a 1.6pp improvement, as a result of a marked decrease in operating costs.
- The opex reduction observed in the quarter (-23% YoY) surpassed, by a great lead, the fall in operating revenues (-16%), resulting in a 45% rise in EBITDA towards € 7.1 million, with a margin of 17.1%.
- According to Marktest/Kantar Media, **TVI** continues to lead TV audiences in all-day and in the most important time slots. Worth highlighting is the fact that TVI is the only generalist channel that improves its position vs. the same period of last year, with 3.7% more in audience share. In 9M12, the TV segment obtained an EBITDA margin of 20.2%, corresponding to an absolute figure of € 20.4 million. In Q3, EBITDA improved by 71% (with a margin of 24.3%). TVI continued to bet in more and better contents, having launched Secret Story 3 in TVI Direct, while announcing the launch of TVI Ficção and of +TVI. Both interactivity and multimedia continue to be priorities in TVI.
- Also, the **Audivisual Production** segment registered an EBITDA margin of 7.4% in the first nine months, thus improving on a YoY basis. The technical services business gained international dimension, having now important clients in Spain and France. "Morangos com Açúcar – o Filme", was the best-ever premiere of a Portuguese movie and second Portuguese movie since 2004 in terms of box office.
- In **Radio**, after reaching, in Q2 and for the first time ever, the #1 position, in Q3 Rádio Comercial further reinforced its lead, with an audience of 15.2%, i.e. almost 1.3 million listeners, up 39% YoY. At the same time, m80 remains the #1 radio station among those without a nationwide coverage. The aggregate of the group's radio stations reached yet again the highest audience figure ever (22%), whereas MCR continued to gain market share in the advertising market.
- In the **Digital** area, 2012 has been particularly fertile in innovations. We highlight, among other (i) the rebranding (from MCM to MCD); (ii) the partnership with MSN – availability of both TVI and TVI24's videos in MSN's portal; (iii) partnership with the newspaper Público; (iv) the renewal of IOL portal; (v) IOL Push – a new service with the most important news of the day; (vi) MaisFotos; (vii) AB Motor and (viii) Descontos IOL (collective purchases). MCD has been reinforcing its offer throughout a multitude of platforms and devices.

Queluz de Baixo, 26 October 2012



1. Consolidated P&L

€ thousand	9M 2012	9M 2011	% Var	Q3 2012	Q3 2011	% Var
Total operating revenue	132,134	167,275	-21%	41,216	49,268	-16%
Television	101,075	109,946	-8%	31,827	32,331	-2%
Audiovisual Production	40,097	61,863	-35%	11,226	19,815	-43%
Radio	9,943	10,953	-9%	2,985	3,449	-13%
Entertainment	3,965	10,195	-61%	1,700	2,892	-41%
Digital & Others	11,591	12,727	-9%	3,731	4,159	-10%
Cons. Adjustments	(34,537)	(38,409)	10%	(10,253)	(13,378)	23%
Total operating expenses ex-D&A	108,488	140,044	-23%	34,147	44,389	-23%
EBITDA	23,646	27,231	-13%	7,068	4,879	45%
EBITDA Margin	17.9%	16.3%	1.6pp	17.1%	9.9%	7.2pp
Television	20,390	22,955	-11%	7,731	4,521	71%
Audiovisual Production	2,983	4,356	-32%	(69)	879	N/A
Radio	1,347	1,691	-20%	181	257	-30%
Entertainment	96	(570)	N/A	(107)	(345)	69%
Digital & Others	(302)	(162)	-86%	(85)	32	N/A
Cons. Adjustments	(867)	(1,039)	16%	(583)	(464)	N/A
Depreciation and amortisation	8,593	8,790	-2%	2,909	3,032	-4%
Operating income (EBIT)	15,053	18,441	-18%	4,160	1,847	125%
Financial results	(6,931)	(4,450)	-56%	(2,314)	(2,394)	3%
Profit / (Loss) before inc. tax/ no contrl. Int.	8,122	13,991	-42%	1,846	(546)	N/A
Income tax	(2,668)	(4,223)	37%	(444)	84	N/A
Profit / (Loss) from continued operations	5,454	9,768	-44%	1,401	(463)	N/A
No Controlling interests	0	(642)	100%	0	(170)	100%
Net profit / (loss) for the period	5,454	9,125	-40%	1,401	(633)	N/A

In the first nine months of 2012 (9M12), Media Capital reports **consolidated operating revenues** of € 132.1 million. In Q3, the figure was € 41.2 million.

Consolidated EBITDA decreased by 13% to € 23.6 million, although the margin improved by 1.6pp towards 17.9%, due to a strong reduction in opex. In Q3, EBITDA was of € 7.1 millions, 45% above the comparable period,

with the margin improving from 9.9% to 17.1%.

Operating income (EBIT) reached € 15.1 millions from January to September (€ 4.2 millions in Q3), whereas **net profit** stood at € 5.4 millions (€ 9.1 millions in 9M11), penalized by higher interest costs. Notwithstanding, in the third quarter net profit was € 1.4 millions, i.e. € 2 millions above the comparable period of last year.



€ thousand	9M 2012	9M 2011	% Var	Q3 2012	Q3 2011	% Var
Operating revenue	132,134	167,275	-21%	41,216	49,268	-16%
Advertising	80,455	99,703	-19%	22,857	29,033	-21%
Other revenues	51,679	67,572	-24%	18,359	20,235	-9%

Concerning operating revenues, **advertising** was down 19% (-21% YoY in the quarter), mostly due to the performance of the TV segment (-23% YoY in Q3). In Radio, the YoY variation was milder (-6% in 9M12 and -14% in

Q3), whereas in Digital and Others it stood 12% below last year's (-16% YoY in Q3).

A far as the **advertising market** is concerned, it is estimated that the accumulated YoY drop in 9M'12 was 18%.

Consolidated **other revenues** were down 24% YoY (-9% YoY in Q3), with the impact coming mostly from the de Audiovisual Production and Entertainment segments.

In what regards **consolidated operating costs**, these came out 23% lower than those observed in 9M11 (similar percentage on a quarterly basis), as a result of (i) lower revenues in Audiovisual Production and Entertainment and (ii) the important efficiency gains achieved all across the organisation.

In 9M12, **net financial results** went from € -4.5 millions to € -6.9 millions. Two exogenous factors contributed to such situation. On one hand, and clearly the most important one, the

increase in the funding cost, via the increase in spreads, a tendency that basically is universal in the financial markets. On the other hand, was the negative impact that stems from the collar on the interest rates that the group is exposed to, as the indexant (Euribor) remains substantially below the established floor. In the quarter, the value went from € -2.4 millions to € -2.3 millions, with the higher interest burden being offset by the lower cost associated with the derivative instrument referred above.

Consolidated Net Profit reached € 4.5 millions, which compares to € 9.1 millions in 9M11, as a consequence of the operating and financial performance. In the quarter, net profit was € 1.4 millions, vs. € -0.6 millions in Q3'11, thus improving by € 2 millions.

Television

€ thousand	9M 2012	9M 2011	Var %	Q3 2012	Q3 2011	Var %
Operating revenue	101,075	109,946	-8%	31,827	32,331	-2%
Advertising	69,165	88,283	-22%	19,591	25,363	-23%
Other revenues	31,910	21,663	47%	12,236	6,968	76%
Operating Expenses, ex D&A	80,685	86,991	-7%	24,096	27,810	-13%
EBITDA	20,390	22,955	-11%	7,731	4,521	71%
EBITDA margin	20.2%	20.9%	-0.7pp	24.3%	14.0%	10.3pp
Depreciation and amortisation	4,156	4,530	-8%	1,330	1,529	-13%
Operating income (EBIT)	16,234	18,425	-12%	6,401	2,992	114%

The Television segment includes TVI as well as Publipartner, the Group's marketing management company created to develop advertising related revenue.

In the first nine months of 2012, TVI has once again led FTA audience shares in Portugal, leading in all day with a share of 26.6%, according to Marktest Audimetria / Kantar

Media, clearly ahead of the second and third positions which registered shares of 21.6% and 18.8% respectively. All together, cable channels obtained a share of 29.3%.

Furthermore, TVI is the only generalist channel improving its position on a YoY basis, with a 3.7% increase.

First Nine Months of 2012	All-Day (%)	Prime-Time (%)
RTP1	18,8	17,4
RTP2	3,7	3,3
SIC	21,6	23,8
TVI	26,6	30,3
Cable/Other	29,3	25,2

Source: Marktest / Kantar Media, generalist and thematic channels



TVI also lead audiences in prime time, with 30.3% share, 6.5 pp above the second position, which registered 23.8% share. TVI also grows in this indicator, when comparing to the first nine months 2011.

It is worth highlighting that TVI is the only FTA Portuguese TV Channel with an average of over 1 million daily viewers in prime time.

Television consumption in all day was in line with the previous year, whilst in prime time this value is up by 1.7%.

During 2012, total audience for TVI was, in terms of daily average, of 4.8 million and of 3.3 million in prime time. Sunday was the best day of the week.

In the period under analysis, TVI maintained its core offer, strongly sustained in national drama, news, entertainment and sports (*Champions*, Euro and the Portuguese League).

At night, TVI continued to offer **national drama**. The novela **"Doce Tentação"**, premiered in January, obtained an audience of 1.1 million viewers, corresponding to 32.4% share (34.8% in housewives).

Also during the first half of the year, TVI premiered **"Louco Amor"** which, until September 30 reached an audience of 1.2 million viewers (33.9% share, 36.3% in Housewives).

Ending in September 15, **"Remédio Santo"** registered a daily average of 936 thousand viewers, corresponding to 32.1% share.

The youth series **"Morangos com Açúcar"**, aired in pre prime time, came to an end after nine years, registering a significant 40.6% audience share in its target (4 to 24 years). The last season registered 41.7% share in the abovementioned target.

In News, TVI once again lead audiences with **"Jornal da Uma"** and **"Jornal da Noite"** which registered, respectively, 28.7% (590 thousand average daily viewers) and 26.8% shares (947 thousand daily viewers).

CHANNEL	NEWS PROG.	# SPECTATORS	SHARE %
TVI	JORNAL DAS 8	947.550	26,8
SIC	JORNAL DA NOITE	887.600	25,2
RTP1	TELEJORNAL	868.310	25,5
TVI	JORNAL DA UMA	590.800	28,7
RTP 1	JORNAL DA TARDE	565.330	27,1
SIC	PRIMEIRO JORNAL	511.930	25,6

Source: *Markttest Audimetria/Kantar Media, generalist and thematic channels*

Exhibited on Mondays, the 28 emissions of **"Repórter TVI"** during 2012 obtained a share of 30.5%, corresponding to 1.2 million viewers.

In **Sports**, the 17 matches of the Portuguese Football League obtained an average of 1.425 million viewers (40.2% in share). Also important was the **EURO 2012** with TVI broadcasting 6 matches that achieved an average share of 44.3% (53% in Male target) corresponding to 1.4 million viewers.

The matches of the **"Champions League"**, broadcasted in exclusive in FTA in Portugal by TVI, obtained average shares of 37.8% in August and of 47% in September (1.7 million viewers).

In **Entertainment**, the big blockbuster was **"A Tua Cara Não me é Estranha"**. Aired on Sunday evenings, the three seasons all obtained leading shares of 51.5%, 50.5% and 46.4% (from the first to the 3rd season), clearly outpacing the competition.

Still on Sunday evenings, in September, TVI premiered **"Secret Story 3"**, a successful entertainment format which registered an average of 1.3 million viewers and 44.7% on the first 3 emissions.

Another winning format in this genre was **"Somos Portugal"**. Aired live on weekend afternoons, achieved an average share of 28.8% (728 thousand viewers) along the first nine months of 2012.

On weekday mornings, **"Você na TV"** continued to win by a comfortable margin, posting a share of 33.1% (36.5 Housewives), corresponding to an audience of 338 thousand viewers.

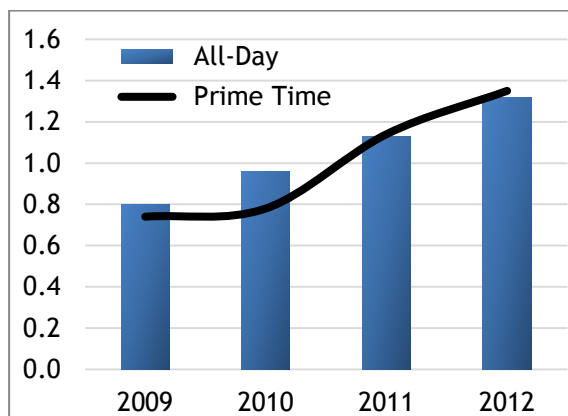
As for weekday afternoons, **"A Tarde é Sua"** was also leader in its timeslot, with 21.1% share, corresponding to 252 thousand viewers.



The first nine months of 2012 were quite important for the evolution of TVI24, the Group's channel specialised in news and present in all pay-tv platforms.

Its all-day audience share in the period was 1.3%, the same as in the period between 19.00 and 25.00. Average daily contact was 12.7 thousand viewers per minute, with a total daily audience (with no duplications) of 908 thousand individuals.

Such values reflect a growing pattern since the launch of the channel, which took place in February 2009. This can be depicted in the following graph:



Source: Marktest Audimetria/Kantar Media, channels distributed through cable and IPTV. Values in %.

When analysing the consumption of the three Portuguese news channels, TVI24 stands out, as its market share reaches 21% in all day and 22.4% between 19.00 and 25.00.

It should be highlighted the channels's performance in September, as it reached its best share ever: 1.4% and a total daily audience over 1 million viewers.

In the digital arena, the value proposal by TVI24 also had positive developments, by assuming itself as the country's main multimedia screen. On top of having the site tvi24.pt registering record audience figures, its video contents and apps for several platforms and devices also posted unmatched record figures.

TVI INTERNACIONAL

Launched in May 2010, TVI Internacional offers a wide variety of TVI and TVI24 best programming in Portuguese. Available in Africa until the end of 2011 (Angola and Mozambique), in 2012 it extended its reach to Europe, namely Andorra, Luxembourg, France and Switzerland.

SECRET STORY 3

In order to maximize its contents exposure, TVI launched "Secret Sorty 3" in TVI Direct, an interactive channel that transmits all that happens in Casa dos Segredos 24hrs/day and offers exclusive contents related to the program. This channel is a result of a partnership with MEO.

Premiered on September 16, SS3 on TVI Direct obtained a daily share of 1.6%, corresponding to an average of 17 thousand viewers and total contact of 500 thousand individuals (data refers only to pay-tv channels) only in one distributor.

NEW CHANNELS

Following the Group's strategy in both creating and exploring quality contents, along with the market's appetite to consume these types of formats and the multiplicity of devices and platforms available, TVI decided to reinforce its offer.

It is in this context that the pay-tv channel **TVI Ficção** was launched (on October 15), resulting from a partnership between TVI and MEO.

TVI Ficção combines the best of national drama (produced by Plural) with the new interactive tools available in MEO, in order to increase interaction with the audience and offering exclusive contents to MEO subscribers, such as anticipated visioning of episodes, possibility to choose the end of a novela that is being transmitted in TVI, bios, exclusive interviews, talk shows or backstage videos.

TVI also partnered with ZON to launch (date to announced until the end of 2012) **+TVI**, that will be available in exclusive through this platform. +TVI is based on innovative formats and interactive contents such as talk shows, reality shows, doc realities, national drama, international series and leisure, among others.

FINAL NOTE ON AUDIENCES

In line with what it has been communicating to the market, TVI bases this report on the information provided by Marktest/Kantar Media.

Nevertheless, on behalf of transparency and information consistency, the makro indicators resulting from audience measurements by "Gfk Services SA" (provided by CAEM – Comissão de Análise e Estudo de Meios) are presented bellow. Some of the methodologic assumptions used by GFK/CAEM are questionable and are currently being analysed by the different operators in the Portuguese television and advertising market. GFK/CAEM's data is only available as of March 1st 2012.

According to GFK/CAEM TVI is as well audience leader in Portuguese television, with an audience share of 23.8% in all day and 28% in prime time, as it can depicted in the following chart:

MAR-SEP 2012	All-Day (%)	Prime-Time (%)
RTP1	14,1	13,1
RTP2	3,6	3,2
SIC	21,4	24,7
TVI	23,8	28,0
Cable (Matched)	25,5	21,2
Outros	11,7	9,8

Source: CAEM/Gfk Services - generalist and thematic channels

As for TVI24, and also according to GFK/CAEM, it obtains an audience share of 1.14% in all day and of 1.18% in prime time (19-25h). Considering news channels alone, TVI24 registers, respectively in all day and prime time, audience shares of 24% and 26.5%.

FINANCIAL PERFORMANCE

In what regards **financial performance**, and in spite of the difficult economic environment, operating revenues in the TV segment fell only by 8% (-2% YoY in Q3'12).

Advertising revenues were down 22% (-20% excluding elections in 9M11). Media Capital estimates the FTA advertising market to have fallen by 20% in the same period. In the quarter, the segment's advertising revenues fell by 23%, which compares with an estimated variation of -22% for the FTA market.

Other operating revenues were up 47%. We highlight the performance achieved by multimedia services, as well as the booking of the capital gain resulting from the sale of RETI, which materialised in the second quarter. From July to September, this stream of revenues expanded by 76% if compared with last year's.

In the first nine months, **operating costs** fell by 7% YoY, driven by a strict sense of cost control. Always keeping in mind the need to have the best contents, TVI cut down its programming costs, especially in what regards international programming (series and, above all, motion pictures), as well as national contents (drama and entertainment) and news, notwithstanding the adverse effects concerning FX differences and the impact of the EURO 2012. In the quarter, opex was down 13% YoY.

It is worth mentioning that a significant portion of TVI's programming costs – national drama – derives from in-house Group productions (Plural), therefore retaining the respective added value.

The combined evolution of revenues and costs resulted in an EBITDA of € 20.4 million, which compares with € 23.0 milions in 2011, with the margin going from 20.9% to 20.2%. In the quarter, EBITDA was € 7.7 million (+71%), with the margin improving 10pp to 24.3%.



2. Audiovisual Production

€ thousand	9M 2012	9M 2011	Var %	Q3 2012	Q3 2011	Var %
Operating revenue	40,097	61,863	-35%	11,226	19,815	-43%
Advertising	0	0	0%	0	0	0%
Other revenues	40,097	61,863	-35%	11,226	19,815	-43%
Operating Expenses, ex D&A	37,114	57,507	-35%	11,295	18,936	-40%
EBITDA	2,983	4,356	-32%	(69)	879	N/A
EBITDA margin	7.4%	7.0%	0.4pp	-0.6%	4.4%	-5.0pp
Depreciation and amortisation	2,799	2,319	21%	1,027	866	19%
Operating income (EBIT)	184	2,037	-91%	(1,096)	13	N/A

Variations observed in this segment are the result not only of the ordinary activity of its companies but also of the change observed in the segments' consolidation perimeter.

As of January 1st 2012, the stake in Factoría went from 51% to 15%, resulting in the deconsolidation of both Factoría and its participated company CHIP. They are now considered associated companies. Also recall that Socater and Productora Canaria de Programas (owned 40% each) which are, from the end of 2011 and resulting from the agreements reached with the remaining shareholders of both companies, out of Grupo Media Capital's consolidated accounts.

The Audiovisual production segment reached total operating revenues of € 40.1 million, decreasing by 35% (-22% if adjusted for changes in the consolidation perimeter). In the quarter, the decrease of revenues was 43%.

In Portugal, and analysing the first nine months of 2012, operating revenues decreased by 5%, due to lower TV production revenues. This occurred despite the important improvement of production services and technical support activities, which continued to gain track on

international grounds. In Q3'12, the YoY top line variation of the overall activity in Portugal was also negative.

One important fact to highlight in Portugal is the movie "Morangos com Açúcar – o Filme", which was (and still continues to be) a success, being the Portuguese movie with the best première ever.

In what regards Spain, operating revenues were also down. Apart from the aforementioned deconsolidation impact, there was a reduction of the production volume to local clients, also associated to the absence, in 2012, of revenues with the cinema activity (in 2011 subsidies were booked). In Q3'12, the evolution followed the same trend.

As a consequence of the consolidation changes as well as the reduction in activity, **EBITDA** fell by 32% to € 3.0 million, albeit there was a 0.4pp margin improvement towards 7.4%. The activity in Portugal drove such performance, thus compensating the cinema subsidies issue mentioned above and lower production activity in Spain. The same arguments underline the quarterly evolution.



3. Radio

€ thousand	9M 2012	9M 2011	Var %	Q3 2012	Q3 2011	Var %
Operating revenue	9,943	10,953	-9%	2,985	3,449	-13%
Advertising	9,343	9,919	-6%	2,767	3,232	-14%
Other revenues	599	1,033	-42%	218	217	1%
Operating Expenses, ex D&A	8,596	9,262	-7%	2,805	3,192	-12%
EBITDA	1,347	1,691	-20%	181	257	-30%
EBITDA margin	13.5%	15.4%	-1.9pp	6.1%	7.4%	-1.4pp
Depreciation and amortisation	1,216	1,448	-16%	411	480	-14%
Operating income (EBIT)	131	243	-46%	(230)	(224)	-3%

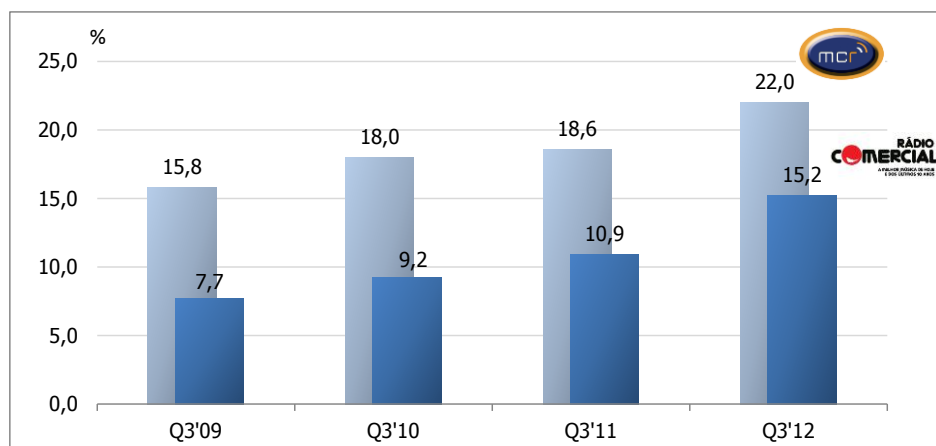
The data on radio audiences, measured through Bareme, kept showing an outstanding performance for MCR's radio formats.

The formats explored by MCR had an **aggregate audience share of 33.3%** in Q3'12 (28.2% in Q2'12). In terms of **audience reach** (AAV), a more interesting metric as it reflects radio consumption, the data was equally encouraging (22% vs. 18.6% in Q3'12), mainly due to the performance of Rádio Comercial. In an unprecedented growth of audience, and just after reaching for the first time ever the #1 audience ranking in the second quarter, Rádio Comercial further reinforced its leadership in the third quarter, with an AAV of 15.2%. This represented an increase of 39% in its audience in only one year, having now close to 1.3 million listeners. Also, audience gains are especially relevant in the most critical commercial targets.

In turn, m80 kept its excellent evolution, having posted an average AAV until September of 4.4%, its highest ever for the nine months of a year, standing 0.1pp above the comparable period of last year. m80 trend stands out considering that, among the four most listened to radio stations in Portugal, it is the only one that does not have a nationwide coverage.

MCR's radios partnered with the main musical events throughout the country, associating their brands to the concerts of well-known artists such as Simple Minds, Michel Teló, James Morrison, Virgem Suta, Mónica Ferraz, Coldplay, Madonna, Sting or Stacey Kent and the shows Spirit of the Dance, EDP Cool Jazz, as well as with the main music festivals during summer.

Audience Reach (%)



Source: Marktest. Note: The quarterly evolution for the aggregate of MC Radios is not fully comparable, given the changes made in the radio formats. Q3'12 data includes Rádio Comercial, "m80", "Cidade FM" and "Smooth FM".

MCR's **advertising revenues** were down 6% on a YoY comparison (-14% YoY in Q3'12). MCR once again improved its market share

among advertisers, as the radio advertising market should have fallen by approximately 9% in 9M12.

Other operating revenues fell by 42% (+1% YoY in Q3'12), mostly as a result of non-recurring revenues registered in 9M11 and, to a less extent, to lower revenues from content licensing. In the quarter, the YoY variation was not meaningful, although a positive one.

Total **operating costs** decreased by 7% in 9M12, due to a constant optimisation of MCR's

cost structure. In Q3'12, the YoY decrease was even higher (-12%).

As a consequence, **EBITDA** for this segment was € 1.2 million (-19%), with a margin of 16.8%. In Q3'12, EBITDA was € 0.2 million, impacted by the negative trend of the advertising market.



4. Entertainment



€ thousand	9M 2012	9M 2011	Var %	Q3 2012	Q3 2011	Var %
Operating revenue	3,965	10,195	-61%	1,700	2,892	-41%
Music & Events	3,397	3,130	9%	1,690	1,573	7%
Cinema & Video	568	7,065	-92%	10	1,319	-99%
Operating Expenses, ex D&A	3,869	10,765	-64%	1,807	3,238	-44%
EBITDA	96	(570)	N/A	(107)	(345)	69%
EBITDA margin	2.4%	-5.6%	8.0pp	-6.3%	-11.9%	5.6pp
Depreciation and amortisation	64	95	-32%	21	31	-32%
Operating income (EBIT)	32	(665)	N/A	(128)	(377)	66%

The entertainment segment 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 – Multimédia.

Operating revenues were down by 61%, with the Music & Events activity up 9% (+7% in Q3'12), whereas Cinema & Video was down more significantly (-92% and -99% in the quarter). Regarding the latter, its activity was discontinued and therefore commercial actions were taken in order to maximize the return on the existing rights.

In the **Music & Events** business, given the structural fall in the physical market (no final data available, but estimated at a relevant two digit fall), CDs net sales were down by 14% (-39% in Q3'12). As regards other revenues,

and referring to the first nine months of the year, it is worth highlighting the increase in revenues from the events activity (namely the National Surf Championship – Liga Meo Pro Surf, Meo Spot Summer Sessions, and m80's party celebrating its fifth year of existence).

On aggregate, the remaining revenues (which include publishing, new media and other rights) stood below last year's figure.

The segment's **opex** was strongly down (-64%), mostly due to the reduction in top line. In the quarter, the YoY variation was -44%.

EBITDA was thus positive (€ 0.1 million), comparing with the € -0.6 million obtained in 9M11. In Q3'12, EBITDA reached € -0.1 million (-0.3 million in Q3'11).

5. Digital and Others



€ thousand	9M 2012	9M 2011	Var %	Q3 2012	Q3 2011	Var %
Operating revenue	11,591	12,727	-9%	3,731	4,159	-10%
Advertising	2,203	2,491	-12%	654	782	-16%
Other revenues	9,389	10,236	-8%	3,077	3,377	-9%
Operating Expenses, ex D&A	11,894	12,889	-8%	3,816	4,128	-8%
EBITDA	(302)	(162)	-86%	(85)	32	N/A
EBITDA margin	-2.6%	-1.3%	-1.3pp	-2.3%	0.8%	-3.0pp
Depreciation and amortisation	357	399	-10%	119	125	-5%
Operating income (EBIT)	(659)	(561)	-18%	(205)	(94)	-118%

Digital operations, shared services and the holding are included in this segment.

During Q2'12 MCD underwent a rebranding (to MCD), which aimed at reflecting and reinforcing its mission and positioning as the Group's digital transformation agent.

In spite of the increasingly competitive environment in the Portuguese Digital market (which stems from the presence of leading multinational players and from a growing penetration of social media), MCD increased the quality of the audiences observed in its network of sites. In this sense, it achieved significant growth in key performance indicators, such as pageviews and unique browsers.

MCD made great efforts to innovate and improve its digital contents, already available in multiple platforms (Apple, Nokia, Android and Samsung) and devices (smartphones, tablets and smart tvs), having already developed 20 apps to several of the Group's brands, that registered more than 650.000 downloads.

Some of the key projects during 9M12 were:

- Partnership with Microsoft, to make TVI and TVI24's main video contents (in entertainment, news and sports) available in MSN portal, which is already a success;
- Renewal of IOL - new features, new design, new image and more content;
- IOL Push – service that provides the best news selection of the day and aims at being a reference in digital news in Portugal;
- MaisFotos – website exclusively dedicated to sports photography worldwide;
- Renewal of AB Motor – new design and new features for this auto, motor and boat buying and selling website;

- Partnership with the newspaper Público - TVI and TVI24's videos are now available at Público.pt;
- Ao Vivo – along with the start of the new football season, Maisfutebol launches this new service, based on real-time technology;
- New apps for smart TV;
- Descontos IOL – new area, comprising group purchases, with discounts that can go up to 90%, in a partnership with Planeo;
- Launch of a new widget which aggregates news and videos of particular subject – the first version was used with the Euro2012 event.

In the period under analysis, MCD opted for a new approach and new solutions for the commercialization of its sites and contents:

- TV/Site/Facebook – Full integration between TV, sites and facebook;
- Intro – advertising format of great impact which appears before the homepage of the various sites;
- Vídeo in background – placing a video running in the background of the sites.

Advertising revenues of the segment decreased by 12% (-16% YoY in Q3'12). The growth registered in several of the projects (namely the sites TVI, Planeo and MaisFutebol), was not enough to offset the absence of the revenue stream with MySpace partnership, which ended last year, exactly in the third quarter.

The 8% reduction in **other operating revenues** in 9M'12 (-9% in Q3) is justified by the intra-group variations vs the the comparable periods. This same argument justifies the fall in **operating costs**.

EBITDA was negative by € 0.3 million, comparing with -0.2 million in 9M11. In the

quarterly evolution, the value stood at € -85 thousand (vs. € 32 thousand in Q3'11).

6. Consolidation Adjustments

€ thousand	9M 2012	9M 2011	Var %	Q3 2012	Q3 2011	Var %
Operating revenue	(34,537)	(38,409)	10%	(10,253)	(13,378)	23%
Advertising	(256)	(990)	74%	(155)	(344)	55%
Other revenues	(34,281)	(37,419)	8%	(10,098)	(13,035)	23%
Operating Expenses, ex D&A	(33,669)	(37,370)	10%	(9,671)	(12,915)	25%
EBITDA	(867)	(1,039)	N/A	(583)	(464)	-26%
EBITDA margin	2.5%	2.7%	-0.2pp	5.7%	3.5%	2.2pp
Depreciation and amortisation	0	0	0%	0	0	0%
Operating income (EBIT)	(867)	(1,039)	N/A	(583)	(464)	-26%

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.

7. Cash Flow

€ thousand	9M 2012	9M 2011	Var %	Q3 2012	Q3 2011	Var %
Receipts	156,488	204,211	-23%	50,861	65,525	-22%
Payments	(155,598)	(204,849)	24%	(46,246)	(67,985)	32%
Cash flows op. activities (1)	890	-638	N/A	4,615	-2,460	N/A
Receipts	2,525	1,971	28%	259	399	-35%
Payments	(5,197)	(9,521)	45%	(1,194)	(1,068)	-12%
Cash flows inv. activities (2)	-2,672	-7,549	65%	-935	-669	-40%
Receipts	155,233	182,869	-15%	45,118	52,985	-15%
Payments	(163,090)	(189,859)	14%	(49,568)	(54,730)	9%
Cash flows fin. activities (3)	-7,857	-6,990	-12%	-4,450	-1,745	-155%
Cash at the beginning of the period	11,813	23,579	-50%	2,957	13,273	-78%
Variation of cash (4) = (1) + (2) + (3)	(9,639)	(15,178)	36%	(770)	(4,873)	84%
Effect of FX variations	5	1	342%	(8)	3	N/A
Cash at the end of the period	2,178	8,402	-74%	2,178	8,402	-74%

The cash flow from operating activities reached € 890 thousand, which compares with € -638 thousand in 2011. Hence, this variation is a positive one, albeit the reduction of revenues in both TV and Audiovisual Production, as well as a non-recurrent payment of € 3.9 million, regarding a litigation process dating from 2003, related to transmitter of the analogue broadcasting network (RETI).

It is worth mentioning that the seasonality of the Group's business and the characteristics of

the commercial policies have stronger and more favourable impact in cash flow in the last quarter of the year.

Cash flow from investing activities went from € -7.5 millions to € -2.7 millions. The cash outflow related with tangible and intangible was € -1.9 millions, which compares with € -4.5 millions in 9M11, thus demonstrating the Group's effort in maximizing cash flow, in this case through a strong capex contention.

Cash flow from financing activities came out at € -7.9 millions, resulting directly from the operational and investing activities,

financial costs, as well as the dividend distribution during this period, amounting to € 5.8 million.



8. Financial Net Debt

€ thousands	Sep 12	Dec 11	Abs Var	% Var
Group financial debt	116,343	117,744	(1,401)	-1%
Bank loans / Commercial paper	112,593	113,924	(1,331)	-1%
Other debt	3,750	3,820	(70)	-2%
Cash & equivalents	2,178	11,813	(9,634)	-82%
Net debt	114,165	105,932	8,234	8%

At the end of September, Media Capital saw its **gross financial debt** reduced by 1% vs. the end of last year.

As regards **total net financial debt**, it increased by 8% (+€ 8.2 million) when compared with the end of December 2011, reaching € 114.2 million on 30 September. It is worth mentioning that the financial debt figure

includes the fair value of the derivatives, as well as leasings, in a global amount of € 3.8 million at the end of the period under analysis. Financial debt **adjusted for the loans** to Promotora de Informaciones, S.A. **reached € 101.4 million** at the end of the period, comparing with € 89.3 million at the end of 2011, thus putting Media Capital in a comfortable capital structure.